Memorandum

and

Articles of Association

of

HCL TECHNOLOGIES LIMITED

HCL

COMPANY No.55-46369

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME

In the office of the Registrar of the Companies , NCT of Delhi & Haryana
[under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s HCL CONSULTING LIMITED

I hereby certify that **HCL CONSULTING LIMITED**

which was originally incorporated on Twelth November of one thousand nine hundred and ninety one under the Companies Act, 1956 (Act 1 of 1956) under the name

HCL OVERSEAS LIMITED

having duly passed the necessary resolution in terms of Section 21 of the Companies Act. 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 read with Government of India. Department of Company Affairs, Notificatiion No. C.S.R. 507(E) dated 24-06-1985 by Registrar of Companies, NCT of Delhi & Haryana. New Delhi vide letter No. ROC/21/46369/637/ dated 06/10/1999 the name of the said company in this day changed to

HCL TECHNOLOGIES LIMITED

and this certificate is issued pursuant to Section 23(I) of the siad Act.

Given under my hand at New Delhi this Sixth October of Nineteen Hundered Ninety Nine.

(Rakesh Chandra)
REGISTRAR OF COMPANIES,
N.C.T OF DELHI AND HARYANA

FRESH CERTIFICATE OF INCORPORATION

CONSEQUENT ON CHANGE OF NAME

Company No...55-46369....

In the Office of the Registrar of Companies, NCT OF / Delhi & Haryana

(Under the Companies Act, 1956 (1 of 1956)

IN THE MATTER OF HCL OVERSEAS LIMITED

I hereby certify that HCL OVERSEAS LIMITED [illegible] which was originally incorporated on TWELFTH day of NOVEMBER one thousand nine hundred and ninty ONE under the [illegible] / Companies Act. 1956 (Act. 1 of 1956) Under the Name HEL OVERSEAS LIMITED [illegible], having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 read with Government of India, Department of Company Arrairs Notification No. G.S.R. 507 (E) dated 24.6.1985 by Registrar of Companies, Delhi & Haryana, New Delhi vide Letter No. 21/55-46369/471 dated 12.7.94 the name of the said Company is this day changed to HCL CONSULTING LIMITED [illegible] and this Certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at NEW DELHI This 14th day of JULY (One thousand nine hundred & ninty FOUR.

(P. SHEELA)

/ASSTT. REGISTRAR OF COMPANIES

NCT OF DELHI AND HARYANA

COMPANY No....55-46369

Certificate for Commencement of Business

व्यापार प्रारंभ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act. 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the...... ... HCL OVERSEAS LIMITED..................

....

मैं एतद द्वारा प्रमाणित करता हूँ कि ...एच पी एल ओवरसीज़ लिमिटेड...

....

which was incorporated under the Companies Act. 1956 on
जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक 21 कार्तिक, 1913

the .....TWELFTH............day of.........NOVEMBER.......... 19 91 ....

and which has field a duly verified declaration in the
और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत
prescribed from that the conditions of section
कर दिया है कि उस ने धारा १४९ (२) (क) से (ग)
149 (2) (a) to (c) of the said Act. have been complied with, is entitled
को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार प्रारंभ करने का
to commence business.
अधिकारी है।

Given under my hand at....................NEW DELHI..........................

मेरे हस्ताक्षर से आज दिनांक.........21 माघ, 1913..............................

this.......TENTH......................day of............FEBRUARY..............................

One thousand nine hunbred and.............. NINTY TWO.......-...............

को जारी किया गया।

(वी. एस. गलगली)
कम्पनी रजिस्ट्रार
दिल्ली एवं हरियाणा

(V.S. GALGALI)
Registrar of Companies
DELHI & HARYANA

कम्पनी रजिस्ट्रार दिल्ली एवं हरियाणा

प्ररूप एक

Form 1

निगमन का प्रमाण-पत्र

Certificate of Incorporation

सं० 55-46369 शक 19 13

No. 55-46369 of 19 91-92

मैं एतद् द्वारा प्रमाणित करता हूं कि आज एच सी एल ओवरसीज लिमिटेड।

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that H C L OVERSEAS LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

मेरे हस्ताक्षर से आज ता० 21 कार्तिक 1913 को दिया गया।

Given under my hand at NEW DELHI this TWELFTH

day of NOVEMBER One thousand nine hundred and NINETY ONE

V S Galgali

। वी. एस. गलगली ।

कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

(V.S.GALGALI)

Registrar of Companies

DELHI & HARYANA

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Delhi

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi, Delhi, INDIA, 110019

Corporate Identity Number : L74140DL1991PLC046369.

SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The share holders of M/s HCL TECHNOLOGIES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 04/12/2014 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Delhi this Sixteenth day of December Two Thousand Fourteen.

Signature valid

DEBASISH BANDOPADYAY
Registrar of Companies

Registrar of Companies
Delhi

Mailing Address as per record available in Registrar of Companies office:

HCL TECHNOLOGIES LIMITED
806, SIDDHARTH,, 96, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA

(THE COMPANIES ACT, 2013

AND

THE COMPANIES ACT, 1956)

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

HCL TECHNOLOGIES LIMITED

I. The name of the Company is HCL TECHNOLOGIES LIMITED.

II. The Registered Office of the Company will be situated in the State of Delhi.

III.* The Objects for which the Company is established are:

A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To develop, provide, undertake, design, import, export, distribute and deal in systems and application software for microprocessor based information systems, offshore software development projects, software project consultancy, development of computer languages and allied computer services and to own and/or operate data processing and service bureau centres in India and abroad and to perform all types of software-led IT Solutions, remote infrastructure management services, business process outsourcing including, but not limited to digital solutions, software as a service, cloud computing, engineering, research and development services, network and network security, data center management, client server services, IT enabled services, IT help desk services and any and all allied activities and/ or technological evolutions of any of the above.

2. To advise and render services like staff and management recruitment, training and placements, technical analysis of data, electronic data processing, preparation of project reports, surveys and analysis for implementation of project and their progress review, critical path analysis, organisation and methods studies and other economic, mathematical, statistical, scientific and modern management techniques and to establish and render any and all consultancy and other services of professional and technical nature and to undertake assignments, jobs and appointments.

3. To carry on in India or elsewhere all or any of the business or businesses of designers, assemblers and manufacturers of, dealers in, distributors, representatives, agents, hirers, and leasing and/or under hire purchase of all kinds of information technology assets, hardware, electronic and other devices, computers, accessories thereof and peripherals, any other articles, products, by-products, materials, appliances, apparatus and substitutes thereof.

B. THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A:

1. To enter into any contract, agreement, arrangement or other dealings in the nature of collaboration or otherwise including entering into partnership and/or filling in tenders for various contracts, which may seem profitable or beneficial to the Company.

2. To purchase or otherwise acquire, construct, erect, laydown, maintain, enlarge, alter, work and use all land and buildings, easements, gas, other works, machinery, plant, mills, stock, lamps, pipes, motors, fittings, meters, apparatus, materials and things as may be necessary, incidental or convenient, in connection with the business of the Company.

3. To purchase, take on lease or in exchange, hire, renew or otherwise acquire and hold any estates, or interests and to let, sub-let whole or in part, develop, manage and exploit any lands, buildings,

** Object clause altered vide special resolution passed through postal ballot on December 4, 2014.*

machinery, easements, rights, privileges, plant, stock-in-trade, business concerns, options, contracts, claims, choses-in-action, and any real and personal property of any kind, necessary or convenient for all or any business of the Company.

4. To apply for, aid in promoting and obtain any act of Parliament, charter, privilege, concession, license or authorisation of any Government or State or Municipality, provisional order or licence of any authority for enabling the Company to carry any of its objects into effect or for use thereof, which may seem capable of being used for or in connection with any of the purposes of the Company on payment of any fee, royalty or other consideration and to use, exercise or develop the same and manufacture under or grant licences in respect thereof or sell or otherwise deal with the same.

5. To procure the Company to be registered or recognised in any country or place in any part of the World.

6. To enter into partnership or any arrangement or agreement with any Governments or Authorities, supreme, municipal, local or otherwise or any person or company or any of them for sharing profits, union of interests, exchanging of shares, joint venture, reciprocal concession or co-operation and engage in any business or transactions which the company is authorised to carry on and to obtain from such government, authority person or company any rights, privileges, charters, contracts, licenses and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply there with.

7. To promote, form and register, and aid in the promotion, formation and registration of any company or companies, subsidiary or otherwise, for the purposes of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to transfer to any such company or any other company any property of the Company and to be interested in or take or otherwise acquire, hold, sell, or otherwise dispose of shares, stock, debentures and other securities in or of any such company or any other company for all or any of the objects mentioned in this memorandum, and to undertake other works, duties and business of any company on such terms as may be arranged for the purpose of the main objects of the Company.

8. Subject to the provisions of the Companies Act, 2013 and Companies Act, 1956 (to the extent applicable) (hereinafter, "Act"), to invest in, other than investment in Company's own shares, and deal with the moneys of the Company not immediately required in such manner as may from time to time be expedient or be determined.

9. Subject to the Act, to amalgamate with any other Company in any manner whatsoever (whether with or without liquidation of the Company) having objects altogether or in part similar to those of this company.

10. Subject to the provisions of the Act, to invest money with or without security and generally make advances of such sum or sums of money upon or in respect of or for the purchase of raw materials, goods, machinery, stores, or any other property, articles and things required for the purpose of the Company with or without security and upon such terms and subject to such conditions as the Company may deem expedient.

11. To purchase or otherwise acquire and undertake including or by merger, amalgamation or otherwise, the whole or any part of the business, property, rights, assets, liabilities and obligations of any person, firm or company carrying on any business which the Company is authorised to carry on or possessed of property or rights suitable for any of the purposes of the Company.

12. To lend money to such persons or companies in such manner and on such terms as may seem expedient and in particular to members of the staff, customers, and others having dealings with the Company and to guarantee performances of contracts by any such persons or companies, provided that the Company shall not carry on any business which may come within the purview of the Banking Regulation Act, 1949 or of the Insurance Act, 1938.

13. Subject to the Act, and the Rules made thereunder and the directions issued by the Reserve Bank of India, to borrow, or raise or secure the payment of money or to receive money on deposit at interest for

any of the purpose of the Company, and at such times and in the manner as may be thought fit and in particular by the issue of debentures, perpetual or otherwise, debentures convertible into shares of this or any other Company or perpetual annuities and as security for any such money so borrowed, raised or received or any of such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company, present or future, including its uncalled capital by assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem and pay off any such securities.

14. To mortgage, hypothecate, pledge all or any of the properties whether movable or immovable of any description and other valuable securities of the Company.

15. To draw, make, accept, endorse, discount, execute, issue, negotiate and/or assign cheques, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bills of lading, railway receipts, warranties and all other negotiable or transferable instruments.

16. To open an account or accounts with any individual, firm or company or with any bank or banks or bankers or shroffs and to pay into and to withdraw money from such account or accounts.

17. To pay for any property or rights acquired by or for any services rendered to the Company either in cash or fully or partly paid up shares, with or without preferred rights in respect of dividend or repayment of capital or otherwise by any securities which the Company has the power to issue or by the grant of any rights or options, or partly in one mode and partly in other, and on such terms as the Company may determine.

18. To pay, out of the Funds of the Company, all costs, charges and expenses of and incidental to the formation and registration of the Company, and any company promoted by the Company and any such other company and incidental to the negotiations between the promoters preliminary to the formation of the Company and other pre-incorporation or preliminary and other expenses and also all costs, charges, impositions and expenses of and incidental to the acquisition by the Company of any property or assets and incidental to the accomplishment of all or any formalities which the Company may think necessary or proper in connection with any of the aforesaid purposes.

19. To grant pensions, allowances, gratuities and bonuses to existing or former employees and officers (including Directors) of the Company or their dependents or connections and to make payments towards insurance for any such purpose/persons and to establish, join and support any trust funds or scheme (whether contributory or non-contributory) with a view to provide pensions or allowances for any such person or any other associations, institutions, trusts, funds, schemes, clubs and conveniences calculated to benefit any such person.

20. Subject to the Act, to make donations to such person or persons either in cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and to subscribe, contribute or otherwise assist or grant money for charitable, scientific, religious, benevolent, national, public or other institutions or objects or for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences for the benefit of the employees or of persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.

21. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building houses and/or contributing to the pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

22. To compensate for loss of office, any Managing Director or Directors or other officers of the Company within the limitations prescribed under the Companies Act, or other statute or rule having the force of law and to make payments to any person whose office, employment or duties may be determined by virtue of any transaction in which the Company is engaged.

23. Subject to the provisions of the Act, to create any reserve funds, sinking fund, insurance fund or any other special funds whether for depreciation, for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interest of the Company.

24. Subject to the provisions the Act, to distribute as dividend or bonus among the members or to place to reserve or otherwise to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company, any moneys otherwise available for distribution as dividend or bonus.

25. Subject to the provisions to the Act, to distribute among the members in specie, all or any property of the Company, or any proceeds of sale or disposal of any property of the Company, in the event of winding up of the Company but, so that no distribution amounting to reduction of capital be made except with the sanction, if any for the time being required by law.

26. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of this Company.

27. To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Company.

28. To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trusts in favour of the Company.

29. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the main objects or any of them in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

30. To undertake Corporate Social Responsibility ('CSR') activities in terms of the provisions of the Companies Act, 2013 and the Rules made thereunder or in such other manner as the Company deems fit .

IV. The liability of the members is limited.

V.# The Authorized Share Capital of the Company is ₹ 603,40,00,000 (Rupees Six Hundred Three Crores and Forty Lakhs only) divided into 301,70,00,000 (Three hundred One Crores and Seventy Lakhs) Equity Shares of Rs. 2 (Rupees Two) each.

 # The earlier Authorized Share Capital of the Company was ₹ 600,00,00,000 (Rupees Six Hundred Crores only) divided into 300,00,00,000 (Three hundred Crores) Equity Shares of ₹ 2 (Rupees Two) each. In terms of the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal ('NCLT'), New Delhi vide its Order dated December 12, 2019 along with its modification Order dated January 23, 2020, and by the NCLT Bengaluru vide its Order dated June 24, 2020, the authorized share capital of HCL Eagle Limited, HCL Comnet Limited, HCL Technologies Solutions Limited and Concept2Silicon Systems Private Limited ("Transferor companies") aggregating to ₹ 3,40,00,000 (Rupees Three Crores and Forty Lakhs only) has been combined with the Authorized Share Capital of the Company.

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set against our respective names:-

S.No.	Names, address, descriptions and occupation of subscriber	No. and class of shares taken by subscriber	Signature of subscriber	Name address & description of witness.
1.	Mr. Komandur Rangaswami Vasudevan, S/o Late Sh. K. Rangaswami E-6A, DDA MIG Flats, Mayapuri New Delhi -110 064 Service	One Equity Share	Sd/-	I witness the signature of all the subscribers Sd/- K.o. Siiddiqui S/o Mr. M.O Siddiqui 97A / J&K, Dilshad Garden, Delhi-110095 Company Secretary ACS 6116; Cp: 1284
2.	Mr. Pradeep Mull S/o Late Dr. S. Mull, C-43 Friends Colony New Delhi-110065 Service	One Equity Share	Sd/-	
3.	Mr. Prahlad Rai Bansal S/o Sh R.K. Bansal B-19/3, Shakti Nagar Delhi-110007 Service	One Equity Share	Sd/-	
4.	Mr. Subroto Bhattacharya S/o Late Sh H.C. Bhattacharya B-190, Sector-19 Noida-201301 Service	One Equity Share	Sd/-	
5.	Ms. Rita Singh W/o Ravi Singh 181, Aravali Appts Alaknanda New Delhi-110019 Service	One Equity Share	Sd/-	
6.	Mr. Srikant Shankar S/o Sh. V. Shankar C-205 Anand Vihar Delhi-110092 Service	One Equity Share	Sd/-	
7.	Mr. Anil Kumar Chanana S/o Sh. Hans Raj Chanana EC-200, Maya Enclave New Delhi-110064 Service	One Equity Share	Sd/-	
	Total No. of Shares taken	**7 (Seven)**		

Dated this 28th day of October, 1991 at New Delhi

(THE COMPANIES ACT, 2013
AND
THE COMPANIES ACT, 1956)
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION*
OF

HCL TECHNOLOGIES LIMITED

Interpretation

1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act (hereinafter defined) or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:

”Act” mean the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force and any previous company law, so far as may be applicable.

Words and expressions used in the Articles shall bear the same meaning as used in the Act or the Rules, as the case may.

”Articles” mean these Articles of Association as adopted or as from time to time altered by special resolution.

”Auditors” or “Auditor” mean the auditor or auditors of the Company appointed in pursuance of the provisions of Section 139 of the Act.

”Beneficial Owner” shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

“Board of Directors” or “Board” means the board of directors for the time being of the Company and includes a committee constituted by the board.

“Company” means “HCL TECHNOLOGIES LIMITED”.

“Depositories Act, 1996” shall mean the Depositories Act, 1996 and includes where the context so admits, any statutory modification or re-enactment thereof.

“Depository” shall mean a depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996.

“Directors” mean the directors for the time being of the Company.

”Dividend” includes interim dividend but excludes bonus Shares.

“Equity Listing Agreement” means the agreement entered into with the Exchange for listing of Equity Shares, and includes where the context so admits any amendment or modification thereof for the time being in force.

“Managing Director” means the Managing Director or the Deputy

Articles of Assocation altered vide special resolution passed through postal ballot on December 4, 2014.

Managing Director or the Joint Managing Director for the time being of the Company by whatever name called.

“Exchange” means the Stock Exchange or Exchanges where the shares of the Company are listed for the time being.

“Independent Director” means a person as defined in Section 149 of the Act and/or Clause 49 of the Listing Agreement entered into with the Exchange including any statutory modifications or re-enactments thereto.

“Key Managerial Personnel” means the persons as defined in section 2(51) of the Companies Act, 2013.

“Office” means the registered office for the time being of the Company.

“Register” means the Register of Members of the Company required to be kept under Section 88 of the Act.

“Rules” means the rules framed by the Ministry of Corporate Affairs (‘MCA’) under the Act, as amended from time to time.

”Member” or “Shareholder” means a Person :

a. whose name is entered in the Register of Members as holding any Share(s) either solely or jointly:

b. Subscriber to the Memorandum of the Company; and

c. Beneficial Owner(s)

”Memorandum” means the Memorandum of Association of the Company.

”Month” shall mean the English Calendar month.

“Seal” shall mean the Common Seal of the Company.

“Paid up” shall include credited as paid up.

”Share Capital” means the capital for the time being raised or authorised to be raised for the purposes of the Company.

”Shares” shall mean the shares into which the capital is divided and interests corresponding to such Share.

”Person” includes any corporation as well as individual.

”Proxy” includes attorney duly constituted under a power of attorney appointed in accordance with the provisions of the Act and the Rules.

”In Writing” and “Written” includes printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number also include the plural number and vice-versa

Table ‘F’ not to apply

2. The regulations contained in these Articles of Association shall overrule the regulations contained in Table “F” in the Schedule I to the Companies Act, 2013. The Articles of Association referred to in this paragraph shall be subject to any exercise of the statutory power of the Company in reference

to the repeal or alteration thereof, or addition to its regulations by special resolution, as prescribed by the Act, and the Articles of Association shall refer to the Articles as existing from time to time.

Company not to purchase its own Shares

3. Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of security, Shares in the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for Shares in the Company or any Company of which it may, for the time being, be a subsidiary.

The Articles shall not be deemed to effect the power of the Company to enforce repayment of loans to Members or to exercise a lien conferred by Article 31.

Purchase of own Shares

4. Subject to Sections 68 and 70 of the Act, the Company may purchase its own Shares or other specified securities out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force.

Registered Office

5. The Office shall be at such place as the Board of Directors shall determine subject to provisions of the Act.

SHARES

Share Capital

6. a) The Authorised Share Capital of the Company is as stated in Clause V of the Memorandum with the rights, privileges and conditions attached thereto as are provided by the Articles of Association for the time being. The Company shall have power to increase, reduce, consolidate, sub-divide or otherwise alter the Share Capital and to divide the Shares in the Share Capital for the time being into several classes and to attach thereof respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Act or provided by the Articles of Association of the Company for the time being.

Redeemable Preference Shares

b) Subject to the provisions of these Articles and of the Act, the Company shall have power to issue Preference Shares which may, at the option of the Company, be liable to be redeemed out of the profits or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption. The Board may, subject to the provisions of Section 55 of the Act and the Companies (Share Capital and Debenture) Rules, 2014, exercise such power in such manner as it may think fit.

c) In respect of terms of issue of Shares the provisions of Articles 53, 54, 55, 56 and 57 shall apply.

Dematerialisation of Shares

d) The Company shall be entitled to dematerialize all or any of its existing Shares, rematerialize all or any of its Shares held in the Depositories and / or to offer its fresh Shares or buyback its Shares in a dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.

Allotment of Shares

7. Subject to the provisions of these Articles, the Act and the Rules, the Shares shall be under the control of the Board, who may issue, allot or otherwise dispose off the same or any of them, on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit.

Power to issue Shares

8. The Company may, subject to the Act issue any part or parts of the unissued Shares (either equity or preference carrying a right to redemption out of the profits or liable to be so redeemed at the option of the Company) upon such terms and conditions and with such rights and privileges annexed thereto as the Board at their discretion may think fit and proper. Subject to the provisions of the Act and the Rules, in particular, the Board may issue such Shares with such preferential or qualifying rights to dividends and for the distribution of the assets of the Company as the Board may subject to the aforesaid sections, determine from time to time.

Commission and Brokerage

9. The Company may exercise the power of paying commission conferred by Section 40(6) of the Act and in such case shall comply with the requirements of that section and Rules. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares or debentures pay such brokerage as may be lawful.

Installment of Shares to be duly paid

10. If by the conditions of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the Share or by his executor or administrator.

Liability of joint holders of Shares

11. The joint-holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Share.

Trust not recognised

12. Subject to Section 89 of the Act, save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognise any equitable or any other claim to or interest in such Share on the part of any other person.

Who may be registered

13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint holders of any Share.

SHARE CERTIFICATES

Authority to issue Share Certificates

14. Subject to the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof, Share certificates shall be issued as follows:

    i) The certificates of title to Share and duplicate thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of:

a) two Directors duly authorized by the Board for the purpose or the Committee of the Board if so authorized by the Board, and

b) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such Share certificate provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole time Director.

c) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the director, or any body entrusted with the duty to take care of the same shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Members right to Certificate

ii) Every Member shall be entitled free of charge to one certificate for all the Shares of each class registered in his name, or, if the Board so approves to several certificates each for one or more of such Shares. Such certificate shall be issued in accordance with the provisions of the Act and Rules. In respect of any Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

Provided, however, no Share certificate(s) shall be issued for Shares held by the "Beneficial Owner(s)" with the depository.

Fees on issue of new Share certificate, registration of probates etc.

iii) No fee shall be charged for:

a) Sub-division and consolidation of Share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading.

b) Sub-division of renounceable Letters of Right.

c) Issue of new certificates in replacement of those which are old, decrepit or worn-out or where the cages on the reverse for recording transfers have been fully utilized.

d) Registration of any Power of Attorney, Probate, Letter of Administration or similar other documents.

CALLS

Calls

15. The Board may, from time to time, subject to the sanction of shareholders and subject to the terms on which any Shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

Restriction on power to make calls and notice	16.	Not less than thirty days notice of any call shall be given specifying the time and place of payment and to whom such call be paid.
Payment of interest on call	17.	i) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holder for the time being in respect of the Share for which the call shall have been made or the instalment shall be due, shall pay interest for the same at maximum rate, as prescribed in the Act or Rules or under any other law for the time being in force, from day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Board may determine. ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
Amount payable at fixed times or payable in installments on calls	18.	If by the terms of any Share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the amount of the Share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
Evidence in action by Company against shareholders	19.	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register as a holder, or one of the holders of the number of Shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment of calls in advance	20.	The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the money due upon the Share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so in respect thereof as from time to time exceeds the amount of the calls then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate as may be fixed by the Board. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such a Member not less than three month's notice in writing.
Revocation of call	21.	A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

If calls or installment not paid notice may be given	22.	If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time, thereafter during such time as the call or installment remains unpaid, serve notice on such Member requiring him to pay the same, together with

any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Date and place of payment of call

23. The notice shall name a day (not being less than thirty days from the date of notice) and the place or places on and at which such call or installment and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the Shares in respect of which such call was made or installment is payable will be liable to be forfeited.

If notice is not complied with, Share may be forfeited

24. If the requirements of any such notice as aforesaid not be complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect.

Notice after to forfeiture

25. When any Share shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by an omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited Share to become property of the Company

26. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re- allot or otherwise dispose of the same in such manner as it thinks fit.

Power to cancel

27. The Board may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed off, cancel the forfeiture thereof upon such conditions as it thinks fit.

Liability on forfeiture

28. A Person whose Share has been forfeited shall cease to be a Member in respect of the Share, but shall, notwithstanding the forfeiture, remain liable to pay, and shall forthwith pay to the Company, all calls or all installments, interest and expenses, owing upon or in respect of such Share, at the time of the forfeiture, together with interest thereon, from the due date to the time of actual payment at such rate as may be fixed by the Board and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under an obligation to do so.

Evidence of forfeiture

29. A duly verified declaration in writing that, the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board Resolution to act as declarant and that certain Shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares, and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof shall constitute a good title to such Shares and the Person to whom any such Share is sold shall be registered as the holder of such Share and shall not be bound to see the application of purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.

Forfeiture provisions to apply to non- payment in terms of issue	30.	The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of Share, becomes payable at a fixed time, whether on account of the nominal value of a Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Company's lien on Shares	31.	The Company shall have a first and paramount lien upon every Share not being fully paid up, registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such Share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any Share shall be created except as otherwise provided in the Articles. Such lien shall extend to all dividends from time to time declared in respect of such Share subject to the provisions of Section 124 of the Act and also to bonus declared on the shares. Unless otherwise agreed, the registration of a transfer of a Share shall operate as waiver of the Company's lien if any, on such Share.
Enforcing lien of sale	32.	For the purpose of enforcing such lien, the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such a Member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such Share for thirty days after the date of such notice.
Application of proceeds of sale	33.	The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Share before the sale) be paid to the Persons entitled to the Share at the date of this sale.
Validity of sales in exercise of lien and after forfeiture	34.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some persons to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register in respect of the Share sold, and the purchaser shall not be bound to see the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such Share the validity of the sale shall not be impeached by any Person, and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.
Board may issue new certificate	35.	Where any Share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such Share, the Board may issue a new certificate for such Share distinguishing it in such manner as it may think fit from the certificate not so delivered.

TRANSFER AND TRANSMISSION

Execution of transfer, etc.	36.	The instrument of transfer shall be in writing and all the provisions of

Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, shall be duly complied with in respect of all transfers of Shares and the registration thereof.

Transfer of Demat Shares

37. Nothing contained in the foregoing Article shall apply to transfer of securities affected by the transferor and transferee both of whom are beneficial owners with the depository.

Application by transfer

38. Application for the registration of the transfer of a Share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in the case of a partly paid Share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, and subject to provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

Form of transfer

39. The instrument of transfer shall be in the form prescribed by the Act and the Companies (Share Capital and Debentures) Rules 2014, made thereunder

Form of transfer of Demat Shares

40. Nothing contained in the foregoing article shall apply to transfer of securities affected by the transferor and transferee both of whom are beneficial owners with the depository.

In what cases the Board may refuse to register transfer

41. Subject to the provisions of these Articles, and of Section 58 of the Act and Equity Listing Agreement or any statutory modification(s), the Board, may on sufficient cause, refuse to register any transfer of shares or the transmission of shares by operation of law of the right to a Share.

No transfer to a person of unsound mind etc.

42. No transfer shall be made to a person of unsound mind and no transfer of partly paid Shares shall be made to a minor.

Instrument of transfer left at Office when to be retained

43. Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the Share and such other evidences as the Board may require to prove the title of the transferor or his right to transfer the Share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, shall be returned to the person depositing the same.

Notice of refusal to register transfer

44. If the Board refuses whether in pursuance of Article 41 or otherwise to register the transfer of, or the transmission by operation of law of the right to any Share, the Company shall, within the time prescribed by the Act, Rules or Listing Agreement send the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.

Fee on registration of transfer

45. No fee shall be payable to the Company in respect of transfer or transmission of any Shares in the Company.

Transmission of registered Shares

46. The executor or administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member, and in case of the death of any or more of the joint-holders of any registered Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the Share held by him jointly with any other person. Before recognising any executor or administrator, the Board may require him to obtain a Grant or Probate or Letters of Administration or other legal representation, as the case may be from a competent Court in India, provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense, Letters of Administration or such other legal representation upon such terms as to indemnity, as it considers proper.

Transfer of Shares of insane, minor, deceased, or bankrupt Members

47. Any committee or guardian of a lunatic or minor Member or any person becoming entitled to transfer a Share in consequence of the death or bankruptcy or insolvency of any Member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a Member in respect of such Share, or may, subject to the regulations as to transfer hereinbefore contained transfer such Share.

Election under Transmission

48. i) If the person so becoming entitled under transmission shall elect to be registered as a holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

ii) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer of the Share.

iii) All the limitations, restrictions, and provisions, of these Articles relating to the right to transfer and the registration of instruments of transfer of a Share shall be applicable to any such notice or transfer as aforesaid, as if the death, lunacy, bankruptcy or insolvency of the Member had not occurred.

Rights of persons entitled to Shares under Transmission

49. A person so becoming entitled under transmission to a Share by reason of death, lunacy, bankruptcy of the holder shall, subject to the provisions of Article 82 and of Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Share, except that he shall not before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within the time fixed by the Board, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

Nomination of Shares

50. i) Every holder of Shares in, or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or debentures of, the Company shall vest in event of his death.

ii) Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all joint holders.

iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holder becomes entitled to all the rights in the Shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of the debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares in, or debentures of the Company, in the event of his death, during minority.

v) Any person who becomes a nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the Share(s) or debenture(s) as the case may be; or to make such transfer of the Share(s) or debenture(s) as the deceased shareholder or debenture holder, as the case may be, could have made.

51. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

INCREASE AND REDUCTION OF CAPITAL

Power to increase

52. The Company may by an ordinary resolution passed by the members, increase its capital, from time to time, by creation of new Shares of such amounts as may be deemed expedient.

On what conditions new Shares may be issued

53. Subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the new Shares or the existing unissued Shares of any class may be issued. In the case of new Shares upon such terms and conditions, and with such rights and privileges attached thereto as the shareholders resolving upon the

creation thereof, shall direct, and if no directions be given, and in the case of existing unissued Shares as the Board subject to the Act shall determine, and in particular in the case of preference Shares such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with rights of redemption.

Issue of Sweat Equity Shares to employees or Directors

54. Subject to the provisions of Section 54 of the Act and subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the Company may issue equity Shares to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called or for the performance of past or future services.

Provisions relating to the issue of shares

55. Before the issue of any new Shares, the Company in General Meeting or through postal ballot may make provisions as to the allotment and issue of the new Shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium and upon default of any such provision, or so far as the same shall not extend, the new Shares may be issued in conformity with the provisions of Article 7.

How far new Shares to rank with existing Shares

56. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered part of the then existing Share Capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Inequality in numbers of new Shares

57. If owing to any inequality in the number of new Shares to and the number of Shares held by the Members entitled to have the offer of such new Shares, any difficulty that may arise in the apportionment of such new Shares or any of them amongst the Members, such difficulty shall, in the absence of any direction in the members' resolution creating the Shares or by the Company in general meeting be determined by the Board.

Reductionof Share Capital

58. The Company may, subject to the applicable provisions of the Act and Rules, from time to time, by special resolution reduce its capital and any capital redemption reserve account or securities premium account or in any other manner and with and subject to any incident authorised and consent required by law.

ALTERATION OF CAPITAL

Powers to alter Capital

59. The Company in General Meeting or through Postal Ballot may subject to the provisions of the Act from time to time:-

(a) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

(b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

(c) convert all or any of its fully paid up Shares into stock, and reconvert that stock into fully paid up Shares of any denomination;

(d) cancel any Shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Surrender of Shares

60. Subject to the provisions of the Act, the Board may accept from any Member the surrender on such terms and conditions as shall be agreed, of all or any of his Shares.

MODIFICATION OF RIGHTS

Power to modify rights

61. Whenever the capital (by reason of the issue of preference Shares or otherwise) is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class provided such agreement is (a) consented to in writing by the holders of at least three-fourths of the issued Shares of that class, or (b) sanctioned by a special resolution passed at a separate Meeting of the holders of the issued Shares of that class and all the provisions herein after contained as to general meetings shall mutatis-mutandis, apply to every such meeting. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

Power to borrow

62. Subject to the provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, the directors from time to time at their discretion, by resolution passed at the meeting of the Board, accept deposit from Members or public or others either in advance or calls, or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company not exceeding the aggregate of the Paid- up capital of the Company and its reserves (not being reserves set apart for any specific purpose). Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aforesaid aggregate, the Directors shall not borrow such monies without the consent of the Company in general meeting by means of special resolution.

Conditions on which money may be borrowed

63. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking or the whole or any part of the property of the Company (both present and future).

Issue of debentures, debenture- stocks, bonds, etc. with special privileges	64.	Any debentures, debenture-stocks, bonds or other securities may be issued at a premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise, debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that the debentures, debenture-stock, bonds or other securities with the right to allotment of the or conversion into Shares shall not be issued except with the consent of the Company in a general meeting or through postal ballot subject to provisions of Section 71 of the Act.
Instrument of transfer	65.	Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
Notice of refusal to register transfer	66.	If the Board refuses to register the transfer of any debentures within time limit as may be prescribed, the Company shall send to the transferee and to the transferor, notice of the refusal.

GENERAL MEETINGS

When Annual General Meeting to be held	67.	In addition to any other meetings, the “Annual General Meeting” of the Company shall be held within such intervals as are specified in the Act and subject to the provisions of the Act, during such business hours and places as may be determined by the Board under the provisions of the Act or the Rules made thereunder. Any other meeting of the Company shall be called as “Extra-ordinary General Meeting”.
Calling of General Meeting by circulation	68.	The Board may also call a General Meeting by passing a resolution by circulation and the resolution so passed would be as effective as a resolution passed at the Board meeting.
Circulation of Member’s Resolution	69.	The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statement on the requisition of Members.
Notice of meeting	70.	Save as permitted under Section 101 of the Act, a General Meeting of the Company may be called by giving not less than clear twenty one days’ notice either in writing or through electronic mode. Notice of every meeting shall be given to the Members and such other person or persons as required under and in accordance with Section 101 of the Act and it shall be served in the manner authorized by Sections 20 and 101 of the Act and the Rules made under the Act.

PROCEEDINGS AT GENERAL MEETING

Business of meeting	71.	The ordinary business of an Annual General Meeting shall be to receive and consider the financial statements, including consolidated financial statements and the reports of the Directors and the Auditors thereon, to elect Directors in the place of those retiring, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed to be special business.

Quorum to be present when business commenced	72.	No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Quorum for the meeting shall be determined in accordance with Section103 of the Act.
When if Quorum not present, meeting to be cancelled and when to be adjourned	73.	If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by requisition of Members shall be cancelled, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present within half-an hour from the time appointed for holding the meeting those Members, who are present and not being less than two shall be quorum and may transact the business for which the meeting was called.
Resolution to be passed by the Company in General Meeting	74.	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting or through postal ballot shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 114 (1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114 (2) of the Act.
Chairman of General Meeting	75.	The Chairman of the Board shall be entitled to take the chair at every general meeting ("Chairman"). If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Directors is present, or if all the Directors present decline to take the Chair, then the Members present shall, on a show of hands or on a poll if properly demanded, elect one of their numbers being a Member entitled to vote, to be the Chairman.
How questions to be decided at meetings	76.	At any general meeting a resolution put to the vote of the meeting shall unless a poll is demanded under Section109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with Section 107 of the Act and the Companies (Management and Administration) Rules, 2014. In the case of an equality of votes, the Chairman shall both on a show of hands and at the poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.
What is the evidence of passing of a resolution where poll is demanded	77.	A declaration by the Chairman that on an evidence of the show of hands a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion the votes cast in favour of or against such resolution.
Demand for Poll	78.	(i) Before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by a Member or Members present in person or by Proxy and holding Shares in the Company conferring their powers to vote on such resolution, being Shares which is not less than one tenth of the total voting power in respect of the

resolution or on which the aggregate sum of not less than Rupees Five lacs has been paid up.

(ii) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight hours from the time, when the demand was made, and at such place as the Chairman directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(iii) The demand of a poll may be withdrawn at any time by the person or persons who made the demand.

(iv) Where a poll is to be taken the Chairman shall appoint scrutinizer (s) as prescribed by the Rules to scrutinize the votes given on the poll and report to him thereon.

(v) On a poll a Member entitled to more than one vote, or his Proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

(vi) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Power to adjourn General meeting

79. (i) The Chairman of a General Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(ii) Save as otherwise provided in Section 103 of the Act, when the meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless the adjournment is for a period of 30 days or more.

Vote of Members

80. i) Save as hereinafter provided, on a show of hands every Member present in person and being a holder of equity Shares shall have one vote, and every person present either as a Proxy on behalf of a holder of equity Shares, if he is not entitled to vote in his own right, or as a duly authorised representative of a body corporate, being a holder of equity Shares, shall have one vote.

ii) Save as hereinafter provided, on a poll the voting rights of a holder of equity Shares shall be as specified in Section 47 of the Act.

iii) The voting rights of every Member holding preference Shares, if any, shall upon a show of hands or upon a poll be subjected to the provisions, limitations and restrictions laid down in Section 47 of the Act. Provided that no Body corporate shall vote by Proxy so long as resolution of its Board of Directors under the provisions of Section 113 of the Act is in force and the person named in such resolution is present at the General Meeting at which the vote by Proxy is tendered.

iv) A Member may exercise his vote if permitted by the Act and the Rules at a meeting or by postal ballot by electronic means in accordance with the Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and shall vote only once.

Procedure where a company or body corporate is Member

81. i) Where a body corporate (hereinafter called "Member Company") is a Member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such Member Company at a meeting of the Company, shall not by reason of such appointment be deemed to be a Proxy, and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such Member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by Proxy on behalf of the Member Company which he represents, as that Member Company could exercise if it were an individual Member.

ii) Where the President of India or the Governor of a State is a Member of the Company then his/their representation at the meeting shall be in accordance with Section 112, of the Act.

Votes in respect of deceased, insane and insolvent Members

82. Any person entitled under these Articles for transfer of Shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he purports to vote he shall satisfy the Board of his right to transfer such Shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

If any Member is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, he may vote whether on a show of hands or at a poll, by his committee, or other legal guardian, and any such committee or legal guardian may, on a poll, give their votes by Proxy.

Joint Holders

83. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting either personally or by Proxy in respect of such Share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by Proxy, then one of the said persons so present whose name stands first on the Register in respect of such Share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of this Article be deemed joint holders thereof.

Proxies Permitted

84. Votes may be given either personally, or in the case of a body corporate, by a representative duly authorised as aforesaid, or by Proxy in accordance with the provisions of Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014.

Instrument appointing Proxy to be in writing

85. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorized by it.

Proxy forms to be sent

86. The Company agrees that it will send out Proxy forms to all shareholders and debenture holders in all cases where proposals other than of a purely routine nature are to considered, such Proxy forms being so worded that a shareholder or debenture holder may vote either for or against each resolution.

Instrument appointing a Proxy to be deposited at the office

87. The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of Proxy shall not be treated as valid.

Whether vote by Proxy valid though authority revoked

88. A vote given in accordance with the terms of an instrument appointing a Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the Share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the Share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.

Form of instrument appointing a Proxy

89. Every instrument appointing a Proxy shall be retained by the Company and shall, be in the form as prescribed in the Companies (Management and Administration) Rules, 2014.

Restriction on voting

90. No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board of Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.

Objections raised on voting

91. i) Any objection as to the admission or rejection of a vote either, on a show of hands, or on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

Number of Directors

92. The number of Directors of the Company shall not be less than three (3) and not more than fifteen (15). Provided that the Company may appoint more than fifteen directors after passing a special resolution of members. The composition of the Board of Directors will be in consonance with the Act and the Equity Listing Agreement.

Company to increase or reduce number of Directors

93. Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce the number of Directors within the limits fixed by Article 92.

Limit on number of non-retiring Directors

94. a) Subject to the Act and these Articles, the Directors not exceeding one-third of the total number of Directors for the time being of the Company shall be liable to retirement by rotation. The Independent Directors shall not be counted in the total number of Directors for this purpose.

b) Subject to the provisions of Articles 96 and 97 and Section 152 of the Act, all Directors other than the Directors who are not retiring by rotation, additional/ alternate/Independent Directors shall be persons whose period of office is liable to determination by retirement by rotation. All the Directors who are not retiring except Independent Directors shall however, be counted in determining the number of retiring Directors.

First Directors

95. The subscribers to the Memorandum and Articles of Association of the Company shall be the first Directors of the Company.

Powers of State Financial Corporations and others to nominate Directors

96. The Board may authorise by resolution or by agreement the State Financial Corporation (SFC), State Industrial Development Corporation (SIDC), Life Insurance Corporation of India (LIC), Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), Unit Trust of India (UTI), and/or any other Financial Institution, corporation or any Bank which continue(s) to be Member of the Company by virtue of being holder of any Share or Shares in the Company or to any of the aforesaid Financial Institutions, Corporation or Banks to whom any money remains due by the Company and SFC, LIC, IFCI, SIDC, IDBI, UTI to nominate a Director or Directors to the Board from time to time and to remove from such Office any person or persons so appointed and upon removal of any such person to appoint any other person(s) in his / their place. A Director so appointed shall not be required to hold any qualification Shares nor shall (subject to the provisions of Section 152 read with Section 161(3) of the Act) be liable to retire by rotation or be subject to removal under Article108 hereof. But he shall be counted in determining the number of retiring directors. A Director appointed under this Article shall be ex-Officio Director within the meaning of these Articles.

Debenture Directors

97. Any trust deed for securing debenture or debenture stock may, if so arranged, provide for the appointment, from time to time, by the trustees thereof or by the holders of debentures or debenture stock, of some person or persons to be Director(s) of the Company and may empower such trustees or holders of debentures or debenture stock, from time to time, to remove and re- appoint any Director(s) so appointed. The Directors appointed under this Article are herein referred to as “Debenture Directors” and the term “Debenture Directors” means the Directors for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect not withstanding any of the other provisions herein contained. But he shall be counted in determining the number of retiring directors.

Power of Directors to add their number	98.	The Board shall have power at any time and from time to time to appoint any person as an additional Director as an addition to the Board but so that the total numbers of Directors should not exceed the limit fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.
Qualification Shares	99.	A Director shall not be required to acquire qualification Shares.
Directors Remuneration and expenses	100.	Subject to the approval of the Board each Director shall be entitled to receive out of the funds of the Company a fee for attending a meeting of the Board or a Committee of the Board, within the limit permitted, from time to time, by the Act or the Rules made thereunder. All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending the Board and Committee meetings or otherwise incurred in the execution of their duties as Directors or in performing any of the task on behalf of the Company.
Remuneration for extra service	101.	If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a Members of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
Board may act notwithstanding vacancy	102.	The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum as fixed by the articles, the Directors shall not except for the purpose of filing vacancies or for summoning a general meeting act so long as the number is below the minimum.
Vacation of Office of Director	103.	The office of Director shall ipso facto become vacant if at any time he commits any of the acts set out in Section167 of the Act.
Office or place of profit	104.	No director or other person referred to in Section 188 of the Act shall hold an office or place of profit save as permitted by that Section and the Companies (Meetings of Board and its Powers) Rules, 2014.
Conditions under when directors may contract with Company	105.	Subject to the provisions of Section 184, 188 and 192 of the Act and the Rules made thereunder neither shall a Director be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any Shares in or debentures of the Company nor shall any such contract or agreement entered into by or on behalf of the Company with the relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a Member or Director, be void nor shall any director so contracting or being such Member or so interested be liable to account to

the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary.

Rotation and retirement of Directors

106. At each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. Neither a nominated Director nor an additional Director appointed by the Board under Article 98 hereof or an Independent Director shall be liable to retire by rotation within the meaning of this Article. But they except Independent Directors shall be counted in determining the number of retiring directors.

Which Directors to retire

107. a) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot drawn at a meeting of the Board of Directors.

Appointment of Directors to be voted on individually

b) Save as permitted by Section 162 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.

Power to remove Directors by ordinary resolution on special notice

108. The Company may remove any Director other than directors nominated pursuant to Articles 96 and 97 before the expiration of his period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another person in his stead if the Director so removed was appointed by the Company in general meeting or by the Board under Article 109.

Board may fill up casual vacancies

109. If any Director appointed by the Company in General Meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same of no vacancy has occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 108.

When the Company and candidate for office of Directors must give notice

110. The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 160 of the Act.

ALTERNATE DIRECTORS

Power to appoint alternate Directors

111. The Board may in accordance with and subject to the provisions of Section 161 of the Act, appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from India. No Person shall be appointed as alternate director to an Independent Director unless he is qualified to be appointed as Independent Director under the provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

Meetings of Directors

112. The Board of Directors may meet for the conduct of business, adjourn and

otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board of Directors shall be held as per the provision of the Act, Rules and Equity Listing Agreement.

Directors may summon meeting

113. A Director may, at any time, and the manager or secretary shall, upon the request of a Director made at any time, convene a meeting of the Board and the provisions of Section 173 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 shall apply in this regard.

Chairman/Vice Chairman

114. The Board may appoint a Chairman of its meetings. The Board may also appoint a Vice Chairman to preside over the meeting of the Board in absence of Chairman. If no such Chairman/Vice Chairman is appointed or if at any meeting of the Board, the Chairman/Vice Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of their member to be the Chairman of such meeting.

Quorum

115. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within 15 minutes of the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. The participation of the Directors can be in person or through video conferencing or other audio visual means as may be prescribed by the Companies (Meetings of Board and its Powers) Rules, 2014 or permitted by law.

Power of Quorum

116. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under these Articles or the Act for the time being vested in or exercisable by the Board.

How questions to be decided

117. Subject to the provisions of sections of 186(5), 203(3) of the Act and save as otherwise expressly provided in these Articles, questions arising at any meetings shall be decided by a majority of votes.

Power to appoint committees and delegate

118. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may, from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Proceedings of Committee

119. The meeting and proceedings of such committee consisting of two or more members shall be governed by the regulations made by the Board in that regard in accordance with the provisions, if any, of the Act and Equity Listing Agreement.

When acts of a Director valid notwithstanding defective appointment

120. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had been terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in these Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Resolutions by circulation

121. Save in those cases where a resolution is required by Sections 161(4), 179 , 182, 184, 186, 188, 203 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the Board as the case may be then in India, not being less in number than the quorum fixed for meeting of the Board or Committee, as the case may be and to all other Directors or member of the Committee, at their usual address whether in India and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution. Provided that where not less than one third of the Directors of the Company for the time being require that resolution under circulation be decided by the Board at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

MINUTES

Minutes to be made

122. a) The Board shall in accordance with the provision of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, cause minutes to be kept of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.

b) Any such minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, shall be evidence of the matters stated in such minutes. The Minute Books of General Meetings of the Company shall be kept at the Office and shall be open to inspection by Members as per the provisions of the Act or the Rules made thereunder. The minute books of general meeting may also be kept for inspection in electronic mode as prescribed under the Companies (Management and Administration) Rules, 2014.

POWERS OF THE BOARD

General power of Company vested in the Board

123. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in a general meeting. Provided further that wherever the Act or any other statute or the Memorandum of the Company or these Articles, provide for exercise of powers by the Board subject to the members approval in a general meeting, the Board shall exercise such powers only with such approval. In exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under,

including regulations not inconsistent therewith and duly made there under, including regulations made by the Company in a general meeting, but no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific Powers given to Directors

124. Without prejudice to the general powers conferred by the last preceding Article and to any other powers or authority conferred by these presents on the Directors or on the Managing Director, it is hereby expressly declared that the Directors shall subject to the regulations of these presents and to the provisions of the Act and in addition to the powers of the Board provided under Section 179 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, have the following powers, that is to say, power:

To carry the agreement into effect

(i) To take such steps as they think fit to implement and to carry into effect all agreements.

To pay preliminary expenses

(ii) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

To acquire and dispose of property and rights

(iii) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit, and subject to the provisions of Section 180 (1) of the Act, to sell, let, lease, exchange, or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property in debenture etc.

(iv) At their discretion to pay for in debentures etc. property rights, privileges acquired by or services rendered to the Company either wholly or partially in cash or in Shares (subject to Section 62 of the Act), bonds, debentures or other securities of the Company and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgage

(v) To secure, the fulfillment of any contracts, agreements or engagement entered into by Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit, subject to Section 180 of the Act.

To appoint officers etc.

(vi) To appoint and at their discretion remove or suspend such agents, employees, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments whether by way of commission or participation in profits or partly in one way and partly in another and to require security in such instances and to such amount as they think fit.

To appoint trustees

(vii) To appoint any Person or Persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

To bring and defend actions etc,

(viii) Subject to the provisions of Act, to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

To refer to arbitration

(ix) To refer any claims as demands by or against the Company to arbitration and observe and perform the awards.

To give receipts

(x) To make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company;

To act in matters of bankrupts and insolvents

(xi) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

To authorise acceptance etc.

(xii) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, negotiable instruments and documents.

To appoint attorneys

(xiii) From time to time to provide for the management of the affairs of the Company either in different parts of India or elsewhere in such manner as they think fit, and in particular to establish branch officers and to appoint any persons to be the attorneys or agents of the Company with such powers (including powers to sub-delegate) and upon such terms as may be thought fit.

To invest moneys

(xiv) Subject to the provisions of Sections 67,179, 180(1), 186 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being Shares in this Company) and in such manner as they think fit, and from time to time to vary or realise such investments.

To give security by way of indemnity

(xv) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To give percentage of profits

(xvi) Subject to the provisions of Section 188 of the Act, to give to any person employed by the Company, as remuneration for their services as such, a commission on the profits of any particular business or transaction or a Share in the profits of the Company such commission or Share or profits shall be treated as part of the working expenses of the Company.

To make bye- laws

(xvii) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

To make contracts etc.

(xviii) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To establish and support charitable objects.

(xix) Subject to the provisions of Sections 181and 182 of the Act to establish, maintain, support and subscribe to any national, political and charitable institutions or funds of public object, and any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who have served the Company or to the wives, children or dependents of such person or persons, that may appear to the Directors just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Company.

To set aside profits for Provident Fund

(xx) Subject to the provisions of the Act, before recommending any dividends, to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensation, or other benefits or to create any provident or benefit or other funds in such or any other manner as the Director may deem fit.

To make and alter rules

(xxi) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said funds and the application and disposal thereof, and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

To delegate powers to a director or employee

(xxii) Subject to the provisions of the Act, to delegate all or any of the powers hereby conferred upon them to the Managing Director or to any other Director or employees of the Company as they may from time to time think fit, other than a power to issue debentures and to make calls on shareholders in respect of moneys unpaid on their Shares.

MANAGING OR WHOLE – TIME DIRECTOR(S)

Powers to Board to appoint Managing or Whole-time Director(s)

125. Subject to the provisions of the Act, and of these Articles, the Company in general meeting or the Board may from time to time appoint one or more of their body to be Managing Director or Managing Directors (in which expression shall be included Joint or Deputy Managing Director) or Whole-time Director or Whole-time Directors of the Company, for such term not exceeding five years at a time and upon such terms and conditions as they may think fit, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Further the Managing Director as stated in Article 126 can hold

the position of the Chairman of the Board for the better governance of the Company.

Holding of position of Managing Director and/or CEO by Chairman

126. Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time.

Managing Director(s) or Whole-time Director(s) not liable to retirement by rotation

127. Subject to the provisions of the Act, and of these Articles, a Managing Director or a Whole-time Director, may subject to the shareholders' approval at the time of appointment or re-appointment or otherwise continue to hold office not subject to retirement by rotation under Article 106. However, they shall be counted in determining the number of retiring directors. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to the resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director or a Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Managing Directors, as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with Article 106 and the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing Director(s) or Whole-time Director(s)

128. Subject to the provisions of the Act and of these Articles and of any contract between him and the Company, the remuneration of the Managing Director or Whole-time Director shall from time to time be fixed by the Directors, subject to the approvals of the Members of Company and may be by way of fixed monthly payment or commission on profits of the Company or by participation in such profits or by any or all of these modes or any other mode not expressly prohibited by the Act. A Managing Director or Whole-time Director shall in addition to the above remuneration be entitled to the fee for attending meetings of Board or Committee of Directors.

Powers and duties of Managing or Whole-time Director

129. Subject to the provisions of the Act and of these Articles, the Company or the Board may from time to time entrust to and confer upon a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being, such of the power exercisable under these Articles or otherwise by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms, and they may subject to the provisions of the Act and of these Articles confer such powers either collaterally with, or to the exclusion of or in substitution for all, or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGEMENT

Management of the Company

130. The Board of Directors may in accordance with the provisions of the Act appoint a Whole-time Chairman, or Managing Director or Whole-time Director or Manager to manage its affairs. A Director may be appointed

as a Secretary, or Manager but Secretary or Manager need not be a Director of the Company. The terms and conditions and the appointment of Whole-time/Managing Directors shall be subject to the provisions of the Act and to the consent of the Members of the Company, wherever required.

131. Subject to the provisions of the Act, the following regulations shall have effect: -

Local Management

a) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

Local Directorate delegations

b) The Board, from time to time and at any time, may establish any local directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be Members of any such local directorate or any managers or agents and may fix their remuneration and, save as provided in Section 179 of the Act, the Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being of any such local directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and may fix any such appointment conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation.

Power of Attorney

c) The Board may, at any time and from time to time, by power of attorney under the Seal appoint any persons to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time think fit; any such appointments may, if the Board thinks fit be made in favour of the members or any of the members of any local directorate established as aforesaid, or in favour of the Company or of the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

Sub-delegation

d) Any such delegate or attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

Foreign Register of Members or debenture holders

e) The Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a foreign Register of Members or debenture holders resident in any such State or country and the Board may from time to time, make such provisions as it may think fit relating thereto and may comply with the requirement of any local law and shall in any case comply with the provisions of Sections 88 of the

Act and the Companies (Management and Administration) Rules, 2014.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel

132. Subject to Section 203 of the Act, the Board shall appoint a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed on such terms and conditions and on such remuneration as may be approved by the Board and may remove a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed by means of resolution of the Board.

AUTHENTICATION OF DOCUMENTS

Power to authenticate documents

133. Any Director or the Key Managerial Personnel or any officer appointed by the Board for the purpose shall have power to authenticate any documents and accounts relating to the business of the Company, and to certify copies thereof, extracts thereof or extracts therefrom as true copies or extracts; where any books records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

Certified copies of resolution of the Board

134. A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be exclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

THE SEAL

Custody of Seal

135. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a committee of the Board authorised by the Board in that behalf and, save as provided in Article 14 (i) hereof, any one Director and the secretary or such other person as the Board may appoint shall sign every instrument on which the Seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

Annual Returns

136. The Company shall comply with the provisions of Section 92 of the Act as to the making of Annual Returns.

RESERVES

Reserves

137. The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for

repairing, improvising or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company; and may, subject to the provisions of the Act invest the several sums so set aside upon investments (other than Shares of the Company) as it may think fit, and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company and may divide the reserve into such special funds as the Board thinks fit, with power to employ the reserve or any parts thereof in the business of the Company, and that without being bound to keep the same separate from other aspects.

Investment of Money

138. All money carried to the reserves shall nevertheless remain and be profits of the Company subject to due provisions being made for actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.

Carry forward of profits

139. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

CAPITALISATION OF RESERVES

Capitalisation of reserves

140. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserves, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the securities premium account be entitled and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full of any unissued Shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, or towards both and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a securities premium account or a capital redemption reserve account may, for the purpose of this Article only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

Surplus money

141. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the Members.

Fractional certificates

142. For the purpose of giving effect to any resolution under the two last preceding Articles hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular

may issue fractional certificates, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed for such fractional certificate in order to adjust the rights of all parties and may vest such cash or for such fractional certificates in trustees upon such trusts for the persons entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be filled in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalised fund, and such appointment shall be effective.

DIVIDENDS

Declaration of Dividends	143.	The Company in a general meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of Section 127 of the Act, fix the time for payment. No larger dividend shall be declared than is recommended by the Board, but, the Company in general meeting may declare a smaller dividend.
Dividends to be paid out of profits	144.	No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act. No dividend shall carry interest against the Company.
Dividends to be pro-rata on the paid up amount	145.	Subject to the special rights of the holders of preference Shares, if any, for the time being, the profits of the Company distributed as dividends or bonus shall be distributed among the Members in proportion to the amounts paid or credited as paid on the Shares held by them respectively, but no amount paid on a Share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the Share. All dividends shall be apportioned and paid pro-rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Shares shall rank for dividend accordingly.
What to be seemed net profit	146.	The declaration of the Board subject to members adoption in Annual General Meeting as to the amount of the net profits of the Company shall be conclusive.[1]
Interim Dividends	147.	The Board may subject to Section 123 from time to time, pay to the Members such interim dividends as in its judgment the position of the Company justifies.
Debts may be deducted	148.	The Board may retain any dividends on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend and call together	149.	Subject to the provisions of Article 15, any general meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes, but so that the call on each Members shall not exceed the dividend payable to him, so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member may be set off against the call.
Dividend in cash	150.	No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or

reserves of the Company for the purpose of issuing fully Paid-up bonus Shares or paying up any amount for the time being unpaid on the Shares held by the Members of the Company.

Dividend Profit

151. A transfer of Shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Power to retain dividend until transmission is effected

152. The Directors may retain the dividends payable upon Shares in respect of which any person is under transmission entitled to transfer, until such person shall become a Member in respect of such Shares or shall duly transfer the same.

Payment of Dividend to Member on mandate

153. No dividend shall be paid in respect of any Share except to the registered holder of such Share or to his order or to his bankers, but nothing contained in the Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend.

Dividend to joint-shareholders

154. Any one of several persons who are registered as the joint holders of any Share may give effectual receipt for all dividends, bonuses and other payments in respect of such Share.

Notice of declaration of dividend

155. Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to Share therein in the manner hereinafter provided.

Payment of Dividend

156. All dividends and other dues to Members shall be deemed to be payable at the Office of the Company. Unless otherwise directed any dividend, interest or other moneys payable in cash in respect of a Share may be paid by any Banking channels or cheque or warrant sent through the post to the registered address of the holder, or in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named in the Register in respect of the joint-holding or to such person and at such address as the holder, or joint- holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Unclaimed dividends

157. All unclaimed dividend along with interest accrued shall not be forfeited but shall be credited to a special bank account as per Section 124 of the Act, and after a period of seven (7) years transferred to Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Act.

Forfeiture of dividend

158. The Company agrees that it will not forfeit unclaimed dividend before the claim becomes barred by law and that such forfeiture, when effected will be annulled in appropriate cases.

BOOKS AND DOCUMENTS

Books of account to be kept

159. The Board shall cause proper books of account to be kept in accordance with Section 128 of the Act.

Where to be kept

160. Subject to the provisions of the Act, the books of account shall be kept at the Registered Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar of Companies a notice in writing

giving the full address of that other place. The books can also be kept in electronic mode as prescribed by the Act and Rules subject to compliance of prescribed guidelines.

Inspection by Director

161. a) The books of account shall be open to inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules.

b) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Articles 122 and 172 or any of them shall be open to the inspection of the Members not being Directors and no Member (not being a Director) shall have any right of inspecting any books of account or books or documents of the Company except as conferred by law or authorised by the Board or by Company in a general meeting.

ACCOUNTS

Balance Sheet and Profit and Loss Account

162. At every Annual General Meeting, the Board shall lay before the Company the financial statements including Consolidated financial statements in accordance with the provisions of Section 129 of the Act read with the Companies (Accounts) Rules, 2014, and such financial statements including consolidated financial statements shall comply with the requirements of Sections 129, 133 and 134 and of Schedule III to the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

Director's Report

163. There shall be attached to every Balance Sheet laid before the Company in the Annual General Meeting a report by the Board complying with Section 134 of the Act.

Copies to be sent to Members and others

164. A copy of every financial statements including consolidated financial statements, Auditors report and every document required by law to be annexed or attached to the balance sheet shall, as provided by Section 136 of the Act, not less than twenty-one days before the annual general meeting be sent to every such Member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section either electronically or through such other mode as may be prescribed by the Rules.

Copies of balance Sheet etc. to be filed with the Registrar

165. The Company shall comply with Section 137 of the Act as to filing copies of the financial statement including consolidated financial statement and documents required to be annexed or attached thereto with the Registrar of Companies.

AUDITORS

Accounts to be audited annually

166. Subject to the provisions of the Act, once at least in every year the books of account of the Company shall be audited by one or more auditor or auditors.

Appointment, remuneration, rights and duties of Auditors

167. The appointment, powers, rights, remuneration and duties of the auditors shall be regulated by Sections 139 to 146 and Section 148 of the Act.

SERVICE OF NOTICES AND DOCUMENTS

How notice to be served on Members

168. A notice or other documents may be given by the Company to its Members in accordance with Sections 20, 101 and 136 of the Act and Rules made thereunder.

Notice valid though Member deceased

169. Subject to the provisions of Article 170 any notice or document delivered or sent by post to or left at the Registered Address of any Members in pursuance of these Articles shall, notwithstanding such Members be deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered Share, whether held solely or jointly with other persons by such Member until some other persons be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of those presents be deemed to be a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such Share.

Service of process in winding-up

170. Subject to the provisions of the Act, in the event of a winding-up of the Company, every Member of the Company who is not for the time being in the place where the Office of the Company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person residing in the neighborhood of the Office upon whom all summons, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination, the liquidator of the Company shall be at liberty, on behalf of such Member, to appoint some such person and serve upon any appointee whether appointed by the Member or the liquidator shall be deemed to be good personal service on such Member for all purposes, and where the liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such Member by advertisement in some daily newspaper circulating in the neighborhood of the office or by a registered letter sent by post and addressed to such Member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article do not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

Registers, etc to be maintained by Company

171. The Company shall duly keep and maintain at the office, Registers, in accordance with Sections 85, 88, 170, 187 and 189 of the Act and Rules made thereunder in electronic form or in such form and in such manner as may be prescribed under the Act or the Rules.

Supply of copies of Registers

172. The Company shall comply with the provisions of Sections 85, 94, 117, 171, 186 and 189 of the Act and the Rules as to the supplying of copies of

the registers, deeds, documents, instruments, returns, certificates, and books herein mentioned to the persons herein specified when so required by such persons on payment, where required, of such fees as may be fixed by the Board but not exceeding charges as prescribed by the said Sections of the Act and Rules framed thereunder.

Inspection of Registers etc.

173. Where under any provision of the Act or Rules any person whether a Member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document (including electronic records) required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during such business hours and place as may be determined by the Board under the provisions of the Act and the Rules thereunder.

When Registers of Members and Debenture holders may be closed

174. The Company, after giving not less than seven days previous notice, subject to the provisions of Section 91 of the Act and Rules made thereunder, by advertisement in one vernacular newspapers circulating in the district in which the office is situated close the Register of Members or the register of debenture holders or the register of security holders, as the case may be, for any period or period not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

RECONSTRUCTION

Reconstruction

175. On any sale of the undertaking of the Company the Board or the liquidator on a winding-up may, if authorized by a special resolution, accept fully paid or partly paid up Shares, debentures, or securities of any other company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the Company's property and the Board (if the profits of the Company permit) or the liquidators (in a winding-up) may distribute such Shares or securities, or any other property of the Company amongst the Members without realization or vet the same in trustees for them, and the special resolution may provide for the distribution or appropriation of the cash, Shares or other securities benefit or property, otherwise than in accordance with the strict legal rights of the members of contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of Shares shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in course of being wound up, such statutory right (if any) under the Act as are incapable of being varied or excluded by these Articles.

SECRECY

Secrecy

176. Every Director, manager, secretary, Trustee for the Company, its Member or debenture-holder, members of a Committee, officer, servant, agent, accountant, other person employed in or about the business of the Company shall, if so required by the Board or by a Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of

his duties except when required so to do by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

No shareholder to enter the premises of the Company without permission

177. No shareholder, or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or subject to Article 161 to require discovery of or any information respecting any details of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

WINDING UP

Distribution of assets

178. Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among Members as such shall not be sufficient to repay the whole of the Paid-up capital such assets shall be distributed so that as nearly as may be and the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the Shares held by them respectively. And if in a winding-up assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding-up Paid-up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights the holders of Shares issued upon special terms and conditions. Preference shareholders shall have prior rights to repayment of capital and dividends due.

Distribution of assets in specie

179. Subject to the provisions of the Act, if the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefits of the contributories, or any of them, as the liquidators with the like sanction, shall think fit.

INDEMNITY

Indemnity to Directors and Officers

180. Subject to the provisions of the, Act every Director, Managing Director, whole-time Director manager, secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as auditor shall be indemnified out of the funds of the Company against all bonafide liabilities incurred by him as such Director, Managing Director, whole-time Director manager, secretary officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under the Section 463 of the Act in which relief is granted to him by the Court.

Insurance Policy for indemnity

181. Subject to the provisions of the Act and the Rules, the Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors, Key Managerial Personnel and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but they have acted honestly and reasonably.

GENERAL POWERS

General powers under the Article

182. Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorises the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

<table>
<tr><th>S.No.</th><th>Names, address, descriptions and occupation of subscriber</th><th>No. and class of shares taken by subscriber</th><th>Signature of subscriber</th><th>Name address & description of witness.</th></tr>
<tr><td>1.</td><td>Mr. Komandur Rangaswami Vasudevan,
S/o Late Sh. K. Rangaswami
E-6A, DDA MIG Flats, Mayapuri
New Delhi -110 064
Service</td><td>One Equity Share</td><td>Sd/-</td><td rowspan="8">I witness the signature of all the subscribers
Sd/-
K.o. Siiddiqui
S/o Mr. M.O Siddiqui
97A / J&K, Dilshad Garden,
Delhi-110095
Company Secretary
ACS 6116; Cp: 1284</td></tr>
<tr><td>2.</td><td>Mr. Pradeep Mull
S/o Late Dr. S. Mull, C-43
Friends Colony
New Delhi-110065
Service</td><td>One Equity Share</td><td>Sd/-</td></tr>
<tr><td>3.</td><td>Mr. Prahlad Rai Bansal
S/o Sh R.K. Bansal
B-19/3, Shakti Nagar
Delhi-110007
Service</td><td>One Equity Share</td><td>Sd/-</td></tr>
<tr><td>4.</td><td>Mr. Subroto Bhattacharya
S/o Late Sh H.C. Bhattacharya
B-190, Sector-19
Noida-201301
Service</td><td>One Equity Share</td><td>Sd/-</td></tr>
<tr><td>5.</td><td>Ms. Rita Singh
W/o Ravi Singh
181, Aravali Appts
Alaknanda
New Delhi-110019
Service</td><td>One Equity Share</td><td>Sd/-</td></tr>
<tr><td>6.</td><td>Mr. Srikant Shankar
S/o Sh. V. Shankar
C-205 Anand Vihar
Delhi-110092
Service</td><td>One Equity Share</td><td>Sd/-</td></tr>
<tr><td>7.</td><td>Mr. Anil Kumar Chanana
S/o Sh. Hans Raj Chanana
EC-200, Maya Enclave
New Delhi-110064
Service</td><td>One Equity Share</td><td>Sd/-</td></tr>
<tr><td></td><td>Total No. of Shares taken</td><td>7 (Seven)</td><td></td></tr>
</table>

Dated this 28th day of October, 1991 at New Delhi

IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL JURISDICTION
C.P. NO. 237 OF 1999
IN

COMPANY APPLICATION NO. 747 OF 1999

IN THE MATTER OF :

The Companies Act, 1956

AND

IN THE MATTER OF:

An Application under Section 391(2) and 394 of the said Act

IN THE MATTER OF :

HCL CONSULTING LIMITED ..... TRANSFEREE COMPANY / APPLICANT

MEMO OF PARTIES

IN THE MATTER OF :

HCL CONSULTING LIMITED
A Company registered under the
Companies Act, 1956 and having its
registered office at 806-808, Siddharth,
96, Nehru Place, New Delhi 110 019
with in the aforesaid Jurisdiction.

... TRANSFEREE COMPANY / APPLICANT

ANJU BHATTACHARYA
&
MANU KHARE
Advocates
223, Lawyers Chambers
Delhi High Court
New Delhi

New Delhi
Date: 23.7.99

HIGH COURT OF DELHI

Company Petition Nos. 237 & 238 0f 1999

Date of Decision : August 30, 1999

IN THE MATTER OF :

M/S HCL TECHNOLOGIES INDIA LIMITED …. TRANSFEROR COMPANY

M/S HCL CONSULTING LIMITED …. TRANSFEREE COMPANY

Through : Mr. V.P. Singh, Senior Advocate
With Ms. Anju Bhattacharya, Advocate
Mr. S.K Luthra, Advocate for the O.L
Mr. V.K. Verma, for ROC

CORAM :

THE HON'BLE MR. JUSTICE DALVEER BHANDARI

1. Whether Reporters of local papers may be allowed to see the Judgement₹

2. To be referred to the Reporter or not₹

DALVEER BHANDARI, J. (ORAL)

1. This order will dispose of both the petitions, filed under Sections 391(2) and 394 of the Companies Act, 1956, seeking amalgamation of M/s HCL Technologies India Limited (Transferor company) with M/s HCL Consulting Limited (Transferee Company). The registered offices of both the companies are situated within the jurisdiction of this Court.

2. The scheme of amalgamation provides that all the assets and liabilities of the business of the transferor company shall be taken over by the transferee company, including their workmen and the employees. As per the proposed scheme all the members of the transferor company, immediately on or before the effective date, shall become the staff, workmen and employees of the transferee company and their services shall be deemed to have been continued without interruption or broken by the reason of the said transfer. The service conditions applicable to such staff (workmen or employees) after such transfer shall not in any case be less favourable to them than those as were applicable to them immediately preceding the transfer.

3. The learned counsel for the petitioner has stated the circumstances, reasons and grounds that have necessitated and/or justify the scheme of amalgamation as under :

    i) The transferor company is a 100% subsidiary of the transferee company. The transferee and the transferor companies are engaged in the same business of software development. The Directors of the transferor company and the transferee company are satisfied that the mutual interest of both the holding company and subsidiary company would be served by amalgamation involving transfer of the undertaking and assets of the transferor company to the transferee company and the dissolution without winding up of the transferor company.

    ii) Both the transferor and transferee companies are engaged in the same business. The amalgamation would enable substantial consolidation and further expansion of the business of the transferee company.

    iii) The transferor company does not have any overseas presence of its own, Whereas the transferee company has overseas subsidiaries. The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion, development of the business both within Indian and Overseas.

iv) The amalgamation will provide the amalgamated company a strong and focused base to undertake the business more advantageously and thereby increase in their profitability and shareholders net worth.

v) The said scheme has been proposed, inter-alia, to consolidate the business structure and provide for overall business efficiency to combine their managerial and marketing strength to streamline administration, to build a wider capital and financial base and to promote and secure the overall interest growth and economies of both the companies concerned.

vi) The amalgamation will result in usual economies of centralized and larger company.

vii) The business of both companies can be conveniently and advantageously combined together and in general the business of both the companies concerned will be carried on more economically and profitably if the scheme is implemented.

viii) The said scheme will contribute in furthering and fulfilling the objects of both the Companies concerned and in the growth and development of their business.

ix) The scheme will strengthen, consolidate and stabilize the business if the said companies and the resulting amalgamated company will be able to participate more vigorously and profitably in a competitive market.

4. It is submitted by Mr. V.P Singh, the learned Senior Advocate for the applicant that the authorized capital of the transferor company is Rupees One Hundred Crores whereas the authorized capital of the transferee company is Rupees Fifty crores. According to Mr. Singh, The transferor company and transferee company are in fact two divisions of the same management and the objects of the two companies are similar in nature. Both the companies are engaged in the business of developing, providing, undertaking, designing, importing, exporting, distributing, and dealing in Systems and Application software for microprocessor based information systems etc. The business of the two companies can be more conveniently and economically carried on together as one single business.

6. Mr. Singh also submitted that the transferor company and the transferee company are both wholly owned subsidiaries of HCL, and in reality are two divisions of the same management. He further submitted that the amalgamated company will have the benefit of stability in operation and would help to achieve efficient utilization of the resources and facilities. The consolidation of business will achieve rationalization of the management structure and economies of scale for further and stable growth, expansion and diversification and for better and more profitable utilization of the combined resources.

7. The counsel for the applicant submitted that the amalgamation of the companies will improve the capital base and the combined credit worthiness of the two companies will be beneficial to the business. The amalgamated company will be in a stronger position with the combined financial resources and goodwill of the two companies. The amalgamated company would enjoy an advantage from the combined pool of managerial, financial, administrative and technical resources of all the companies in the group, and the scheme will have beneficial results for the two companies concerned, their shareholders and others.

8. Pursuant to the orders dated 27th May, 1999 by this Court, the meetings of the members and creditors of the two companies have been held in the supervision of Mr. S.M. Saxena, J.R., Ms. Alpana Poddar, Advocate, Chairpersons and Mr. Sangram Patnaik, Advocate and Ms. Srabani Ghosh, Advocate, Alternate Chairpersons and they have filed their reports. According to the reports of the Chairpersons for the meetings, the scheme of amalgamation has been approved by the members and the creditors of both the two companies.

9. The Official Liquidator attached to this Court as well as the Regional Director (Northern Region), Department of Company Affairs, Kanpur have filed their reports, stating that the scheme is not in any manner prejudicial to the public interest or the interest of the members of the transferor company and the affairs of the company have not been carried out in any manner prejudicial to the creditors or shareholders or public at large. In the report of the Official Liquidator it has also been stated that in the scheme due care has been taken for the interests of the workmen of the transferor company.

10. Keeping in view the objects for which the amalgamation is sought, I do not find that any public interest is likely to be affected if the two companies are amalgamated for the purpose of more efficient business, particularly when the companies are part of one group.

11. Accordingly, the scheme of amalgamation is approved. It shall be binding on all concerned. It shall be given effect from the date mentioned in the scheme. A certified copy of this Order along with the scheme of amalgamation will be filed with the Registrar of Companies with in 30 days from the date of this order.

12. The Transferor company, namely, M/s. HCL Technologies India Limited shall stand dissolved without any process of winding up. The statement of assets be filed with in ten days. The formal order, shall be drawn by the Registry in accordance with law.

13. Both the petitions are accordingly disposed of.

Sd/-
(Dalveer Bhandari)
Judge

August 30, 1999

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

BETWEEN

COMPANY PETITION NO.237/1999

CONNECTED WITH

COMPANY APPLICATION NO. 747/1999

IN THE MATTER OF M/s. HCL Consulting Ltd.

A Company incorporated under the
Companies Act, 1956 having its
registered office at 806-808, Siddharth,
96, Nehru Place, New Delhi 110 019.

.... PETITIONER
TRANSFEREE COMPANY

AND

COMPANY PETITION NO. 238/1999

CONNECTED WITH

COMPANY APPLICATION NO. 748/1999

IN THE MATTER OF M/s. HCL Technologies India (P) Ltd.

A Company incorporated under the
Companies Act, 1956 having its
registered office at Siddharth, 96, Nehru
Place, New Delhi 110 019.

.... PETITIONER
TRANSFEROR COMPANY

BEFORE THE HON'BLE MR. JUSTICE DALVER BHANDARI

DATED THIS THE 30TH DAY OF AUGUST 1999

ORDER UNDER SECTION 394

The above petitions coming on for hearing on 30/8/99, upon reading the said petitions, the orders dated 27/5/99 whereby the above said petitioner companies were ordered to convene meetings of their shareholders & creditors for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of amalgamation proposed to be made between M/s. HCL Technologies India (P) Ltd. (hereinafter referred to as the Transferor Company) and M/s. HCL Consulting Ltd. (hereinafter referred to as the Transferee Company) annexed to the affidavits of Sh. Anil Chanana & Sh. Ajay Aggarwal filed on 26/5/99 and the newspapers namely (1) “Statesman” & “Veer Arjun” both dated 5/6/99 each containing the advertisement of the said notice convening the said meetings directed to be held by the said orders dated 27/5/99 the affidavit of Sh. Prakash Kumar filed the 22nd day of June, 1999 showing the publication and despatch of notices convening the said meetings, the reports of the Chairperson’s of the said meetings dated 17/7/99 & 21/7/99 as to the result of the said meeting and upon hearing Sh. S.K. Luthra advocate for the Official Liquidator and Sh. V.K. Verma, Assistant Registrar of Companies and Mr. V.P. Singh, Sr. Advocate for petitioner with Ms. Anju Bhattacharya, Advocate and it appearing from the report of the Chairpersons that the proposed scheme of amalgamation has been approved unanimously by the said shareholders & creditors of the Transferor Company and Transferee Company without any modification present voting either in person or by proxy and upon reading the affidavits dated 25/8/99 of Sh. L.M. Gupta, Regional Director Northern Region Department of Company Affairs, Kanpur on behalf of the Central Government Interalia stating that the affairs of the companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest and the reports of Sh. S.P. Dixit Official Liquidator dated 28/8/99 stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of their shareholders or creditors or the public interest and that the Transferor Company could be dissolved without following the process of winding up and there being no investigation proceedings pending in relation to the company under section 235 to 251; of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION

set forth in schedule –I annexed as Annexure 'A" hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor Company and Transferee Company and its all concerned and doth approve the said Scheme of Amalgamation from the appointed date i.e 1/10/98

(as mentioned in scheme)

THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Company specified in the first, second and third parts of the schedule-II annexed, hereto as Annexure 'B' and all other property ,rights and powers of the Transferor company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2)of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same;

2. That all the liabilities and duties of the transferor company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394 (2) of the Companies Act 1956 be transferred to and become the liabilities and duties of the transferee Company; and

3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company and

4. That the Transferee Company do without further application allot to such members of the Transferor Company as have not given such notice of dissent as is required by Clause given in the Scheme of Amalgamation herein the shares in the Transferee Company to which they are entitled under the said Amalgamation and

5. That the transferor Company do within 30 days after the date of this order Cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor company shall be dissolved, and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly ;and

6. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

Given under my hand and seal of the Court this the 30th day of August 1999

(By order of the court)

sd/-
Registrar

IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY PETITION NO. 142 OF 2003

Date of Decision: July 8th 2003

In the matter of

HCL TECHNOLOGIES LIMITED. …..Petitioner

….represented by Mr. C. S. Vaidaynath. Senior Advocate
with Mr. C. Mukhopadhyay, Mr. Ajoy K. Roy
and Mr. Nishant K. Singh, Advocates.

Ms. Shellka Arora. Advocate. For
Ms. Bindu Khosla, Objector.

Mr. Pawan Kumar Dalmia. Objector, in person.

Mr. Rupan Khosla. Objector, in person.

Mr. Dinesh Chand. Deputy Registrar. ROC. for
Regional Director, Deptt. of Co. Affairs, Kanpur.

CORAM:

HON'BLE JUSTICE DR. MUKUNDAKAM SHARMA

1. Whether reporters of local papers may be allowed to see the judgment₹
2. To be referred to the Reporter or not₹
3. Whether the judgment should the reported in the Digest₹

Dr. Mukundakam Sharma. J:

For orders see Company petition no. 140/2003

(Dr Mukundakam Sharma)
Judge

July 8th 2003

IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY PETITION NO. 140 OF 2003

& CA Nos. 460-461. 565, 647, 662, 705- 708/2003

with Company Petitions Nos. **141/2003** and **142/2003**

Date of Decision: July 8th 2003

In the matter of

CP NO. 140/2003
HCL INFOSYSTEMS LIMITED

CP NO. 141/2003
HCL INFINET LIMITED

CP NO. 142/2003
HCL TECHNOLOGIES LIMITED. **…….**Petitioners.

.represented by Mr. C. S. Vaidaynath. Senior Advocate
with Mr. C. Mukhopadhyay, Mr. Ajoy K. Roy
and Mr. Nishant K. Singh, Advocates.

Ms. Shellka Arora. Advocate. for
Ms. Bindu Khosla, Objector.

Mr. Pawan Kumar Dalmia. Objector, in person.

Mr. Rupan Khosla. Objector, in person.

Mr. Dinesh Chand, Deputy Registrar. ROC, for
Regional Director, Deptt. of Co. Affairs, Kanpur.

CORAM:

HON'BLE JUSTICE DR. MUKUNDAKAM SHARMA

1. Whether reporters of local papers may be allowed to see the judgment₹
2. To be referred to the Reporter or not₹ Yes
3. Whether the judgment should the reported in the Digest₹ Yes

Dr. Mukundakam Sharma. J:

These are three petitions filed by the petitioner companies under sections 391 to 394 of the Companies Act. 1956, praying for according sanction to the scheme of arrangement between M/s. HCL Infosystems Limited, the demerged company and HCL Technologies Limited, the resulting company and HCL Infinet Limited, the transferee company. As the issues arising for consideration revolve around similar facts and similar issues. I propose to dispose of all the three petitions by this common judgement and order.

HCL Infosystems Limited proposed to enter into a scheme of arrangements with HCL Technologies Limited and HCL Infinet Limited. The aforesaid scheme was approved by the Boards of all the three companies. The petitioners on the basis thereof filed applications in this Court under section 391(1) and 394 of the Companies Act praying for directions convening of the meetings of the shareholders and the secured and unsecured creditors of all the three companies for the purpose of considering the scheme of arrangement.

The application filed by HCL Infosystems Ltd was registered as CA (M) 21 of 2003. This Court after considering the records and the averments made in the application was satisfied that is was not necessary to hold separate meetings of 3137 the unsecured creditors of the said company to whom the debt due is below RS. 10 Lakhs. Accordingly, the requirement of convening the meeting of unsecured creditors of the said company to whom the debt due was below Rs.10 lakhs was dispensed with. However, the meetings of the shareholders, secured creditors and the unsecured creditors to whom the debt due was above Rs. 10 lakhs were directed to be convened for the purpose of considering and approving the proposed scheme of arrangement. In terms thereof certain directions were issued by this Court on February 3, 2003 directing for convening the meetings of the shareholders, secured creditors and unsecured creditors in the aforesaid manner on March 24. 2003. In order to carry out the aforesaid directions as made in the said order dated February 3, 2003, this Court appointed Mr. Ravi Kant Chadha. Advocate, and Mr. Sridhar Y. Chitale, Advocate, as Chairperson and Alternate Chairperson respectively, to conduct the aforesaid meetings. The meetings were so convened and the same were held as directed in the order dated February 3, 2003 and a report thereof was submitted by the Chairperson appointed by this Court. In the said report submitted by the Chairperson it is stated that the meetings of the shareholders, the secured creditors and the unsecured creditors were summoned by notices individually served upon each of the shareholders, secured and unsecured creditors through U. P. C. and by advertisement dated February 28 , 2003 in The Statesman and Veer Arjun. It is also stated in the report submitted that such shareholders and secured and unsecured creditors of HCL Infosystems Limited approved and adopted the aforesaid scheme of arrangement.

The application filed by HCL Infinet Limited was registered as CA (M) 22/2003 and that filed by HCL Technologies Limited as CA (M) 23/2003. By separate orders passed by this Court directions were issued for convening the meetings of the shareholders, secured creditors and unsecured creditors on March 24. 2003. The requirement of convening the meeting of the sole secured creditor of HCL Technologies Ltd. was dispensed with as the sole secured creditor had no objection to the proposed scheme of arrangement. The meetings were held as directed and the Chairpersons appointed submitted their respective reports. Thereafter, the present petitions were filed by the petitioner companies seeking for the aforesaid relief.

Notices were issued on these petitions upon which the Regional Director has submitted a report. In company Petition No. 140/2003 filed by HCL Infosystems Limited three objections have also been filed by three shareholders raising various objections to the manner and mode in which the aforesaid meetings were held and also raising various objections to the scheme of arrangement. The Regional Director filed his report. In paragraph 4 of the said report it is stated that the details of the assets and liabilities and the value of the software service business proposed to be transferred to the resulting company, namely, M/s. HCL Technologies Limited have not been stated either in the scheme of arrangement or in the joint valuation reports submitted by M/s Price Waterhouse Coopers Pvt. Ltd. New Delhi, and M/s Bansi S. Mehta & Co, Chartered Accountants, Mumbai In the said report another statement is made by Regional Director to the effect that detailed calculations and the basis on which the share entitlement ratio of 2:9 has been worked out have not been stated in the valuation report It is stated that in absence of said detailed calculation the Central Government is not in position to form an opinion on the reasonableness of the share entitlement ratio. In paragraph 5 of the said report, reference is also made by the Regional Director to a letter filed by one of the shareholders of the company, namely, Shri Pawan Kumar Dalmia. It is pointed out that the said latter was submitted to the Regional Director alleging that the scheme of arrangement was illegal, wrong and contrary to the provisions of the Companies Act. It is, however, stated that the allegations made in the said letter could not be substantiated with relevant facts and evidence and that the allegations made in the said letter are general in nature. Said Pawan Kumar Dalmia also submitted an objection in this Court opposing the prayer for according sanction to the scheme of arrangement. Similarly, Shri Rupan Khosla and Ms. Bindu Khosla have also filed two objections in this Court. In the light of the aforesaid facts and the objections filed I have heard the learned counsel appearing for the petitioners, as also Mr. Rupan Khosla and Mr. Pawan Kumar Dalmia, who appeared in person before me, and also Ms. Shellka Arora, Advocate, who appeared for and represented Ms. Bindu Khosla. The Deputy Registrar represented the Regional Director during the course of arguments and he was also heard at length.

Incidentally, Ms. Bindu Khosla is the wife of Mr. Rupan Khosla and they together held 1250 number of shares constituting 0.00378% of the total paid up share capital of 31,9,09,459 equity shares of Rs. 10 each of HCL Technologies Limited. It is also disclosed from the records the all the three objectors, namely, Rupan Khosla, Bindu Khosla and Pawan Kumar Dalmia are ex-employees of the said company. Mr. Rupan Khosla was an employee of the company till August 28. 2000 when his services were terminated. The services of Bindu Khosla were also dispensed with. On the other hand, Mr. Pawan kumar Dalmia joined the said company in May 1994 as Company Secretary and remained in that capacity till June 15 1999 when the company terminated his services. It is also brought out that at the time of his release from service an amount of Rs.6,79,467/- was allegedly due and payable to the company in respect of which a claim was filed claiming the said amount as the principal amount along with interest at the rate of 24%. The said claim is pending for consideration before the Arbitrator. The said objector Mr. Pawan Kumar Dalmia and his wife have also filed three petitions against the said company before the Additional District Judge, Tis Hazari Courts, Delhi. It also appears that a complaint filed by the said objector is also pending for consideration before the Registrar of Companies. The said three objectors being ex employees of the company and their services having been terminated by the company it is but natural that the said objectors have axes to grind being disgruntled ex employees of the company and inimically poised as against the said company. One of the objectors, namely, Pawan Kumar Dalmia in his objection as also during the cause of his arguments sought to refer to incidents and alleged conduct of the company to the period even much prior to the proposed scheme of arrangement. The aforesaid effort clearly proves and establishes the inimical attitude of the objector towards the said company. Even Rupan Khosla during the course of his arguments tried to refer to some of such incidents which were incidents and happenings of the company much prior to the date the aforesaid scheme of arrangement was proposed. The present petitions revolve around the scheme of arrangement in which the first meeting was held on December 18, 2002 whereas the allegations of at least two objectors, as referred to above, pertain to incidents and occurrences much prior to the said date and have no proximity and relevance to the present scheme. This Court is not considering a case of mismanagement and oppression of the company and is only considering the matter regarding the grant of sanction to a scheme of arrangement proposed. The jurisdiction of this Court is limited only to the merit of the present scheme and none of the issues raised beyond the said scheme could be considered by this Court in the present petitions. This was made clear to all the objectors during the course of hearing which position was also accepted by them. The said position is also reiterated in this judgment and order as well. Having held thus, I may now proceed to consider the merit of the objection raised by the three objectors and by the Regional Director in respect of the merit of the scheme of arrangement.

One of the objections that is raised against grant of sanction to the scheme of arrangement is that the three objectors have been denied the opportunity to inspect the documents and the statutory records. It was also pleaded and urged by the said objectors that the documents and the statutory records have not been maintained by the company in accordance with law. In this connection I may record that applications were filed by the objectors praying for a direction to the company to allow the said objectors to inspect the relevant records for the purpose of filing their objections and also to enable them to make their submissions The company conceded to the aforesaid request in the applications and stated that such records which are necessary for the preparation of the objections and for making arguments could be allowed to be inspected by the said objectors as shareholders in accordance with the provisions of the Companies Act and the Rules framed thereunder. In the light of the stand taken by the parties, this Court appointed a Local Commissioner who was directed to obtain the records from the company and allow inspection thereof as entrusted to her. She has submitted a report contending inter alia that the objectors were given copies and allowed inspection of all such documents which could be given/inspected by a shareholder. It is also stated in the said report that some of the documents as stated in the report could not be shown and copies thereof could not be given as the three objectors as shareholders are not entitled to the same. It is clear from the records placed before me including the report of the Local Commissioner that relevant information and documents have been provided in accordance with law to the objectors. The objectors have inspected the register maintained by the company under section 301 of the Companies Act, the register maintained under sections 372, 372A and 370 of the Companies Act, the valuation report and the register of members. Certified copies of various documents as required by the objectors were also given as is indicated from the report of the Local

Commissioner. It also could not be pointed out during the course of arguments that any of the documents access to which was disallowed, was required to be shown to a shareholder like the objectors. All the three objectors have filed detailed objections and have also advanced lengthy arguments in support of their objections and therefore, they are in no manner prejudiced in contesting the scheme of arrangement. The power of this Court also cannot be sought to be invoked for making a fishing and roving enquiry. In Tata Oil Mills Co. Ltd and Hindustan Lever Limited (1994), 3 Comp, Law Journal 46. It as held by the Bombay High Court that as far disclosure of information is concerned, it will not suffice for the dissenting shareholder merely to show that he was not provided with all the informations and materials on which he could come to a just conclusion in accepting and rejecting the scheme. In that view of the matter, one of the objections raised that the objectors were denied inspection of the relevant documents and of the statutory records cannot be accepted.

The next objection that was raised by all three objectors was that the scheme of arrangement between the demerged company and the resultant company and the transferee company is illegal, fraudulent and without proper and necessary approval of the shareholders. It is also submitted that the approval of the shareholders and of the secured and unsecured creditors in the aforesaid meetings was obtained on the basis of gross suppression and misrepresentation of material facts. The said objection goes to the root of the matter and, therefore, need scrutiny by this Court.

The aforesaid objection was sought to be substantiated by stating that statutory requirement of section 391(1)(a) of the Companies Act was not disclosed in the explanatory statement submitted with the notice, it is an admitted position that an explanatory statement was submitted by the company with the notice issued to the shareholders as also the secured and unsecured creditors for whom meetings were directed to be held by this Court. The company has stated that all the necessary disclosures as required under the provisions of section 393 have been made by the company in the explanatory statement submitted with the notice. Apart from the three objectors, a number of other shareholders were present in the meeting held for the purpose. None of the said shareholders, nor any of the secured and unsecured creditors who had attended the meetings raised any such objection either in the meetings held for the purpose in terms of the order of this Court nor any such objection has been raised before this Court by any other shareholders, or secured or unsecured creditors. It could not be established by any of the three objectors that the effect of the scheme of arrangement would vary in the case of the Directors from that of the other shareholders. The Directors under the scheme of arrangement would be receiving the same shareholdings as would be received/receivable by the other shareholders which is also specifically stated and accepted by the petitioners. It is also a settled position of law that the explanatory statement as required under section 173 with notice to members of a special resolution is quite different from the statement which is required under section 393(1)(a), In the decisions of Tata Oil Mils Co. Ltd and Hindustan Lever Ltd. reported in (1994), 3 Comp Cased 46, the Bombay High Court has held that section 393(1)(a) does not require disclosure of all the material facts, it only requires explanation of the material interests involved, I also cannot accept the contention that there is no attempt to disclose the shareholdings of the Directors as their shareholding is reflected in the register of members maintained at the registered office of the company. It is also brought out on record that a promoter’s shareholding is also published quarterly in the newspapers and such disclosures are also made on quarterly basis to all the stock exchanges where the company’s shares are listed. The objectors have failed to prove that any material interest involved is not reflected in the explanatory statement appended to the notice. The court would accept the bona fides of the explanatory statements appended to the notice and would not investigate into such bona fides until and unless it could be shown by the objectors that there is a fraudulent intention involved in not disclosing the material interest. In United Bank if India Ltd. V, United India Credit & Development Co. Ltd. reported in (1997) 47 Com. Cases 689, the Calcutta High Court has held that unless and until it could be shown that the shareholders have been misled by the statements made in the explanatory statement or any objection raised regarding the notice by any of the shareholders, the court would not accept a contention that the explanatory statements were misleading or insufficient. The ratio of the aforesaid decision was approved by the Bombay High Court in the decisions in Tata Oil Mills Co. Ltd and Hindustan Lever Ltd. (Supra).In my considered opinion the explanatory statements appended to the notice cannot be said to be misleading or insufficient. Except for the three objectors, none of the other shareholders and secured and unsecured creditors has made any such allegations or any objections regarding such statements made. The objector although have raised such objections, but they have also failed to prove and establish that the material interests involve have not been disclosed in the aforesaid statements. In this connection reference may also be made to the decisions of the Supreme Court in Hindustan Lever Employee; Union V, Hindustan Lever Ltd. reported in (1995) 83 Com Cases 30, where in it was held thus:

> "where considering the overwhelming manner in which the shareholders, the creditors, the debenture holders, the financial institutions, had supported the scheme and had not complained about any lack of notice or lack of understanding of what the scheme was about, it would not be right to hold that the explanatory statement was not proper or was lacking in material particulars".

In my considered opinion the aforesaid ratio of the said decision of the Supreme Court is squarely applicable to the facts of the present case.

Similar objections as have been raised in this case were also raised before the Bombay High Court in the case of Tata Oil Mills Co, Ltd, and Hindustan Lever Ltd. (supra) which were negatived by the said court. The following observation made by the Court in the said decisions is apposite and accordingly the same is extracted:

> "13. (iii) it was further submitted on behalf of Mr. Hazari that explanatory statement was very cryptic and that this ground alone was sufficient to nullify the meeting. I my view the explanatory statement as required under section 172 is quite different than the explanatory statement which is required under section 393(1)(a) of the Act. Mridol J, as he then was, has in the matter of Khandelwal Udyog Ltd, And Acme Mfg, Ltd, in re (1997) 47 Comp Cas 503 (Bom), inter alia, held that section 393(1)(a) soes not ordain disclosure of all material facts. Clause (a) does not only enumerates the categories of particulars, but it deliberately makes a departure by omitting any reference to material facts. It was further held that the Legislature having used a different phraseology in the said two provisions, it must be held that the legislative intent under the said section 393was not to provide for disclosure of all material facts. Similar view is taken by learned single Judge of the Calcutta High court in the matter of United Bank of India Ltd. v. United India Credit and Development Co. Ltd. (1977)47 Comp Cas 689 (Cal)."

In All India Blue Star Employees Federation v. Blue Star Ltd. reported in (2000) 27 SCL 265, the Division Bench of the Bombay High Court has held that there is no obligation on the part of the company to disclose such shareholding of each individual director as can be discovered from the register of members. No such grievance could be made and, therefore, the objection raised by the objectors in that regard in the present case also stand negatived even according to the ratio of the aforesaid decision. The Gujarat High court also in the decision of Alembic Ltd. v. Dipak Kumar, reported in 41 SCL 2003 (Guj) 145, has held as follows:

> "It appears from a perusal of the aforesaid provision that the material interest of the directors/managing director/manager of the company would be required to be given whether such material interests in their capacity as directors or as shareholders of the company or otherwise and in a given case even in their capacity as shareholders in another company which holds the shares in the applicant-company, but such disclosure is to be made when the effect of the proposed compromise and arrangement on those material interests is different from the effect on the like interests of other persons. It is not the case of the objector that the effect of the proposed scheme on the interests of the directors of Alembic Ltd, in their capacity as shareholders in other closely held companies having shares in Alembic Ltd, is going to be different from the effect on the like interests of the other shareholders either in Alembic Ltd, or in Darshak Ltd. In this view of the matter, the sanction to the scheme is not required to be withheld on the

> ground that the disclosure in the notice convening the meeting fell short of the requirement of section 393(1)(a) of the Companies Act.1956".

Accordingly, the aforesaid objection raised about the non-disclosure of material interest stands rejected

Objections were also raised with regard to the manner and mode of holding the meetings, as also the resolutions adopted in the aforesaid meetings.

According to the objectors, the meeting of the shareholders convened is no meeting at all in the eye of law. The aforesaid objection has been considered by me and in order to appreciate the same I have also carefully perused the reports submitted by the Chairperson and the Alternate Chairperson who were appointed by order dated February 3, 2003. Along with their reports they have also submitted certain documents which were also perused by me while appreciating the aforesaid objections raised by the objectors. It is disclosed therefrom that a notice containing a copy of the scheme of arrangement, explanatory statement and proxy form duly approved by the registry of this Court and the details of the Chairperson appointed by this Court for the meeting was served by way of U.P. C. upon each of the shareholders, secured creditors and unsecured creditors of the companies. Notices of the meeting were also published in two newspapers of February 28. 2003. The reports of the Chairperson containing an affidavit prove and establish the aforesaid facts. One of the objections raised is that only half an hour time was given for the meeting of the shareholders which was inadequate in view of the capacity of the hall and the attendance. The timing of the three meeting were fixed by this Court in the order dated February 3, 2003. While fixing the time schedule of the aforesaid three meetings, this Court considered all the factors and thereafter fixed the schedule of timing of the three meetings and, therefore, no such objection could be raised by the objectors alleging that time given for the meeting was inadequate. Section 391(2) requires the scheme to be passed by 3/4th of the value of the creditors or the class of creditors, present and voting in person or through proxy at the meeting. In the present case, 151shareholders of the company were present and the scheme has been unanimously approved by 99.99% of the shareholders present and voting The three objectors who have raised objections along with two others did not approve the scheme of arrangement In that view of the matter, the capacity of the hall and attendance has no relevance, and relation for considering and approving the scheme of arrangement. It was also sought to be contended by the objectors that the amendment sought to be introduced and raised by Rupan Khosla was not allowed to be raised by the Chairperson of the meeting. In this connection reference can be made to the report of the Chairperson who has stated in his report in the following manner.

> "In the midst of voting on the resolution, a member, who introduced himself as Mr. Rupan Khosla, requested the Chairman that he wanted to raise a point of order to amend the resolution by his modification. As Mr. Khosla insisted upon reading a few lines of his text, the Chairman allowed him to read the proposed text/modification. Some papers delivered prior to meeting, on the day of voting and after voting received from Mr. Rupan Khosla along with other papers received from one Mrs. Manju Dalmia and Mr. Pawan Dalmia are attached herewith a "Documents received from Mr. Rupan Khosla, Ms. Manju Dalmia and Mr. Pawan Dalmia". However, since voting on the resolution had already commenced and some members had voted, there was no proposal for the said proposed modification as contained in Mr. Rupan Khosla's latter dated March 24,2003 (Annexure "Z" Colly) nor same was seconded. The motion raised by Mr. Rupan Khosla was not proper, hence it was invalidated. However, in the opinion of the Chairman and the alternate Chairman, members who wanted to mention about said proposed modification were allowed to do so and same is brought to the notice of this Hon'ble Court."

It is, thus, established therefrom that no amendment or modification seeking to amend the resolution was circulated in advance as required under the provisions of the Companies Act. A reference to the provisions of section 188(2) of the Companies Act would disclose the eligibility criteria of the member and the requirement to circulate a resolution and to make a request for the aforesaid purpose. In the present case, the aforesaid requirement was not complied with and fulfilled. Even otherwise it is indicated from the report of the

Chairperson that opportunity was given to all the members who wanted to consider the said proposed modification but except for the three objectors the same did not receive any approval from any other shareholders.

Therefore, it is established that although no amendment or modification seeking to amend the resolution was circulated in advance, yet the shareholders had the benefit to consider the same but did not approve of and rejected the said modification/amendment. Chairperson was also satisfied that the amendment raised by Rupan Khosla was not only not proper but was also satisfied to the extent that the same would alter the basic structure of the scheme. Even in spite of the aforesaid satisfaction the Chairperson allowed the members who wanted to vote on the proposed amendment, but the said amendment was not approved by the shareholders present and voting and the said amendment stood defeated by the house it self which is apparent from the percentage of voting as 99.99%of the members present and voting rejected the aforesaid amendment and approved the scheme of the arrangement as proposed. It is also established that the aforesaid amendment proposed by Mr. Rupan Khosla was not seconded by any other shareholder. The aforesaid position is proved by the report of the Chairperson. Paragraph 14.6 of the Company Secretary Practice Manual. Vol. II, States as follows:

> "The Act or Table A of Schedule I do not provide for proposing and the seconding of the motion or proposal or a resolution moved at a meeting. It is, however, customary at company meetings to formally propose and second a motion so as to be put to vote. When a motion is proposed and seconded, it leads to a debate and voting. To propose means to offer or put forward for consideration and to second means to express formal support to (a motion, proposal, etc), as a necessary preliminary to further discussion or to voting. Seconder is a person who expresses formal support of a motion so that it may be discussed or put to a vote."

In Tata Oil Co. Ltd and Hindustan Levers Ltd. (supra), the Court observed as follows:

> "…..Mr. Hazari had proposed a resolution by way of an amendment…. In my opinion, first of all Mr. Hazaria had not got circulated any draft amendment earlier for being considered. Secondly, the same was definitely beyond the scope of the meeting."

Even assuming that there was a minor irregularity in that regard., yet the resolution proposed by the company was passed by an overwhelming majority representing 99.99% in value of the equity shareholders It is also worth mentioning that the five dissenting members also cast their votes on the said resolution but unfortunately they were the only dissenting members, whose holding amounted to only 0.1171% of the total value of the shareholding of the company.

Another objection that was raised was with regard to the appointment of scrutinizers. It was contended that both the scrutinizers are the employees of the company which violated the provisions of section 184 of the companies Act. The said provision contemplates that one of the two scrutinizers appointed by the Chairperson should be the member and not an officer or an employee of the company present at the meeting. In the present case, Mr. K. Radhakrishnan was appointed as one of the scrutinizers and he is the Company Secretary of the company. Mr. D.C. Kotiyan was appointed as the other scrutinizer by the Chairperson. It is pointed out by the company that D.C. Kotiyan is not an employee of any of the three companies. The said position is also proved and admitted that he is a contractor/consultant. He was present in the said meeting not as an employee of the company but as a member when the Chairperson was satisfied that he was not an employee of the company and thereafter was appointed as one of the scrutinizers, no objection can be raised against his appointment as a scrutinizer. In the present case there is no violation of the provision of section 184 of the Companies Act.

The next allegation raised is that no debate and discussion took place during the course of meeting of the shareholders. The Chaiperson has submitted a detailed report with regard to the conduct and the manner in which the meeting was held. On perusal of the same it is apparent and established that the chairperson followed the due process and procedure of law. The Chairperson called the meeting in order. Thereafter the Chairperson gave the welcome address where in he staled that the scheme of arrangement is accepted as already read in view of the fact that a copy of the scheme of arrangement was sent and individually served on each of the equity shareholders along with the notice. As directed by the Chairperson, the notice convening the meeting was read and thereafter the scrutinizers were appointed by the Chairperson. The Chairperson declared the poll timings and ordered that voting on the resolution would be by poll and put the resolution for vote Mr. Rupan Khosla proposed the amendment which was allowed to be read as is indicated from the minutes of the meeting. The same was considered by the Chairperson and he gave a ruling on the same which is also disclosed from the minutes of the meeting and it is therefore, apparent and established that there was effective deliberation on the aforesaid proposed amendment propounded by Mr. Rupan Khosla and the same was effectively considered by the members. The aforesaid allegation therefore is also without any merit.

It was also sought to be contended that the objector or his proxy was not allowed entry into the hall for the meeting. The said contention is apparently misleading on the face of the records Mr. Rupan Khosla, in his capacity as a shareholder of the company and as proxy of Mr. Pawan Kumar Dalmia's wife, was present in the meeting. Mr. Pawan Kumar Dalmia himself was also present in person as also Ms Bindu Khosla was also present. The said allegation is baseless on the face of it.

An objection was also raised challenging the validity of the meeting on the ground that the resolution of the meeting was not announced by the Chairperson. In this connection reference may be made to the provision of Rule 78 of the Companies Court Rules which provides the procedure as to how the Chairperson of the meeting is to submit his report In my considered opinion the report which was submitted by the Chairperson in the present case satisfies the requirement and the mandate of section 78 of the Rules.

It was also sought to be submitted that no notice convening the meeting was received by the three objectors who are shareholders. The very fact that they were present in the meeting or were represented by proxy indicates that they had notice of the meeting Rather they actively participated in the said meeting. The said objection has also no basis a all.

Objection is also taken to the holding of the meetings on the ground that the meeting procedure was not explained by the Chairperson. Report of the Chairperson, which is on record, clearly establishes that the Chairperson duly apprised the members present about the purpose of the meeting and explained to them the manner and the procedure of the meeting and its purpose and how the polling has to be done. Except for the three objectors none of the shareholders who were present and voting in favour of the resolution has taken up a stand in support of the allegations raised by the objectors herein. The resolution was passed by a majority of shareholders present and voting the value of which was 99.99%. The objection with regard to manner and mode of holding the meetings is without any merit and rejected. All the allegations in that regard are found to be baseless.

It was also contended that the company did not comply with the provisions of section 293(1)(a) of the Companies Act. I have given my anxious consideration to the aforesaid submission. I am, however constrained to hold that the provision of section 293(1)(a) is not applicable to the facts and circumstances of the present case. Section 391 to 394 of the companies Act is a complete code in itself and therefore, there is no requiement to comply with the provisions of section 293(1)(a). In PMP Auto Industries Ltd and SS. Miranda Ltd. (1994) 80 Comp Cases 289 it was held that once a scheme of arrangement falls squarely within the ambit of aforesaid section namely sections 391 to 394, the same could be sanctioned even if it involves doing acts for which procedure is specified in other sections of the Companies Act.

Objectors also raised an objection with regard to the transfer of the R&D Division. The said R&D Division was transferred in the year 1996. The same, therefore, has no relevance to the present scheme of arrangement and the aforesaid objection is found, therefore, to be not relevant to the present scheme.

Objections have been raised to the scheme of arrangement on the ground that the valuation report is unfair and biased. Even the Regional Director has also raised an objection that the valuation report does not disclose the basis of calculations for arriving at the share exchange ratio. The aforesaid objection, therefore, requires consideration by this Court. I have given an indepth consideration to the said allegation. The valuation of the business in the present case has been jointly done by reputed valuers like M/s. Pricewaterhouse Coopers Pvt Ltd and Bansi S. Mehta & Co. The aforesaid valuation report has been adopted by the Board of the companies and passed by the overwhelming majority of the shareholders. In Miheer H. Mafatlal v. Mafatlal Industries Ltd. (1996) 87 Comp, Cases 792, the Supreme Court has held that if share exchange ratio is fixed by Chartered Accountant upon consideration of various factors and approved by majority of shareholders in a meeting, the Court will not disturb the ratio. The afoxesaid decision was considered by this Court in Chaturanan Industries Ltd. v. Sulabh Leafin (P) Ltd and others. (1998) 5 Comp, LJ 444. In the said case this Court referred to the aforesaid decision of the Supreme Court and in paragraph 15 it held thus:-

> " 15. It is admitted in the present case that the valuation of the shares in the present case was done by a recognized firm of chartered accountant of repute. It is also reported by the chartered accountants that while determining the exchange ration in the present case, he has followed not only the book value method but also profitability and earning per share. The afore mentioned method of valuation of shares is recognized as a proper mode of valuation. …… it is not for the court either to substitute the exchange ratio, especially when the same has been accepted without demur of the overwhelming majority of the shareholders of the two companies, or to say that the shareholders in their collective wisdom could not have accepted the said exchange ratio on the ground that it would be detrimental to their interest."

In Hindustan Lever Employees Union's Case (supra). The Supreme Court observed thus

> "The valuation of shares is a technical matter, it requires considerable skill and experience. There are bound to be differences of opinion among accountants as to what is tile correct value of the shares of a company, it was emphasized that more than 99% of the shareholders had approved the valuation. The test of fairness of this valuation is not whether the offer is fair to a particular shareholder……. Who may have reasons of his own for not agreeing to the valuation of the shares, but the overwhelming majority of the shareholders have approved of the valuation. The Court should not interfere with such valuation.
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> XX XX XX
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> In the absence of it being shown to be vitiated by fraud and malafide, the mere fact that the determination done by slightly different method might have resulted in different conclusion would not justify intervention of Court."

It is also settled position of law that once the exchange ratio of the shares of the transferee company to be allotted to the shareholders of the transferor company has been worked out by a recognized firm of chartered accountant who are experts in the fields of valuation and if no mistake can be pointed out in the said valuation, it is not for the court to substitute its exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies. The aforesaid ration was also accepted by this court in Jindal (India) Ltd. V. Cold Rollings India Pvt. Ltd,. 1998 I Comp. L.J. 36.

In Hindustan Lever Employees Union's Case (supra) it was again held by the Supreme Court that the jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy; if the determination satisfied the arithmetic test. It was further held that a Company Court does not exercise an appellate jurisdiction. In the said decision it was held as follows:-

> "……….. The Court's obligation is to be satisfied that valuation was in accordance with law and it was carried out by an independent body. The High Court appears to be correct in its approach that this test was satisfied even though the chartered accountant who performed this function was a director of TOMCO, but he did so as a member of renowned firm of chartered accountants. His determination was further got checked and approved by two other independent bodies at the instance of shareholders of TOMCO by the High Court and it has been found that he determination did not suffer from any infirmity. The Company Court, therefore, did not commit any error in refusing to interfere with it. May be as argued by the learned counsel for the petitioner that if some other method would have been adopted, probably the determination of valuation could have been a bit more in favour of the shareholders. But since admittedly more than 95% of the shareholders who are the best judge of their interest and are better conversant with market trend agreed to the valuation determined, it could not be interfered by Courts as 'certainly' it is not part of the judicial process to examine entrepreneurial activities to ferret out flaws."

The aforesaid ratio of the decision of the Supreme Court is squarely to the facts of the present case and on that count the objection raised by the objectors as also by the Regional Directors cannot be entertained. and rather required to be rejected, which I hereby do.

Mr. Rupan Khosla appearing in person also made an objection to the scheme of arrangement on the ground that the company is siphoning of the profitable business. He also referred to the interview in C.N.B.C. on December 19, 2002. So far the said interview is concerned it is only to be noted that different interviewer may have different opinion with regard to the scheme. It is also not understood whether or not the interviewer had studied and understood the scheme properly. The opinion of the interviewer, in my considered opinion, cannot be given due weightage in considering the question of grant of sanction to the scheme of arrangement. It is the shareholder's company and, therefore the views of the shareholders is paramount and not that of the interviewer. Since in the present case the overwhelming majority of the shareholders has approved the scheme, the same cannot override the opinion of the interviewer. The allegation of the objector that there is an effort to siphoning of the profitable business of the company in which case the minority shareholders would be deprived of the benefit is also considered by me giving due weightage thereto. No basis is provided in support of the aforesaid allegation. There is increase in the profit of the Company as a matter of fact there is almost 100% increase in revenue of the software business of the company. The revenue of the company without the software business has also increased from Rs.336 crores in the financial year ending March 31, 2002 to Rs.2,729 crores in the year ending March 31, 2003. Therefore the aforesaid contention is also without merit.

In the light of the aforesaid discussions, the objections that are raised as against the grant of sanction to the scheme of arrangement are found to be without merit and are dismissed. Accordingly, I am, of the considered opinion that the scheme if approved would be beneficial to all concerned, and as such the scheme approved by the members stands confirmed. Sanction is hereby granted to the aforementioned scheme of arrangement. Petition stand disposed of in the above terms along with all the pending applications.

(Dr. Mukundakam Sharma)

July 8th, 2003 Judge

pcj

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
COMPANY PETITION NO.140/2003
ONNECTED WITH
COMPANY APPLICATION NO.(M) 21/2003
IN THE MATTER OF M/S HCL Infosystms Ltd.,
having its regd office at ,
806-808, siddharth, 96, Nehru Place
New Delhi – 110019
…..petioner
Demerged Company
AND
COMPANY PETITION NO. 141/2003
CONNECTED WITH
COMPANY APPLICATION NO. (M) 22/2003
IN THE MATTER OF M/S HCL Infinet Ltd.,
having its regd. Office at ,
806-808, Siddharth, 96, Nehru Place
New Delhi - 110019
…..petioner
Transferee Company
AND
COMPANY PETITION NO.142/2003
CONNECTED WITH
COMPANY APPLICATION NO.(M) 23/2003
IN THE MATTER OF M/S HCL Technologies Ltd.,
having its regd. Office at ,
806-808, Siddharth, 96, Nehru Place
New Delhi - 110019
....petioner
Resulting Company

BEFORE HON'BLE DR. JUSTICE MUKUNDAKAM SHARMA DATED THIS 8TH DAY OF JULY, 2003

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petitions coming up for the hearing on 8.7.2003 for sanction of the scheme of Arrangement proposed to be made between M/s HCL Infosystems Ltd. (hereinafter referred to as the demerged Company) M/s HCL Technologies Ltd. (herein after referred to as the resulting company) and M/s HCL Infinet Ltd. (hereinafter referred to as the transferee company), upon reading the said petitions, the orders dated 3.2.2003 whereby the above said demerged company, resulting company and transferee company were ordered to convene a meeting of their respective shareholders, secured and unsecured creditors to whom the debt owned is above Rs.1000000 for the purpose of considering , and if thought fit, approving, with or without modifications, the scheme of Arrangement annexed to the affidavits of Sh. K. R. Radhakrishnan, Company Secretary of demerged company, Sh Suman Ghose Hazra Director of the transferee company and Mr. Allwyn Noronha, company secretary of the resulting company filed on the 24th January, 2003 and the publication in the news papers namely (1) The Statesman (English) (2) Veer Arjun (Hindi) both dated 28.2.2003 each containing the advertisement of the notice convening the said meetings directed to be held by the said order dt. 3.2.2003, the affidavits of Sh. Ravi Kant Chaddha, Advocate and Sh. H. P. Singh, Adv., filed on 17.3.2003 & 22.3.2003 showing the publication and dispatch of the notices convening the said meetings the reports of Chairmen of the said meetings as to the result of the said meetings and upon hearing Sh. Vaidyanathan, Sr. Adv., with Mr. C. Mukhopadhyay, Mr. Ajoy K. Roy and Mr. Nishant K. Singh, Advocates for the petioners, Ms. Shellka Arora, advocate for Ms. Bindu Khosla, objector, Mr. Pawan Kr. Dalmia objector in person, Mr. Rupan Khosla, objector in person, Mr. Dinesh Chand, Deputy Registrar, Registrar of Companies for Regional Director, Deptt. Of Company Affairs, Kanpur and it appearing from the reports that the proposed scheme of arrangement has been approved and adopted without any modification by the said shareholders and creditors of the demerged company, resulting company and transferee company present and voting either in person or by proxy and upon reading the affidavits dated 21.5.2003 of Sh. U C. Nahta Regional Director, Northern Region, Department of Company Affairs, Kanpur on behalf of central Government and the objection raised by regional Director in its affidavits and also by the objectors against the grant of sanction to the scheme of arrangement having been dismissed by the court there being no investigation proceedings pending n relation to the petitioner companies under section 235 to 251 of the companies act 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEHE OF ARRANGEMENT

setforth in Schedule-I annexed hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the demerged company, resulting company and transferee company and all concerned and doth approve the said scheme of arrangement from the appointed dt. i.e. 1.1.2003

AND THIS COURT DOTH FURTHER ORDER

1. That all the property, rights and powers of the software service business and the office automation and Telecommunication division of the demerged company specified in the First Second and third parts of Schedule II hereto and all other property, right and the power of the software service business and the office automation and Telecommunication Division of the demerged company be transferred without further at or deed o the resulting company and transferee company respectively and accordingly the same shall pursuant to section 394 (2 of he companies Act 956 be transferred to and vest. resulting company and the transferee company respectively for al the estate and interest of the demerged company there in but subject never the less to all charges now affecting the same and

2. That all the liabilities and duties of the software service business and the office automation and telecommunication division of the demerged company be transferred without further act or deed to the resulting company and the transferee company respectively and accordingly the same shall pursuant to section 394(2) of the companies Act 1956 be transferred to and become the liabilities and duties of the resulting company and the transferee company respectively and

3. That all the proceedings now pending by or against the demerged company relating to the software service business and the office automation and Telecommunication division be continued by or against resulting company and the transferee company respectively as specified in the said scheme of arrangement and

4. That the resulting company do without further application allot to such members of the demerged or company as is required by clause 20 given in the Scheme of arrangement here in the shares in the resulting company to which they are entitled under the said arrangement. The transferee company a wholly owned subsidiary company of the demerged company shall comply with clause 36 of the said scheme of arrangement.

5. That the Demerged company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of companies for registration.

SCHEME OF ARRANGEMENT

BETWEEN:

HCL Infosystems Limited ... Demerged Company

HCL Technologies Limited ... Resulting Company

HCL Infinet Limited ... Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I — GENERAL

1. The Demerged Company is primarily engaged in the business of information technology, facilities and network management, network consulting, call centre consulting, software services, and providing hardware equipments, office automation and telecommunication equipments through its various divisions through its various subsidiaries worldwide.

2. The Resulting Company is primarily engaged in providing to customers in India and worldwide, technology and software services through a network of sales and project management offices in various countries including India.

3. The Transferee Company is a wholly owned subsidiary of the Demerged Company and is primarily engaged in the business of providing value added internet business services and solutions, hardware, software, support and consulting services.

4. This composite scheme of arrangement (hereinafter referred to as the **"Scheme")** provides for;

   (a) the demerger of Demerged Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company; and

   (b) the transfer of the Transferred Undertaking of the Demerged Company to the Transferee Company for such consideration and in such manner as provided herein.

Pursuant to Sections 391 to 394 and other relevant provisions of the Act in the manner provided for herein.

5. The Scheme is divided into the following parts:

   (a) Part I, which deals with the introduction and definitions;

   (b) Part II, which deals with the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company;

   (c) Part III, which deals with the transfer of the Transferred Undertaking of the Demerged Company to the Transferee Company; and

   (d) Part IV, which deals with the general terms and conditions that would be applicable to both Part II and Part III of the Scheme.

6. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

7. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall

have the following meanings:

"**Act**" means the Companies Act, 1956 or any statutory modification or re-enactment thereof;

"**Appointed Date**" means January 1, 2003;

"**Demerged Company**" means HCL Infosystems Limited, a company incorporated under the Act and having its registered office at 806-808, 96 Nehru Place, New Delhi;

"**Demerged Undertaking**" means the software services business of the Demerged Company (including the software technology park units whether in India or otherwise), on a going concern basis, and which shall include (without limitation):

(a) all the property of or required for the software services business wherever situated, whether movable or immovable, tangible or intangible, including all lands, plant and machinery, buildings and structures, warehouses, offices, residential and other premises, vehicles, capital work in progress, furniture, fixtures, office equipment, appliances, accessories;

(b) deposits, stocks, assets, sundry debtors, inventories, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates and in particular investments made directly or indirectly in - overseas subsidiaries), cash and bank accounts (including balances with banks), bills of exchange, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights) and hire purchase contracts, lending contracts,

(c) benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights (including rights under any agreements, or customer contracts, or other contracts or agreements), entitlements, contracts, licenses (including in relation to software technology park units), municipal permissions, tenancies in relation to the office and/or, residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits and privileges under the Income Tax Act, 1961 and entitlements) and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Undertaking;

(d) all trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Demerged Undertaking 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 Demerged Undertaking, whether in India or abroad;

(e) all earnest moneys and/or security deposits paid by the Demerged company in connection or relating to the Demerged Undertaking; and

(f) present and future liabilities (including contingent liabilities and the Transferred Liabilities) and other liabilities (other than those referred to in Clause 12(c) of this Scheme) relating to the Demerged Undertaking.

“**Effective Date**” or “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**” means the last of the dates on which all the orders, approvals, consents, conditions, matters or filings referred to in Clause 46 hereof have been obtained or fulfilled;

“**Resulting Company**” means HCL Technologies Limited incorporated under the Companies Act, 1956, and having its registered office at 806- 808, Siddharth, 96, Nehru Place, New Delhi-i 10019;

“**Record Date**” shall have the meaning ascribed to it in Clause 20 hereof;

“**Remaining Business**” means all the business and the divisions of the Demerged Company other than the Demerged Undertaking and the Transferred Undertaking;

“**Scheme**” means this composite Scheme of Arrangement;

“**Transferred Liabilities**” shall have the meaning ascribed to it in Clause 17(a) hereof;

“**Transferee Company** “ means HCL Infinet Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 806-808, Siddharth, 96, Nehru Place, New Delhi-i10019 and a wholly owned subsidiary of the Demerged Company; and

“**Transferred Undertaking**” means the office automation and the telecommunication division of the Demerged Company, on a going concern basis, which shall mean and include without limitation

(a) all the property of or required for the office automation and telecommunication division, wherever situated, whether movable or immovable, tangible or intangible, including plant and machinery, buildings and structures, offices (including marketing and liason offices), residential and other premises, capital work in progress, furniture, fixtures, office equipment, appliances, accessories;

(b) all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights) and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses (industrial and otherwise), municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of. all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits and entitlements) and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferred Undertaking;

(c) all trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Transferred Undertaking 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 Transferred Undertaking whether in India or abroad;

(d) all earnest moneys and/or security deposits paid by the Demerged Company in connection or relating to the Transferred Undertaking; and

(e) present and future liabilities (including contingent liabilities) and other liabilities relating to the Transferred Undertaking.

8. (a) The share capital of the Demerged Company as of December 31, 2002 is as under:

Authorised	**(Rupees in Lacs)**
8,00,00,000 equity shares of Rs. 10/- each	8,000.00
5,00,000 preference shares of Rs. 100/- each	500.00
	8,500.00
Issued, Subscribed and Paid Up	
3,19,09,459 equity shares of Rs 10/- each fully paid up	3190.95
Add: Shares forfeited	0.01
	3190.96

(b) The share capital of the Resulting Company as of December 31, 2002 is as under:

Authorised	**(Rupees in Lacs)**
350,000,000 Equity Shares of Rs. 2/- each	7,000.00
	7,000.00
Issued, Subscribed and Paid-up	
288,332,312 Equity Shares of Rs. 2/- each, fully paid up	5,766.65
	5,766.65

(c) The share capital of the Transferee Company as of December 31, 2002 is as under:

Authorised	**(Rupees in Lacs)**
20,000,000 equity shares of Rs. 10/- each	2,000.00
	2,000.00
Issued, Subscribed and Paid Up	
19,506,757 equity shares of Rs. 10/- each	1,950.68
	1,950.68

PART II - DEMERGER

SECTION 1 - TRANSFER AND VESTING

9. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking (including all the estate, assets, rights, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Resulting Company subject to Section 2 of Part II of the Scheme in relation to the charges thereon in favour of banks and/or financial institutions

(b) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall stand transferred by the Demerged Company without requiring any deed or instrument of conveyance or transfer of the same, and shall, upon such transfer become the property of the Resulting Company as an integral part of the Demerged Undertaking.

(c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in the Resulting Company and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 394 (2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.

(d) All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon the coming into effect of the Scheme.

10. (a) Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and Which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

(b) Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of Part II of the Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above.

(c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities given by, issued to or executed in favour of the Demerged Company shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

(d) It is hereby clarified that if any asset (including any estates, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset, contract, deed, bond, agreement, scheme, arrangement, or other instrument of whatsoever nature in trust for the benefit of the Resulting Company.

11. All the assets and liabilities of the Demerged Undertaking shall be transferred at the values appearing in the books of the Demerged Company immediately before the demerger which are set forth in the closing balance sheet relating to the Demerged Undertaking as of December 31, 2002.

12. (a) it is clarified that, upon the coming into effect of the Scheme, the general or multipurpose borrowings and liabilities of the Demerged Company the amount of which in the aggregate stands in the same proportion which the value of the assets of the Demerged Undertaking (being the fixed assets, gross current assets) transferred to the Resulting Company bears to the assets of the Demerged Company on the Appointed Date shall, without any further act or deed be and stand transferred to the Resulting Company, and shall become the liabilities and obligations of the Resulting Company which shall undertake to meet, discharge and satisfy the same. The amount of the general or multipurpose borrowings and liabilities which are transferred on this basis are more particularly specified in **Schedule I** hereto.

(b) Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

(c) Any claims, liabilities or demands arising out of the activities or operations of the Demerged Undertaking which relate to the period prior to the Appointed Date but arise at any time including after the Effective Date shall be entirely borne by the Demerged Company. In the event that such liability is incurred by or such claim or demand is made upon the Resulting Company, then the Demerged Company shall indemnify the Resulting Company for any payments made in relation to the same

13. (a) Upon the coming into effect of the Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date, save and except as provided in Clause 12(c) of this Scheme. In the event that the legal proceedings referred to herein require both the Demerged Company and the Resulting Company to be parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. The Demerged Company and the Resulting Company shall agree on the list of such proceedings that pertain to the Demerged Undertaking.

(b) If proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause (a) above and pertaining to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

(c) The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

14. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking, including the rights and interest in any documents specified in Clause 10 hereof, for and on account of, and in trust for, the Resulting Company; and

(b) all profits accruing to the Demerged Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Demerged Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Resulting Company.

15. (a) The Resulting Company undertakes to engage, on and from the Effective Date, such employees of the Demerged Company (including such employees engaged by the Demerged Company in the ordinary course of business) engaged in the Demerged Undertaking and who are in the employment of the Demerged Company as on the Effective Date, on terms and conditions, not less favourable than those on which they are engaged by the Demerged Company, with continuity of service. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company in respect of the Demergea Undertaking with any union! employee of the Demerged Company in relation to the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

(b) In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its employees (including employees of the Demerged Undertaking) are concerned, the existing trusts created by the Demerged Companyand the funds that are referable to the employees of the Demerged Undertaking shall be transferred to the Resulting Company, and the Resulting Company shall continue to contribute to such trusts in accordance with the provisions thereof, and such trusts shall be held for the benefit of the employees transferred to the Resulting Company.

16. The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking under Clause 9 and the continuance of the proceedings by or against the Resulting Company under Clause 13 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on and after the Appointed Date to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

SECTION 2- LIABILITIES

LOANS, DEBENTURES AND RELATED SECURITY

17. (a) In so far as loans, borrowings and debentures of the Demerged Company are concerned, the amounts pertaining to the general or multipurpose loans, debentures and liabilities listed in **Schedule I** which are to be transferred to the Resulting Company in terms of Clause 12 hereof (the "**Transferred Liabilities**") being a part of the Demerged Undertaking shall, upon coming into effect of the Scheme and subject to sub-clause (b) below, without any further act or deed, become loans and debentures of the Resulting Company, and all rights, powers, duties and obligations in relation

thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans, incurred such borrowings or issued such debentures.

(b) In so far as the existing security, if any, in respect of the Transferred Liabilities (more particularly set out in **Schedule I**) is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been charged and secured in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to Part II of this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to Part II of this Scheme have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(c) In so far as the assets comprising the Remaining Business are concerned, the security over such assets relating to the Transferred Liabilities shall, without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(d) Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the security and charge over such assets relating to any loans, borrowings or debentures which are not transferred pursuant to Part II of this Scheme, the same shall without any further act or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to any liabilities of the Remaining Business.

(e) Without prejudice to the provisions of Clause 17(a) or the foregoing clauses, and upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, New Delhi respectively to give formal effect to the above provisions, if required.

(f) The Demerged Company and/or the Resulting Company shall enter into and execute such further deeds, documents or writings as may be required to give full effect to the above provisions.

(g) Upon the coming into effect of the Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities.

(h) It is expressly provided that, save as mentioned in this Clause 17, no other term or condition of the Transferred Liabilities shall be modified except to the extent that such amendment is required by necessary implication or by any agreement entered into with the respective lender.

(i) The provisions of this Clause shall Mall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions

SECTION 3- REORGANISATION OF CAPITAL.

18. The provisions of this Section shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

19. In consideration of the provisions of Part II of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be restructured and reorganised in the manner set out in Clauses 20 to 27 below.

20. Upon the coming into effect of the Scheme and in consideration of the demerger of the Demerged Undertaking to the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company whose name

is recorded in the register of members of the Demerged Company on a date (the "Record Date") to be fixed in that behalf by the Board of Directors or a committee thereof of the Demerged Company, in the ratio (the "Share Entitlement Ratio") of 2 (two) equity shares in the Resulting Company of Rs. 2 I- each credited as fully paid-up for every 9 (nine) equity shares of Rs. 1 0/- each fully paid up held by such member in the Demerged Company.

21. (a) The shares issued pursuant to Clause 20 above shall be issued in dematerialised form by the Resulting Company. Each of the members holding shares in physical form shall have the option, exercisable by notice in writing by them to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee of such Board of Directors, to receive, either in certificate form or in dematerialised form, the shares of the Resulting Company in lieu thereof in accordance with the terms hereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members of the Demerged Company as on the Record Date in certificate form. Those of the members exercising the option to receive the shares in dematerialised form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Resulting Company shall issue and directly credit the demat/dematerialised securities account of such member with the shares of the Transferee Company. It is clarified that each of the members of the Demerged Company holding shares in dematerialised form shall be issued the shares of the Resulting Company in dematerialised form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services Limited on the Record Date.

(b) It is clarified that upon the coming into effect of the Scheme (or such later time as may be determined by the Board of Directors of the Demerged Company and the Resulting Company) the stock options granted by the Demerged Company under its employees' stock options scheme to the employees of the Demerged Undertaking (and that are transferred to Ihe Resulting Company in terms of the Scheme) and which stock options have not yet been exercised and are outstanding (the "Demerged Company Stock Options") shall stand cancelled, and such employees that have been transferred to the Resulting Company in terms of the Scheme shall not be entitled to the Demerged Company Stock Options, and the Demerged Company shall take such actions as may be necessary to cancel the Demerged Company Stock Options.

22. In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Resulting Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

23. The equity shares of the Resulting Company issued and allotted in terms of Clause 20 above shall rank pan passu in all respects with the existing equity shares of the Resulting Company.

24. In respect of equity shares of the Demerged Company where calls are in arrears, and such equity shares have not been forfeited by the Demerged Company prior to the coming into effect of the Scheme, without prejudice to any remedies that the Demerged Company or the Resulting Company, as the case may be, shall have in this behalf, the Resulting Company shall not be bound to issue any shares of the Resulting Company (whether partly paid or otherwise) nor to confirm any entitlement to such holder until such time as the calls-in-arrears are paid. In so far as the forfeited shares of the Demerged Company are concerned, no shares shall be issued by the Resulting Company in lieu thereof.

25. Equity shares of the Resulting Company issued in terms of Clause 20 above, shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant Stock Exchange/s in India where the existing equity shares of the Resulting Company are listed and/or admitted to trading.

26. Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and the Board of Directors or any committee thereof of the Resulting Company, allotment of shares in terms of Clause 20 shall be done within 90 days from the Effective Date.

PART III - TRANSFER OF THE TRANSFERRED UNDERTAKING

SECTION 1 — TRANSFER AND VESTING

27. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferred Undertaking (including all the estates, assets, rights, properties, obligations, title, interest and authorities including accretions and appurtenances of the Transferred Undertaking) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act or deed; be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities of the Transferee Company, subject to the charges thereon in favour of banks and/or financial institutions and trustees for debentureholders as set out in Section 2 of Part III of the Scheme.

(b) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Transferred Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall stand transferred by the Demerged Company without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking.

(c) In respect of such of the assets of the Transferred Undertaking other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act.

(d) All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Transferred Undertaking shall also stand transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date.

28. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Transferee Company had been a party or beneficiary or obligee thereto.

(b) Without prejudice to the other provisions of the Scheme and notwithstanding that the transfer and vesting of the Transferred Undertaking occurs by virtue of Part III this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry Out and perform all such formalities or compliance referred to above.

(c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

(d) It is hereby clarified that if any asset (including any estates, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Transferred Undertaking which the Demerged Company owns or to which the Demerged Company is a party cannot be transferred to the Transferee Company for any reason whatsoever, the Demerged Company shall hold such asset, contract, deed, bond, agreement, scheme, arrangement, or other instrument of whatsoever nature in trust for the benefit of the Transferee Company.

29. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the liabilities in relation to the Transferred Undertaking shall without any further act or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, liabilities and obligations of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company and to keep the Demerged Company indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto. 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 liabilities have arisen in order to give effect to the provisions of this sub-clause.

(b) All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Transferred Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on such later date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

(c) Where any of the liabilities in relation to the Transferred Undertaking have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

30. (a) Upon the coming into effect of the Scheme, all legal or other proceedings (including any proceedings before ansi statutory or quasi judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future in respect of any matter and in each case relating to the Transferred Undertaking shall be continued and be enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require both the Demerged Company and the Transferee Company to be parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. The Demerged Company and the Transferee Company shall agree on the list of such proceedings which pertain to the Transferred Undertaking.

(b) If proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause (a) above and pertaining to the Transferred Undertaking, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.

(c) The Transferee Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to the Transferred Undertaking referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Demerged Company.

31. With effect from the Appointed Date and upto and including the Effective Date:

(a) the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferred Undertaking and stand possessed of all the estates, assets, rights, title and interest, authorities, contracts, investments and strategic decisions of the Transferred Undertaking including the rights and interest in any documents specified in Clause 28 hereof for anion account of, and in trust for, the Transferee Company; and

(b) all profits accruing to the Demerged Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Transferred Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.

32. Any claims, liabilities or demands arising out of the activities or operations of the Transferred Undertaking which relate to the period prior to the Appointed Date but arises at any time including after the Effective Date shall be deemed to be part of the Transferred Undertaking and shall consequently be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company, then the Transferee Company shall indemnify the Demerged Company for any payments made in relation to the same

33. (a) The Transferee Company undertakes to engage, on and from the Appointed Date, such of the employees of the Demerged Company (including such employees engaged by the Demerged Company in the ordinary course of business) as are engaged in the Transferred Undertaking and who are in the employment of the Demerged Company as on the Effective Date. The service of each such employee shall not be affected by such transfer and the terms and conditions of service applicable to each such employee after such transfer shall not be less favourable than those applicable to him immediately before the transfer. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company in respect of the Transferred Undertaking with any union! employee of the Demerged Company in relation to the Transferred Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

(b) In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its staff, workmen and employees (including employees of the Transferred Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall continued to be held by the Demerged Company for the benefit of the employees who are being transferred to the Transferee Company pursuant to this Scheme in the manner provided hereinafter.

34. The transfer and vesting of the assets, liabilities and obligations of the Transferred Undertaking under Clause 27 and the continuance of the proceedings by or against the Transferee Company under Clause 30 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on and after the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by the Demerged Company as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

SECTION 2-SECURITY

35. (a) In so far as the existing security, if any, in respect of liabilities of or relatable to the Transferred Undertaking is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprising the Transferred Undertaking which have been charged and secured in respect of such liabilities. Provided that if any assets comprising the Transferred Undertaking which are being transferred to the Transferee Company pursuant to the Scheme have not been charged or secured in respect of such liabilities such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets unless otherwise determined by the Board of Directors of the Transferee Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.

(b) In so far as the assets comprising the Remaining Business are concerned, the security relating to or relatable to the Transferred Undertaking over such assets shall, without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.

(c) In so far as the assets comprising the Transferred Undertaking which are being transferred to the Transferee Company pursuant to this Scheme are concerned, the security and charge over such assets relating to any loans, borrowing or debentures which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall, without any further act, instrument or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to the Remaining Business. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.

(d) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained to any deed or writing or terms of sanction or issue or any security documents all of which instruments shall stand modified and/or superseded by this Clause.

SECTION 3- CONSIDERATION

36. (a) All the assets and liabilities of the Transferred Undertaking shall be transferred at the values appearing in the books of the Demerged Company immediately before the transfer which are set forth in the closing balance sheet relating to the Transferred Undertaking as of December 31, 2002.

(b) In consideration for the transfer of the Transferred Undertaking and within 90 days of the coming into effect of the Scheme, the Transferee Company shall, without any further act or deed, pay a sum of Rs. 40,34,54,444.31 (Rupees Forty Crores Thirty Four Lakhs Fifty Four Thousand Four Hundred and Forty Four and Thirty One paise only) (the "Consideration") to the Demerged Company. In the event that payment of the Consideration is delayed beyond the aforesaid period, the Demerged Company and the Transferee Company shall mutually agree to the payment of interest at commercially reasonable rates. Payment of such interest shall be made by the Transferee Company along with the payment of the Consideration.

PART IV

The provisions f this Part shall be applicable to both the Demerger pursuant to Part II and the transfer of the Transferred Undertaking pursuant to Part III hereof.

37. (a) The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company subject to Section 2 of Part II and Section 2 of Part III of the Scheme in relation to charges thereon in favour of banks, financial institutions and trustees for the debentureholders.

(b) All legal, taxation or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company and the Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company.

(c) With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company:

(i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

ii) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company.

38. (a) With effect from the date of filing of this Scheme with the High Court of Delhi at New Delhi and upto and including the Effective Date, the Demerged Company, the Resulting Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

(b) The holder of equity shares of the Demerged Company, the Resulting Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

(c) 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 any of the Demerged Company and/or the Resulting Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective boards of directors of the Demerged Company, the Resulting Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company, the Resulting Company and the Transferee Company, respectively.

39. With effect from the date of filing of this Scheme with the High Court of Judicature at Delhi, New Delhi and upto and including the Effective Date:

(a) The Demerged Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Demerged Undertaking or the Transferred Undertaking save and except in each case in the following circumstances:

(i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court of Judicature at Delhi, New Delhi; or

(ii) if the same is expressly permitted by this Scheme; or

(iii) if written consent of the Resulting Company has been obtained.

40. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities of the Demerged Company, the Resulting Company and the Transferee Company, all the assets and liabilities of the Demerged Undertaking and the Transferred Undertaking shall be transferred at the values appearing in the books of accounts of Demerged company immediately before the demerger of the Demerged Undertaking and the transfer of the Transferred Undertaking without any revaluation.

(b) Upon the coming into effect of this Scheme and with effect from the Appointed Date:

(i) an amount representing (A) the aggregate of the surplus of the assets over the liabilities of the Demerged Undertaking and (B) the assets over liabilities of the Transferred Undertaking as reduced by the consideration received from the Transferee Company shall be adjusted against the General Reserves in the books of the Demerged Company; and

(ii) an amount representing surplus of (A) the assets over (B) the liabilities of the Demerged Undertaking in its books of account, over the aggregate face value of the share capital issued by the Resulting Company shall be credited to the General Reserve in the books of the Resulting Company.

41. (a) Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 293(1)(d) of the Act shall, without any further act, instrument or deed stand enhanced to an amount aggregating to Rs. 250 crores (Rupees Two Hundred and Fifty crores only) in excess of the paid up capital and free reserves of the Resulting Company (apart from temporary loans obtained from the Resulting Company's bankers in the ordinary course of business).

(b) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act shall, without any further act, instrument or deed stand enhanced to an amount aggregating to Rs. 150 crores (Rupees One hundred and Fifty crores only).

42. (a) The Capital Clause (V) of the Memorandum of Association of the Resulting Company shall, upon the Scheme coming into effect and without any further act or deed, be replaced by the following clause:

"The Authorised Share Capital of the company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 40,00,00,000 (Forty Crores only) of Rs. 2 (Rupees two) each."

(b) Clause 5.a of the Articles of Association of the Resulting Company shall, upon the Scheme coming into effect and without any further act or deed, be replaced by the following clause:

'The authorised Share Capital of the company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 40,00,00,000 (Forty Crores only) of Rs. 2 (Rupees two) each with the rights, privileges and conditions attaching thereto as are provided in the Articles of Association of the Company for the time being, the company shall have the power to increase or reduce the capital and to divide the shares in the Capital for the time being into several classes and to attach thereof respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

43. The Demerged Company, the Resulting Company and the Transferee Company with all reasonable despatch, make all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Delhi at New Delhi.

44. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in the Resulting Company as the case may be, and in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company as the case may be, on account of difficulties faced in the transaction period.

45. (a) The Demerged Company, the Resulting Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Boards of Directors or a committee or committees of the concerned Board of Directors or any Director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the 'Delegates) of the Demerged Company, or the Resulting Company or the Transferee Company, as the case may be, deem fit, or which the High Court of Delhi at New Delhi or any other authorities under law may deem fit to approve of or impose. In the event that any of the conditions may be imposed by the Courts and/or other authorities which Demerged Company, or the Resulting Company or the Transferee Company may find unacceptable for any reason, then Demerged Company, or the Resulting Company or the Transferee Company are at liberty to withdraw the Scheme.

(b) The Demerged Company, or the Resulting Company or the Transferee Company, as the case may be, may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.

(c) The aforesaid powers of the Demerged Company, the Resulting Company and the Transferee Company may be exercised by the Delegates of the respective Companies.

(d) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

(e) Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking or the Transferred Undertaking or not shall be decided by the Boards of Directors of the Demerged Company, either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of the Resulting Company or the Transferee Company, as the case may be, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

46. This Scheme is conditional upon and subject to:

(a) The Scheme being agreed to by the requisite majority of the members of the Demerged Company, the Resulting Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Delhi at New Delhi referred to in Clause 42 above being obtained;

(b) Such other sanctions and approvals including sanctions of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required by law in respect of the Scheme being obtained; and

(c) The certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Delhi.

47. The Demerged Company (through its Board of Directors) and the Resulting Company (through its Board of Directors) shall have the right to waive any of the conditions referred to in Clause 46 above (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.

48. In the event of this Scheme failing to take effect finally by December 31, 2003 or by such later date as may be agreed by the respective Boards of Directors of the Demerged Company, the Resulting Company, and the Transferee Company this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.

49. In the event of non-fulfillment of any or obligations under the Scheme by any company towards any of the other companies, inter-se or to third parties and non-performance of which will put any of the other companies under any obligation, then such company will indemnify all costs or interest which may be incurred to such other companies.

50. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. It is clarified that the Demerged Company shall have the right to sever Part II or Part III from this Scheme, and to implement the remaining Parts, as may be applicable, as a complete Scheme to give effect to the Demerger, and the severance of Part II or Part III, as the case may be, shall not affect the validity or implementation of the other parts of this Scheme.

51. All costs, charges and expenses, including any taxes and duties (including stamp duty) in relation to or in connection with this Scheme and incidental to the completion in pursuance of this Scheme shall be borne and paid by the Resulting Company and the Demerged Company in the ratio of 60:40 respectively.

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SCHEDULE I

Allocation of Multipurpose Borrowings

Rs in crores

	Total as on 31st December 2002	Transferred to Resulting Company
Working Capital Demand Loans	3500	5.90

ORDERS OF

THE HON'BLE HIGH COURT OF DELHI AT NEW DELHI

AND

THE HON'BLE HIGH COURT OF KARNATAKA AT BANGALORE

APPROVING

THE SCHEME OF AMALGAMATION

OF

HCL TECHNOLOGIES (MUMBAI) LIMITED, HCL TECHNOLOGIES BPO SERVICES LIMITED, HCL ENTERPRISE SOLUTIONS (INDIA) LIMITED DSL SOFTWARE LIMITED, SHIPARA TECHNOLOGIES LIMITED AND AQUILA TECHNOLOGIES LIMITED

WITH

HCL TECHNOLOGIES LIMITED

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

OF

COMPANY PETITON NO. 214/2005

CONNECTED WITH

COMPANY APPLICATION (M) NO. 79/2005

IN THE MATTER OF	M/s HCL Technologies (Mumbai) Ltd., having its Regd. Office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 ….Petitioner/ Transferor Company No. 1 (Within the jurisdiction of this Court)
IN THE MATTER OF	M/s HCL Technologies BPO Services Ltd., having its Regd. Office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 ….Petitioner/ Transferor Company No. 2 (Within the jurisdiction of this Court)
IN THE MATTER OF	M/s HCL Enterprises Solutions (India) Ltd., having its Regd. Office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 ….Petitioner/ Transferor Company No. 3 (Within the jurisdiction of this Court)
IN THE MATTER OF	M/s DSL Software Ltd., having its Regd. Office at the Leela Galleria Commercial Complex, 5th & 6th Floors, 23, Airport Road, Bangalore-560008 ….Petitioner/ Transferor Company No. 4 (Outside the jurisdiction of this Court)
IN THE MATTER OF	M/s Shipara Technologies Ltd., having its Regd. Office at 8 & 9, G. B. Palaya, Off. Hosur Road, Bangalore-560068 ….Petitioner/ Transferor Company No. 5 (Outside the jurisdiction of this Court)

IN THE MATTER OF	M/s Aquila Technologies Ltd., having its Regd. Office at No. 5. 100 ft. Ring Road, BTM Layout, 1st Stage, 1st Phase, Bangalore-560008 ….Petitioner/ Transferor Company No. 6 (Outside the jurisdiction of this Court)

WITH

IN THE MATTER OF	M/s HCL Technologies Ltd., having its Regd. Office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 ….Petitioner/ Transferee Company (Within the jurisdiction of this Court)

BEFORE HON'BLE MR. JUSCITCE A. K. SIKRI
DATED THIS 28TH DAY OF OCTOBER, 2005

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition coming up for hearing on 28/10/05 & 14/2/06 for sanction of scheme of amalgamation proposed to be made of M/s HCL Technologies (Mumbai) Ltd., M/s HCL Technologies BPO Services Ltd., M/s HCL Enterprise Solutions (India) Ltd. (Within the jurisdiction of this Court), M/s DSL Software Ltd., M/s Shipara Technologies Ltd. and M/s Aquila Technologies Ltd. (Outside the jurisdiction of this Court) (hereinafter referred to as the Transferor Companies) with M/s HCL Technologies Ltd. (hereinafter referred to as the Transferee Company) (Within the jurisdiction of this Court), upon reading the said petition, the order dated 20/4/05 whereby the requirement of convening and holding the meetings of the equity shareholders and secured creditors of the Transferor Companies No. 1 to 3 and unsecured creditors of Transferor Company No. 3 was dispensed with and the meetings of unsecured creditors of the Transferor Companies No. 1 and 2 and Transferee Company was ordered to be convened for the purpose of considering, and if thought fit approving, with or without modification, the Scheme of Amalgamation; annexed to the affidavit of Sh. Allwyn Noronka, authorised signatory of the petitioner companies filed on the 12th day of April, 2005 and the publication in the newspapers namely (1) Statesman (English) and (2) Vir Arjun (Hindi) both dt. 20/5/2005 each containing he advertisement of the said notice convening the said meetings directed to be held by the said order dt. 20/4/05, the affidavit of Mr. Sandeep Mittal & Ms. Mamta Mehra, Chairperson filed on 12/7/05 showing the publication and despatch of the notices convening the said meetings, the reports of the chairperson of the said meetings as to the result of the said meetings and upon hearing Sh. Satvinder Singh, Advocate for the petitioner and Mr. R. D. Kashyap, Dy. Registrar of Companies in person and it appearing from the reports that the proposed scheme of amalgamation has been approved unanimously without any modification by the said unsecured creditors of the Transferor Companies No. 1 and 2 and Transferee Company present and voting either in person or by proxy and upon reading the affidavit dated 18/10/05 of Sh. U. C. Nahta, Regional Director, Northern Region, Department of Company Affairs, Noida on behalf of Central Government whereby he has raised certain objections: (a) The first objection is with regard to para 5.9(f) of the scheme that the authorised share capital of the company can be increased only after following the procedures prescribed under the relevant provisions of the Companies Act, 1956 and payment of requisite fees to the Registrar of Companies and Stamp duty to the State Government and therefore this clause should not be allowed. The Court did not find any merit in this objection and overruled the same. (b) The second objection is with regard to para 5.14 of the scheme that registered office of the company can be shifted from one State to the other only after following the procedure prescribed under the relevant provisions of the Companies Act, 1956 and approval of the Company Law Board. Therefore, by providing such a clause, registered office can be shifted. The counsel for the petitioner accepted this position in law and submitted that the petitioners have no objection if para 5.14 is deleted from the scheme. He further submitted that as and when Transferee Company desires to shift the registered office after completing the formalities as prescribed in the provision of the Companies Act which met the objection of Regional Director. (c) The third objection is with regard to the appointed date of the scheme as provided in para 2(c) of the scheme. As per that para appointed date of the scheme is 1.4.05. It is pointed out that the Board of Directors of M/s HCL Technologies Ltd. had approved the scheme on 22.2.2005. The shareholders of the petitioner companies had given their consents vide letter dt. 1.4.2005. However, balance sheets of the petitioner companies as at 31.3.2005 were not available when the scheme was approved by the Board of Directors, shareholders and creditors of the petitioners companies and therefore, 1.4.05 could not have been fixed as the appointed date. It is pointed out by counsel for the petitioners that all these Transferor Companies which are going to be merged with the Transferee Company are wholly and subsidiary companies of the Transferee Company. The balance sheet and accounts are normally required for fixing exchange ratio of the shares which are to be alloted to the members of the Transferor Companies by the Transferee Company on such amalgamation. Since all the shares of the Transferor Companies are already held with the Transferee Company, directly or indirectly, the question of determination of exchange ratio is not relevant in such a scheme. The Court found merit in this submission of counsel for the petitioner and, therefore, this objection of the Regional Director could not be sustained. (d) The fourth objection is with regard to para 5.20(f) of the scheme that the scheme does not seem to be in conformity with the provisions of the Companies Act, 1956 as well as normally accepted accounting principles, since surplus arising out of the scheme of amalgamation i.e., “amalgamation reserve” is of capital nature and cannot be considered as general reserve as the same (general reserve) is free for distribution of the shareholders of a company in the form of dividend/ bonus, shares, whereas ‘amalgamation reserve’ cannot be utilized for distribution to the shareholders and therefore this clause be not allowed. The counsel for the petitioner has referred to the Accounting Standard (AS-14) issued by the institute of Chartered Accountants of India. These Accounting Standards relate to accounting practices which are to be followed in the case of amalgamations. In these detailed guidelines treatment of reserves on amalgamation is stipulated in para 16 to 18. It is, inter-alia, provided that amalgamations can be of two natures. Namely (a) amalgamation in the nature of merger i.e., wholly merger, (b) amalgamation in the nature of purchase i.e., whether the Transferor Company is purchased by Transferee Company after paying the consideration and is then merged with the Transferee Company. In the present case the Court observed that, with the merger of first two categories for which para 16 is relevant. As already pointed out that, all the Transferor Companies are wholly and subsidiary companies of the Transferee Company. In para 16 it is, inter-alia, provided that difference between the amount recorded as share capital issued and the amount of share capital of the Transferor Company is to be adjusted in reserve in the financial statement of the Transferee Company. Thus, whenever there is such a difference, reserve account can be opened and maintained in the books of accounts. This is what precisely aforesaid para in the scheme provides as per which “amalgamation reserve account” is to be credited with the said scheme. Since para related to reserve of amalgamation and entities the companies to adjust the difference in a reserve account nomenclature which is given in the scheme i.e., amalgamation reserve account is apposite in the scheme of natures. The Court was of the opinion that aforesaid para is not objectionable and is in conformity with the aforesaid accounting standards of the Institute of Chartered Accountants of India. (e) The fifth objection is with regard to para 5.20(g) of the scheme that vide its letter dated 26.9.2005 Transferee Company has clarified as a consequences of the aforesaid clause, a sum of Rs. 815.68 Crores lying to the credit of Share Premium Account in its Books of Accounts shall be written off against the fall in the value of Investments in subsidiaries. It is pointed out that such a vital information has not been disclosed in the scheme and therefore, consent of the shareholders and creditors is necessary. The counsel for the petitioner submitted that para 5.20(g) which is a part of the scheme was also put to the shareholders and creditors and they have given their consent and it is therefore, clear that the shareholders and creditors agreed for lying off Share Premium Account. The Court observed, that may be so, however, the exact amount which would be reduced off was not before the shareholders. In these circumstances, the Court deemed it proper that the exact amount should be disclosed to the shareholders and their consent be obtained. Counsel for the petitioner stated that AGM is scheduled for 16th December, 2005 and in the agenda for the said meeting this item shall be included in the explanatory statement coming within the aforesaid figure of the Share Premium Account. The Court ordered that subject to the consent/ approval of the shareholders in the said Annual General Meeting the resolution which would be passed in this behalf shall be placed on record and copy thereof shall also be given to the Regional Director; and the report of Sh. Alok Samantarai, Official Liquidator dt. 23/9/05 stating therein that the affairs of the Transferor Companies have not been conducted in a manner prejudicial to the interest of its members or to public interest; and there being no investigation proceedings pending in relation to the petitioner companies under Section 235 to 251 of the Companies Act, 1956. The scheme of amalgamation in respect of Transferor Companies No. 4, 5 & 6 has been sanctioned by Karnataka High Court vide order dt. 16/12/05. The resolution of Annual General Meeting has also been filed on 24/2/06.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION setforth in Schedule-I annexed hereto subject to the consent/ approval of the shareholders in the said Annual General Meeting the resolution which would be passed in respect of the exact amount which would be reduced off and DOTH HEREBY DECLARE the same to be binding on all the equity shareholders and creditors of the Applicant/ Transferor and Transferee Companies and all concerned and doth approve the said scheme of amalgamation with effect from the appointed date i.e.1.4.2005.

AND THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Companies No. 1, 2 & 3 specified in the First, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the Transferor Companies No. 1, 2 & 3 be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Companies No. 1, 2 & 3 therein but subject nevertheless to all charges now affecting the same; and

2. That all the liabilities and duties of the Transferor Companies No. 1, 2 & 3 be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and

3. That all the proceedings now pending by or against the Transferor Companies No. 1, 2 & 3 be continued by or against the Transferee Company; and

4. That as the entire issued, subscribed and paid up share capital of the Transferor Companies is held by the Transferee Company either directly or through its downstream subsidiary company(ies), upon the scheme becoming finally effective, the said share capital of the Transferor Companies will, without any further act, instrument or deed, stand cancelled and there will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Companies with the Transferee Company; and

5. That the Transferor Companies No. 1, 2 & 3 do within 30 days after the date of this order cause a certified copy of this order alongwith the copy of order dt. 16/12/05 of Karnataka High Court in respect of Transferor Companies No.4, 5 & 6 to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies shall be dissolved without resorting to the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Companies and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and

6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEME OF AMALGAMATION

In the matter of Amalgamation of HCL Technologies (Mumbai) Limited, HCL Technologies BPO Services Limited, HCL Enterprise Solutions (India) Limited, DSL Software Limited, Shipara Technologies Limited and Aquila Technologies Limited with HCL Technologies Limited.

1. GENERAL

This Scheme of Amalgamation (hereinafter referred to as the "Scheme") consists of the Scheme for the Amalgamation of HCL Technologies (Mumbai) Limited, HCL Technologies BPO Services Limited, HCL Enterprise Solutions (India) Limited, DSL Software Limited, Shipara Technologies Limited and Aquila Technologies Limited with HCL Technologies Limited. The Scheme is made pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 ("the Act").

2. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below:

(a) "Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

(b) "Amalgamated Company" means HCL Technologies Limited, the Transferee Company after amalgamation of all the Transferor Companies.

(c) "Appointed Date" for the purposes of the Scheme means the 1st Day of April 2005 or such other date(s) as the Hon'ble High Court(s) may direct.

(d) "Effective Date" shall be the last of the following dates or such other date as the Hon'ble High Court(s) may direct, namely:

(i) the date on which the last of the certified copy of the Order, under Section 394 of the Act, of the Hon'ble High Court of Delhi and the Hon'ble High Court of Karnataka sanctioning the Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana and the Registrar of Companies, Karnataka, Bangalore, respectively.

(ii) the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in Para 6.3 of this Scheme have been obtained.

(e) "High Court(s)" means the Hon'ble High Court of Delhi at New Delhi and/or the Hon'ble High Court of Karnataka at Bangalore and/or the National Company Law Tribunal or any other relevant authority empowered to approve the Scheme.

(f) "Scheme" means this Scheme of Amalgamation in its present form as submitted to the Hon'ble High Court(s) or this Scheme with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and Transferee Companies in their meetings to be held as per directions of the Court or such modifications(s) as may be imposed by any competent authority and accepted by the respective Board of Directors of the Transferor and Transferee Companies and/or directed to be made by the Hon'ble High Court(s) while sanctioning the Scheme.

(g) **"The Transferor Company-I"** means HCL Technologies (Mumbai) Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110 019.

(h) **"The Transferor Company-II"** means HCL Technologies BPO Services Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110 019.

(i) **"The Transferor Company-III"** means HCL Enterprise Solutions (India) Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110 019.

(j) **"The Transferor Company-IV"** means DSL Software Limited, a company incorporated under the Act and having its registered office at The Leela Galleria, Commercial Complex, 5th & 6th Floors, 23, Airport Road, Bangalore – 560 008.

(k) **"The Transferor Company-V"** means Shipara Technologies Limited, a company incorporated under the Act and having its registered office at 8 & 9, G.B. Palya, Off. Hosur Road, Bangalore – 560 068.

(l) **"The Transferor Company-VI"** means Aquila Technologies Limited, a company incorporated under the Act and having its registered office at No. 5, 100 ft. Ring Road, BTM Layout, 1st Stage, 1st Phase, Bangalore – 560 068.

(m) **"The Transferee Company"** means HCL Technologies Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110019.

(The Transferor Company-I, Transferor Company-II, Transferor Company-III Transferor Company-IV, Transferor Company-V and Transferor Company-VI are also referred to herein as the **"Transferor Companies"** the reference of which may be applicable to one and/or more of the Transferor Companies).

3. PURPOSE

The Transferor Companies are wholly owned subsidiaries of the Transferee Company either directly or through its downstream subsidiary(ies) in India and abroad. The Transferor Company-I, III, V, VI and the Transferee Company are engaged in the business of software development. The Transferor Company-II is engaged in the business process outsourcing services, which can be conveniently merged with the business of the Transferee Company. The Transferor Company-IV is engaged in the business of providing full range of IT services from high end consulting work to application development and maintenance which can also be conveniently merged with the business of the Transferee Company. Independent operation of all these companies leads to significant overlaps in the business plans and overheads. Amalgamation will channelise synergies and shall lead to optimum utilisation of the available resources and will result in economies of scale.

Further, the amalgamation would also enable consolidation and further expansion of the Transferee Company. The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion and development of the business. The amalgamation will provide the Amalgamated Company a strong and focused base to undertake the business more advantageously and thereby increase in their profitability and shareholders' net worth. The Scheme has been proposed to consolidate the business structure and provide for overall business efficiency to combine their managerial and marketing strength to streamline administration, to build a wider capital and financial base and to promote and secure the overall interest growth and economies concerned. The business of all the companies can be conveniently and advantageously combined together and will be carried on more economically and profitably if the Scheme is implemented. The amalgamation of the Transferor Companies with the Transferee Company will reduce the number of step down subsidiaries of the Transferee Company thereby reducing operating and administrative costs and resulting in cash savings. On amalgamation, the Amalgamated Company would be in a better position to generate surplus funds to enable planning for further growth in the business. The amalgamation will result in improved asset base, and enable the Amalgamated Company to raise resources for future growth and expansion of the business. The resulting Amalgamated Company will be able to participate more vigorously and profitably in a competitive market. Therefore with a view to integrate the business synergies and reap the benefit of consolidation through focussed management, the Board of Directors of the Transferor and Transferee Companies thought it appropriate to amalgamate all the Transferor Companies with the Transferee Company.

4. SHARE CAPITAL

The position of authorized, issued, subscribed and paid up capital of the Companies as on 31.12.2004 is as follows:

Name of the Company	Authorised Share Capital	Issued Subscribed and Paid Up Capital
HCL Technologies(Mumbai) Limited **(Transferor Company-I)**	Rs. 5 crores consisting of 5,000,000 Equity Shares of Rs. 10 /- each	Rs. 4.95 crores consisting of 4,950,060 Equity Shares of Rs. 10/- each
HCL Technologies BPO Services Limited **(Transferor Company-II)**	Rs. 10 crores consisting of 10,000,000 Equity Shares of Rs. 10/- each	Rs. 4.68 crores consisting of 4,680,700 Equity Shares of Rs. 10 /- each
HCL Enterprise Solutions(India) Limited **(Transferor Company – III)**	Rs. 20 lacs consisting of 200,000 Equity Shares of Rs. 10/- each	Rs. 15.01 lacs consisting of 150,070 Equity Shares of Rs. 10/- each
DSL Software Limited **(Transferor Company – IV)**	Rs. 25 lacs consisting of 250,000 Equity Shares of Rs. 10/- each	Rs. 5.00 lacs consisting of 50,020 Equity Shares of Rs. 10/- each
Shipara Technologies Limited **(Transferor Company – V)**	Rs. 25 crores consisting of 25,000,000 Equity Shares of Rs. 10/- each	Rs.17.92 crores consisting of 17,920,700 Equity Shares of Rs. 10/- each
Aquila Technologies Limited **(Transferor Company – VI)**	Rs. 5 crores consisting of10,000,000 Equity Shares of Rs. 5/- each	Rs. 4.15 crores consisting of 8,300,880 Equity Shares of Rs. 5/- each
HCL Technologies Limited **(Transferee Company)**	Rs. 80 crores consisting of 400,000,000 Equity Shares of Rs. 2/- each	Rs. 63.44 crores consisting of 317,221,268 Equity Shares of Rs. 2/- each

5. THE SCHEME

5.1 With effect from the Appointed Date and subject to the provisions of the Scheme, including in relation to the mode of transfer/vesting, all the undertakings, the entire businesses, properties (whether movable or immovable, tangible or intangible), including but not limited to plant and machinery, buildings and structures, offices, residential and other premises, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, all stocks, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights and prospecting leases, if any) and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits, quotas, consents, rights, entitlements, contracts, licenses, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, benefits of assets or properties or other interest held in trust, registrations, agreements, engagements, easements arrangements of all kind, privileges, liberties, concessions, grants, claims, subsidies, incentives, special status or privileges enjoyed or conferred upon or held or availed by the Transferor Companies and all other rights including tax deferrals and other benefits (including tax benefits) and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Transferor Companies 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 Companies, whether in India or abroad (hereinafter referred to as "said Assets"), shall without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company as a going concern pursuant to the provisions of Section 394 of the Act.

5.2 All the said Assets that have accrued or which may accrue to the Transferor Companies on or after the Appointed Date shall pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company. It is hereby clarified that all inter party transactions between the Transferor Companies and the Transferee Company and /or interse amongst the Transferor Companies shall be considered as intra party transactions for all purposes from the Appointed Date.

5.3 Without prejudice to Clauses 5.1 and 5.2 above, in respect of such of the said Assets of the Transferor Companies as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred by the Transferor Companies to the Transferee Company and shall upon such transfer become the property and an integral part of the Transferee Company. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under Section 394 of the Act.

5.4 With effect from the Appointed Date and upon the Scheme becoming effective, the land with the buildings standing thereon, if any, held by Transferor Companies, and any documents of title / rights and easements in relation thereto shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed, be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. The mutation of title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective in accordance with terms hereof in favour of the Transferee Company.

5.5 (a) Notwithstanding the generality of Clauses 5.1 to 5.4 above, with effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals, or consents required to carry on operations in the Transferor Companies shall, pursuant to the provisions of Section 394 of the Act, stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme.

(b) Upon the coming into effect of the Scheme, all the taxes (including Tax Deducted at Source and Advance Tax) paid by the Transferor Companies from the Appointed Date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company and the Transferee Company shall be entitled to take credit for such taxes notwithstanding that certificates/challans for the said taxes are in the name of the Transferor Companies and not in the name of the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to revise the income tax returns, if any, filed by it or the Transferor Companies in respect of the previous year ending 31.3.2006 or thereafter, notwithstanding that the time prescribed for such revision may have elapsed.

(c) The wealth tax, if any, paid by the Transferor Companies in respect of the valuation date under the Wealth Tax Act 1957, as on 31st March 2006 or thereafter shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the valuation date as on 31st March 2006 or thereafter notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns if any, filed by the Transferor Companies in respect of the valuation date 31.3.2006 or thereafter, notwithstanding that the time prescribed for such revision may have elapsed.

5.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Companies shall stand transferred and vested by the order of the Hon'ble High Court(s) to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

5.7 On the coming into effect of the Scheme:

(a) all motor vehicles of any nature whatsoever comprised in or relatable to the Transferor Companies as the case may be, shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed, vest in the Transferee Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Transferee Company as if the vehicles had originally been registered in the name of Transferee Company.

(b) all patents, trademarks, copyrights registered with the authorities concerned or applications submitted at any time on or before the Effective Date by the Transferor Companies shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed, stand transferred and vested in the name of Transferee Company as if the Transferee Company had originally applied for the same.

5.8 With effect from the Effective Date and till such time the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in its name, in so far as may be necessary.

5.9 Upon the coming into effect of the Scheme and with effect from the Appointed Date:

(a) All secured and unsecured debts, liabilities including contingent liabilities, whether disclosed or undisclosed, duties, taxes and obligations of the Transferor Companies along with any charge, encumbrance, lien or security thereon as on the Appointed Date (hereinafter referred to as the "said Liabilities") shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain 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 in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Companies are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Companies, shall, without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor and the Transferee Companies are party, and consistent with the joint obligations assumed by them under such arrangement.

(b) The Transferee Company shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements or instruments and the likes as may be necessary with the creditors, such that the Transferee Company shall assume the sole responsibility for repayment of borrowings allocated to it under the Scheme.

(c) All debentures, bonds, notes or other securities, other than equity share capital, issued by the Transferor Companies, if any, either before the Appointed Date or after the Appointed Date till the Effective Date ("Transferor's Securities") shall without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Companies in respect of the Transferor's Securities so transferred.

(d) In respect of the shares issued by the Transferor Companies and held interse amongst the Transferor Companies and/or by the Transferee Company or by any of the downstream subsidiary(ies) of the Transferee Company, the same shall, without any further act, instrument or deed, stand cancelled as of the Effective Date, and shall be of no effect and the Transferor/Transferee Companies shall have no further obligation outstanding in that behalf. Similarly, all the loans, advances, bonds, debentures or any other obligations (including any guarantees, bonds, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Companies and the Transferee Company and/or interse amongst the Transferor Companies, shall, without any further act, instrument or deed, be and stand discharged and there shall be no liability in that behalf on any of the Transferor Companies or the Transferee Company.

(e) The borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the said Act, shall, without any further act, instrument or deed, stand enhanced to an amount aggregating to Rs. 500 crores (Rupees Five Hundred Crores Only) in excess of the paid-up capital and free reserves of the Transferee Company (apart from the temporary loans obtained from the Transferee Company's bankers in the ordinary course of business) and the Transferee Company shall not be required to pass any fresh resolution in this regard.

(f) The Authorised Share Capital of the Transferor Companies shall stand combined with the Authorised Share Capital of the Transferee Company. The filing fee and stamp duty already paid by the Transferor Companies on their Authorised Share Capital, shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty on the Authorised Share Capital so increased.

(g) All the resolutions except the resolution relating to the borrowing limits under Section 293(1)(d) of the Act mentioned at Clause 5.9(e) of this Scheme, if any, of the Transferor Companies which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in Transferee Company.

5.10 Where any of the liabilities and obligations of the Transferor Companies as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

5.11 All loans raised and utilised and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

5.12 (A) With effect from the Appointed Date upto and including the Effective Date:

(a) the Transferor Companies shall carry on and shall be deemed to have carried on all their businesses and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said assets for and on account of, and in trust for, the Transferee Company;

(b) the Transferor Companies shall carry on their businesses and activities with reasonable diligence and business prudence.

(B) All profits or incomes accruing or arising to the Transferor Companies or expenditure, or losses arising or incurred by the Transferor Companies on and after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

5.13 Upon the coming into effect of this Scheme, all suits, actions and proceedings, if any, by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, as effectually and in the same manner and to the same extent as if the same had been pending and/or arising by or against the Transferee Company.

5.14 ~~With effect from the Effective Date, the registered office of the Amalgamated Company shall be and stand shifted from "National Capital Territory of Delhi" to the "State of Tamilnadu", and the Memorandum of Association of the Amalgamated Company shall automatically stand amended accordingly and such change of registered office of the Amalgamated Company shall be deemed to be in compliance with the relevant provisions of the Act. However, the Transferee Company shall file the amended copy of its Memorandum and Articles of Association along with Orders of the High Courts with the Registrar of Companies, Tamilnadu at Chennai, within 30 days from the Effective Date and the said Registrar of Companies shall take the same on record.~~†

5.15 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

5.16 The Transferee Company may, at any time after the coming into effect of this Scheme, if so required, under any law or otherwise, enter into and/or issue and/or execute deeds, writings, confirmations, tripartite arrangements, declarations, novations or any other documents with, or in favour of any party to any contract or arrangement to which the Transferor Companies are the parties or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Companies to be carried out or performed.

5.17 (a) As the entire issued, subscribed and paid up share capital of the Transferor Companies is held by the Transferee Company either directly or through its downstream subsidiary company(ies), upon the Scheme becoming finally effective, the said share capital of the Transferor Companies will, without any further act, instrument or deed, stand cancelled and there will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Companies with the Transferee Company.

† This clause has been deleted pursuant to the Delhi High Court order dated 28.10.2005.

(b) The Transferee Company and the Transferor Companies are entitled to declare and pay dividends, whether interim or final in respect of the accounting period prior to the Effective Date.

5.18 Upon the coming into effect of this Scheme,

(a) All employees in the service of the Transferor Companies immediately preceding the Effective Date shall become employees of the Transferee Company on the basis that:

(i) Their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.

(ii) The terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.

(b) The existing provident fund, gratuity fund, and pension and/or superannuation fund/scheme or trusts created by the Transferor Companies or any other special scheme(s)/fund(s) created or existing for the benefit of the employees of the Transferor Companies shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time, shall be maintained separately. The Board of Directors of the Transferee Company and the trustees of the respective trusts in the Transferee Company shall be entitled to take all steps as may be necessary to implement the above and to wind up or otherwise deal with the trust, if any, in the Transferor Companies, in such manner or may be deemed appropriate by them in their absolute discretion. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid schemes/funds.

(c) The Transferee Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Companies.

(d) The Transferee Company undertakes to continue to abide by any agreements(s)/settlement(s) entered into the labour union/employees by the Transferor Companies.

5.19 The approval to this Scheme of Amalgamation under Sections 391 and 394 of the Act by the shareholders shall be deemed to have the approval of the shareholders under Sections 17, 94, 100, 101, and/or any other applicable provisions of the Act.

5.20 Upon the Scheme being effective, the Transferee Company shall account for amalgamation / merger in its books as specified hereunder;

(a) All the said assets and the said liabilities recorded in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Companies.

(b) An amount equal to the balance lying in the “Profit and Loss Account” as appearing in the balance sheet of the Transferor Companies shall be taken over by the Transferee Company and included in the balance of its Profit and loss Account.

(c) The balance appearing under the head “Miscellaneous Expenditure Account” (to the extent not written off or adjusted) in the books of the Transferor Companies shall be debited by the Transferee Company to Miscellaneous Expenditure Account (to the extent not written off or adjusted) and the same shall thereafter be dealt with in the same manner as it would have been, had the expenditure been incurred by the Transferee Company.

(d) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the Reserves of the Transferor

Companies will be merged with those of the Transferee Company in the same form as appeared in the financial statements of the Transferor Companies.

(e) Further, in case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact on account of change in the accounting policy to achieve uniformity on account of amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistency in the accounting policy.

(f) The excess, if any, of the aggregate value of the said Assets reduced by the aggregate value of the said Liabilities, balance of miscellaneous expenditure, balance in Profit & Loss Account and Reserves of any Transferor Company recorded by the Transferee Company upon their transfer to and vesting in the Transferee Company under the Scheme over the value of the inter-se loans and investments cancelled consequent to the amalgamation shall be credited to an "Amalgamation Reserve Account" and the same after adjusting the shortfall as per Para 5.20(g) shall be treated as a revenue reserve forming part of the net worth of the Transferee Company.

(g) In the event that there is a shortfall of the aggregate value of the said Assets reduced by the aggregate value of the said liabilities, balance of miscellaneous expenditure, balance in Profit & Loss account and reserves of any Transferor Company recorded by the Transferee Company upon their transfer to and vesting in the Transferee Company under the scheme over the value of inter se loans and investments cancelled pursuant to the amalgamation, or any loss arising in the books of the Amalgamated Company on account of fall in the value of its investments in the step down subsidiaries/subsidiaries on account of amalgamation of the Transferor Companies in the Transferee Company the same shall be adjusted first against the amalgamation reserve as per Para 5.20(f) and balance against the share premium account of the Amalgamated Company.

5.21 The Transferor Companies shall be dissolved without winding up with effect from the date on which the last of the certified copy of the Order, under Section 394 of the Act, of the Hon'ble High Court of Delhi and the Hon'ble High Court of Karnataka sanctioning the Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana and the Registrar of Companies, Karnataka, Bangalore, respectively.

5.22 Upon coming into effect of this Scheme, all directors of the Transferor Companies immediately preceding the Effective Date, shall cease to be the directors of the respective Transferor Companies and shall have no claim against the Transferor Companies or Transferee Company on account of cessation of their directorships from the respective companies.

6. OTHER CONDITIONS APPLICABLE TO THE SCHEME

6.1 Application to the Hon'ble High Court(s):

The Transferor Companies and the Transferee Company shall with all reasonable dispatch make applications / petitions to the Hon'ble High Court(s) under Sections 391 and 394 and other applicable provisions of the Act, for sanctioning the Scheme of Amalgamation and for dissolution of the Transferor Companies without winding up and for convening and/or seeking exemption to convene the meeting of the shareholders and/or of the creditors, and to obtain all other approvals as may be required under law.

6.2 Modifications/Amendments to the Scheme

(a) The Transferor Companies and the Transferee Company by their respective Board of Directors either by themselves or by any committee constituted by the Board of Directors or any person(s) authorised by the Board of Directors in this behalf may make or assent from time to time on behalf of all persons concerned to any extension, modification or amendments of this Scheme or any of conditions or limitation which the Hon'ble High Court(s) and/or any authorities/persons may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.

(b) For the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of the Transferee Company or any committee constituted by the Board of Directors or any person(s) authorised by the Board of Directors in this behalf may give and are authorized to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

6.3 Scheme conditional on Approvals/Sanctions

This Scheme is conditional on and subject to:

(a) any consent, as may be applicable, from the lenders of the Transferor Companies or Transferee Company, if so mandated under the Agreements entered into with the lenders.

(b) the consents by the requisite majority of the shareholders to the Scheme.

(c) the sanctions of the Hon'ble High Court(s) being obtained under Sections 391 and 394 and other applicable provisions of the said Act, if so required on behalf of the Transferor Companies and the Transferee Company.

(d) the certified copies of the orders of the Hon'ble High Court(s) being filed with the Registrar of Companies, NCT of Delhi and Haryana and the Registrar of Companies, Karnataka, Bangalore.

6.4 There is no likelihood that any creditor of the Transferor Companies/Transferee Company would lose or be prejudiced as a result of the proposed Scheme being passed. The amalgamation will in no way costs any additional burden on the shareholders of the Transferee Company nor will it prejudicially affect the interests of any of the classes of the creditors.

6.5 If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by, any of the Hon'ble High Court(s), or is unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part

6.6 Effect of non-receipt of approvals/sanctions:

(a) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court(s) and/or the order(s) not being passed as aforesaid on or before 31.12.2006 or within such further period or periods as may be agreed upon by and between the Transferor Companies and the Transferee Company, this Scheme shall stand revoked and cancelled and become null and void and be of no effect and in that event, no rights and liabilities whatsoever, shall accrue to or be incurred inter-se by the Transferor and/or Transferee Companies or their shareholders or creditors or employees or any other person.

(b) In the event any of the conditions that may be imposed by the Hon'ble High Court(s) and/or competent authority which the Transferor Companies and/or the Transferee Company may find unacceptable for any reason or Board of Directors of the Transferor Companies or Transferee Company decides otherwise, then they are at liberty to withdraw from the Scheme.

(c) If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity of or implementation of the other part and/or the provisions of this Scheme.

6.7 Expenses Connected with the Scheme:

The Transferee Company shall bear all costs, charges and expenses in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms.

Schedule-II

SCHEDULE OF PROPERTIES

of HCL Technologies (Mumbai) Ltd. (Transferor Company-I)

PART-1

Short Description of freehold properties of Transferor Company-I

NIL

PART-II

Short Description of leasehold properties of Transferor-I

NIL

PART-III

Short description of all Stocks, shares, debentures and other charges in action of the Transferor Company-I

All fixed assets, whether moveable or immovable, tangible or intangible, including computers, air conditioners, electrical installations and fittings, furniture and fixtures, office equipment, leasehold improvements, vehicles, software, investments, current assets, sundry debtors, loans and advances, cash and bank balances and other miscellaneous assets as per the books of accounts of the Transferor Company-I.

SCHEDULE OF PROPERTIES

of HCL Technologies BPO Services Ltd. (Transferor Company-II)

PART-1

Short Description of freehold properties of Transferor Company-II

NIL

PART-II

Short Description of leasehold properties of Transferor-II

NIL

PART-III

Short description of all Stocks, shares, debentures and other charges in action of the Transferor Company-II

All fixed assets, whether moveable or immovable, tangible or intangible, including goodwill, plant and machinery, software, computers, networking equipments, furniture and fixtures, leasehold improvements, vehicles-leased, capital work-in-progress, investments, current assets, sundry debtors, loans and advances, cash and bank balances and other miscellaneous assets as per the books of accounts of the Transferor Company-II.

SCHEDULE OF PROPERTIES

of HCL Enterprise Solutions (India) Ltd. (Transferor Company-III)

PART-1

Short Description of freehold properties of Transferor Company-III

NIL

PART-II

Short Description of leasehold properties of Transferor-III

NIL

PART-III

Short description of all Stocks, shares, debentures and other charges in action of the Transferor Company-III

All current assets, loans and advances, cash and bank balances and other miscellaneous assets as per the books of accounts of the Transferor Company-III.

Dated this the 28th day of October, 2005
(By order of the Court)

-Sd-
Joint Registrar (Co.)

IN THE HIGH COURT OF KARNATAKA, BANGALORE

DATED THIS THE 16TH DAY OF DECEMBER, 2005

BEFORE

THE HON'BLE MR. JUSTICE RAM MOHAN REDDY

COMPAN PETITION NOS. 99 OF 2005
C/W 98 OF 2005 C/W 100 OF 2005

CO.P.NO.99/2005:

BETWEEN

DSL SOFTWARE LIMITED,
REGD. OFFICE: THE LEELA
GALLERIA, COMMERCIAL COMPLEX,
5TH & 6TH FLOORS,
23, AIRPORT ROAD,
BANGALORE – 560 008.

——PETITIONER

(BY SRI A MURALI, AZB & PARTNERS, ADV.,)

AND

NIL. ——RESPONDENT

(BY SRI DEEPAK FOR OL;

SRI B P PUTTASIDDAIAH, CGC FOR RDC)

THIS COMPANY PETITON IS FILED UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 TO SANCTION THE SCHEME OF AMALGAMATION.

CO.P. NO.98/2005:

BETWEEN

SHIPARA TECHNOLOGIES LTD.,
REGD. OFFICE: 8 & 9, G B PALYA,
OFF: HOSUR ROAD,
BANGALORE – 560 068. ——PETITIONER

(BY SRI A MURALI, AZB & PARTNERS, ADV.,)

AND

NIL. ——RESPONDENT

(BY SRI DEEPAK FOR OL;
SRI B P PUTTASIDDAIAH, CGC FOR RDC)

THIS COMPANY PETITON IS FILED UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 TO SANCTION THE SCHEME OF AMALGAMATION.

CO.P. NO.100/2005:

BETWEEN

AQUILA TECHNOLOGIES LTD.,
NO. 5, 100 FT. RING ROAD,
BTM LAYOUT, 1ST STAGE,
1ST PHASE, BANGALORE – 560 068. ——PETTIONER

(BY SRI A MURALI, AZB & PARTNERS, ADV.,)

AND

NIL. ——RESPONDENT

(BY SRI DEEPAK FOR OL;
SRI B P PUTTASIDDAIAH, CGC FOR RDC)

THIS COMPANY PETITON IS FILED UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 TO SANCTION THE SCHEME OF AMALGAMATION.

THESE PETITIONS COMING ON FOR ORDERS, THIS DAY THE COURT MADE THE FOLLOWING:

O R D E R

In these three petitions, petitioners seek sanction of the very same scheme of amalgamation Annexure-"A". Hence, these petitions are clubbed, heard together and are disposed of by this common order.

2. The petitioner in Company Petition No.99/2005 is M/s. DSL Software Limited (for short Transferor Company No.4), a company incorporated under the Companies Act, 1956 (for short 'Act') having its registered office at Leela Galleria, Commercial Complex, 5th & 6th Floor, 23, Airport Road, Bangalore-560 008, in the State of Karnataka.

3. The main objects of the Transferor Company no.4 is to carry on the business of IT Services amongst other objects as mentioned in the memorandum and Articles of Association Annexure-"B".

4. The authorised share capital of the Transferor company No.4 is Rs.25,00,000/- (Rupees Twenty-five lakhs only) divided into 2,50,000 (Two lakhs fifty thousand) Equity shares of Rs.10/- (Rupees Ten only) each while the Issued, subscribed and paid-up share capital is Rs.5,00,200/- (Rupees five lakhs and two hundred only) divided into 50,020 (Fifty thousand and twenty) Equity shares of Rs.10/- (Rupees Ten only) each fully paid up. M/s. DSI Financial Solutions Pte Limited, Singapore holds 49,985 Equity shares of Rs.10/- each.

5. The Balance-sheets made up to 30-06-2004 and 30-06-2005 Annexure-"C" and Annexure-"P4" respectively, duly certified by the auditors of the Transferor Company No.4 discloses its assets and liabilities.

6. The Board of Directors of the Transferor Company No.4, in the meeting held on 24-02-2005 approved and adopted the scheme of amalgamation Annexure-"A", whereunder the Transferor Company No.4 along with M/s. Shipara Technologies Limited (for short 'Transferor Company No.5'), M/s. Aquila Technologies Limited (for short 'Transferor Company No.6'), M/s HCL Technologies (Mumbai) Limited,

M/s. HCL Technologies BPO Services Limited and M/s. HCL Enterprise Solutions (India) Limited, are proposed to be merged with M/s. HCL Technologies Limited (for short ‘Transferee company), incorporated under the Act, subject to the sanction by this Court. The Transferee company is said to be incorporated and registered in the National Capital Territory of New Delhi.

7. Transferor Company No.4 filed C.A.No.336/2005 for directions to convene the meetings of its shareholders and creditors, which was allowed by order dated 12-04-2005. The report Annexure-”Q” of the Chairman of the meeting discloses that on the appointed date, all the shareholders and creditors who attended the meeting unanimously approved the scheme of amalgamation Annexure-”A”. Hence, this petition for sanction of the scheme of amalgamation.

8. The petitioner in Company Petition No.98/2005 is M/s. Shipara Technologies Limited (Transferor Company No.5) incorporated under the Act having its registered office at Nos. 8 & 9, G.B. Palya, Off. Hosur Road, Bangalore – 560 068 in the state of Karnataka.

9. The main objects of the Transferor Company No.5 is to carry on the business of software development amongst other objects set out in the memorandum and articles of association Annexure-”B”.

10. The authorised share capital of the Transferor Company No.5 is Rs.25,00,00,000/- (Rupees twenty-five crores only) divided into 2,50,00,000 (Two crore fifty lakhs) Equity shares of Rs.10/- (Rupees Ten only) each while the issued, subscribed and paid-up share capital is Rs.17,92,07,000/- (Rupees seventeen crores ninety-two lakhs seven thousand only) divided into 1,79,20,700 (One crore seventy-nine lakhs twenty thousand seven hundred) Equity shares of Rs.10/- (Rupees Ten only) each fully paid up. The entire issued and subscribed share capital is held by M/s. HCL Technologies Limited, the Transferee company.

11. The Balance-sheet made up to 30-06-2004 and 30-06-2005 Annexures-”C” and “P3” respectively, duly audited by the Auditors of the Transferor company No.5 discloses its assets and liabilities.

12. The Board of Directors of the Transferor Company No.5, in the meeting held on 28-02-2005, approved the scheme of amalgamation Annexure-”A”, whereunder the Transferor Company No.5, amongst other companies, is proposed to be merged with M/s. HCL Technologies Limited (for short the ‘Transferee Company’), subject to the sanction of the scheme by this Court.

13. The Transferor Company No.5 made an application in C.A.No.335/2005 for directions to convene the meetings of its shareholders and creditors which was allowed by order dated 12-04-2005. The report Annexure-”Q” of the Chairman of the meetings discloses that on the appointed date, all the creditors and the shareholders who attended the meeting unanimously approved the scheme of amalgamation Annexure-”A”. Hence, this petition for sanction of the scheme of amalgamation.

14. The petitioner in Company Petition No.100/2005 is M/s. Aquila Technologies Limited (for short Transferor Company No.6), a company incorporated under the Companies Act, 1956 (for short ‘Act’) having its registered office at No.5, 100 ft. Ring Road, BTM Layout, 1 Stage, 1 Phase, Bangalore-560 068, in the State of Karnataka.

15. The main objects of the Transferor Company No.6 is to carry on the business of software development amongst other objects as set out in the memorandum and Articles of Association Annexure-”B”.

16. The authorised share capital of the Transferor company No.6 is Rs.5,00,00,000/- (Rupees five crores only) divided into 1,00,00,000 (One crore) Equity shares of Rs.5/- (Rupees five only) each while the Issued, subscribed and paid-up share capital is Rs.4,15,04,400/- (Rupees four crores fifteen lakhs four thousand and four hundred only) divided into 83,00,880 (Eighty-three lakhs eight hundred and eighty) Equity shares of Rs.5/- (Rupees five only) each fully paid up which is held by M/s. Shipara Technologies Limited (Transferor Company No.5).

17. The Balance-sheet made up to 30-06-2004 and 30-06-2005 Annexure-”C” and Annexure-”P5"

respectively, duly certified by the auditors of the Transferor Company No.6 discloses its assets and liabilities.

18. The Board of Directors of the Transferor Company No.6, in the meeting held on 1-3-2005 approved and adopted the scheme of amalgamation Annexure-"A", whereunder the Transferor Company No.6 along with other companies are proposed to be merged with the Transferee company M/s. HCL Technologies Limited, subject to confirmation by this Court.

19. Transferor Company No.6 filed C.A.No.337/2005 for directions to convene the meetings of its shareholders and creditors which was allowed by order dated 12-04-2005. The report Annexure-"Q" of the Chairman of the meetings discloses, that on the appointed date, all the shareholders and creditors who attended the meeting unanimously approved the scheme of amalgamation Annexure-"A".

20. All these petitions were admitted and notices ordered on the Regional Director for Company Affairs, Chennai and the Official Liquidator. At the request of the Official Liquidator in his reports OLR Nos.434, 435 and 436/2005, this Court appointed Sri P.S. Ananda Rao & Associates, Chartered Accountant, who filed his report in each of the petitions opining that the affairs of the Transferor Company Nos.4, 5 and 6 have not been conducted in a manner prejudicial to the interest of the public, shareholders or creditors. The Official Liquidator has filed OLR Nos. 634, 635 and 636/2005 stating that he has no objection for the sanction of the scheme of amalgamation.

21. The Regional Director of Company Affairs has filed two affidavits dated 7-10-2005 and 30-11-2005 interalia contending that the authorised share capital of the company being a notional limit, the same could be increased only be compliance of Sections 94 and 97 of the Act and that in the instant case, the authorised share capital of all the Transferor companies put together amounts to Rs.90,00,00,000/- (Rupees ninety crores only) which, under the scheme, is proposed to be added to the authorised share capital of the Transferee company, thereby increasing the authorised share capital of the Transferee company to Rs.170,00,00,000/- (Rupees one hundred and seventy crores only) which is impermissible in law. It is next contended that Clause 5.14 of the scheme Annexure-"A" contemplating shifting of the registered office of the Transferee company from the National Capital Territory of Delhi to the state of Tamil Nadu requires prior sanction under Section 17 of the Act from the Company law Board.

22. The material on record discloses that the Board of Directors of each of the Transferor company Nos. 4 5 and 6 have opined that the merger of the companies would be beneficial and profitable to operate as a single unit instead of different units as the Transferee company is a consistent profit making company while also being the holding company of the Transferor companies. It is also stated that in order to have synergy of operation and to avoid administrative overheads, they have decided to amalgamate into one unit so that they can avail the advantage of large-scale operation. It is said that the financial base of the amalgamated company would be considerably enhanced. In view of all these advantages, it is stated that the scheme of amalgamation would be beneficial to the shareholders and creditors of the company.

23. The material on record further discloses that the Transferor companies 4, 5 and 6 have convened the meeting of their shareholders and creditors in accordance with Section 391 of the Act and in terms of the order passed by this Court in C.A. Nos. 336, 335 and 337/2005 respectively. The shareholders and creditors of all the Transferor companies have unanimously approved the scheme of amalgamation Annexure-"A" and therefore, the statutory requirement as contained in Section 391(2) of the Act is complied with. The Auditors report discloses that the affairs of the Transferor companies 4, 5 and 6 are not conducted in a manner prejudicial to the interest of the shareholders or the creditors.

24. Despite publication of hearing of this petition, none of the shareholders, creditors, employees or any other persons have appeared before this court to oppose the scheme of amalgamation. The report of the Official Liquidator discloses that he has no objection for according sanction to the said scheme.

25. In so far as the objections raised by the Regional Director of Company Affairs is concerned, the learned Central Government Standing Counsel submits that, the increase of the authorised share capital of the

Transferee company to Rs.170,00,00,000/- (Rupees one hundred and seventy crores only) by adding the authorised share capital of the Transferor companies amounting to Rs.90,00,00,000/- (Rupees ninety crores only) needs compliance of Sections 94 to 97 of the Act. This submission is without any merit. I say so because, the Transferee Company is not before this Court. The Transferee Company is bound to file a petition under Section 391 to 394 of the Act before the High Court of Delhi and secure the necessary sanction of the scheme. It is therefore for the Regional Director of Company Affairs to raise such a contention or objection before the High Court of Delhi and not before this Court. It is for the High Court of New Delhi which is required to consider as to whether or not the increase of the share capital without following the provisions of Section 94 and 97 of the Act could be permitted or otherwise. The second contention of the learned Central Government Standing counsel as regards Clause No.5.14 of the Scheme Annexure-"A" providing for transfer of the registered office from New Delhi to the state of Tamil Nadu, does not survive for consideration in view of the memo dated 1-10-2005 filed by the Transferor Company No.5 enclosing the certified extracts of the Board resolutions of the Transferor companies resolving to delete Clause 5.14 from the scheme of amalgamation Annexure- "A".

26 The terms of the scheme of amalgamation indicate that, with effect from the said date, all debts, liabilities, dues and obligations of the transferor companies and any accretions or additions or deletions thereto, after the appointed date, shall, without any further act or instrument or deed, stand transferred or deemed to be transferred and vested in the Transferee company so as to become as and from that date, the debts, liabilities, dues and obligations of the Transferee Company. Upon the Scheme of Amalgamation being sanctioned and becoming finally effective, it is stated that the shares of the Transferor Company Nos.4, 5 and 6 shall stand cancelled.

27. All the employees of the Transferor company Nos. 4, 5 and 6 in service on the effective date, shall become the employees of the Transferee company on such date without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with the Transferor company. As already noticed supra, no employee of the transferor company Nos. 4, 5 and 6 has appeared before the court to oppose the Scheme of Amalgamation, Annexure-"A". Thus, the interest of the employees of the Transferor companies is taken care.

28. As the shareholders of the Companies have unanimously approved the scheme of amalgamation and since the Transferee company is the holding company of Transferor companies 4, 5 and 6, the shareholders having agreed to the cancellation of the shares, it is not open for this Court to sit in appeal over the valued judgment of the Equity shareholders. In these circumstances, the petitioners have made out a case for sanction of the scheme of amalgamation Annexure-"A". Hence the following order.

i) The scheme of amalgamation, Annexure-"A", proposed by the Transferor company Nos.4, 5 and 6, petitioners herein, is hereby sanctioned and is binding on the Transferor company Nos.4, 5 and 6, their shareholders and creditors;

ii) The scheme of amalgamation Annexure-"A" is sanctioned subject to the sanction of the High Court of Delhi and subject to the deletion of Clause No.5.14 regarding transfer of the registered office to the Transferee company from the National Territory Capital of New Delhi to Tamil Nadu.

iii) The Transferor Company Nos.4, 5 and 6 shall stand dissolved without there being an order of winding up.

iv) Office is directed to draw up a decree in From No.42.

v) The Transferor Company Nos.4, 5 and 6 are directed to serve a copy of this order on the Registrar of Companies in the State of Karnataka, as well as in the National Capital Territory of New Delhi, within 30 days.

The petition is accordingly allowed.

KS.

Sd/-
Judge

IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY JURISDICTION

COMPANY PETITION NO. 230 OF 2010

CONNECTED WITH

CA (M) NO. 99 OF 2010

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 AND 394

OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF

HCL TECHNOPARKS LIMITED

……… TRANSFEROR / PETITIONER COMPANY – I WITH

HCL TECHNOLOGIES LIMITED

…….. TRANSFEREE / PETITIONER COMPANY- II

(Collectively referred to as the Petitioner Companies)

MEMO OF PARTIES

HCL TECHNOPARKS LIMITED a company incorporated under the Companies Act, 1956 having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019.

……… TRANSFEROR / PETITIONER COMPANY – I WITH

HCL TECHNOLOGIES LIMITED a company incorporated under the Companies Act, 1956 having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019.

…….. TRANSFEREE / PETITIONER COMPANY - II THROUGH

Satwinder Singh / Sushma Mathur
NPS Chawla / Simran Sethi
Vaish Associates, Advocates
Advocates for the Petitioners
Flat No.5 - 7, 10, Hailey Road
New Delhi-110001
Phone no. 01142492525

PLACE: New Delhi
DATED: 26.05. 2010

E-mail id: satwinder@vaishlaw.com

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
COMPANY PETITION NO.230/2010
CONNECTED WITH
COMPANY APPLICATION (M) NO.99/2010
IN THE MATTER OF M/S HCL Technoparks Ltd.

having its Regd. Office at:
806, Siddharth, 96,
Nehru Place, New Delhi-110019

………..Petitioner/Transferor Company

WITH

IN THE MATTER OF M/s HCL Technologies Ltd.

having its Regd. Office at:
806, Siddharth,96,
Nehru Place, New Delhi-110019

………..Petitioner/Transferee Company

BEFORE HON'BLE MR. JUSTICE SUDERSHAN KUMAR MISHRA

DATED THIS THE 16th DAY OF AUGUST, 2010

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition came up for hearing on 16/08/2010 for sanction of Scheme of Amalgamation proposed to be made of M/s HCL Technoparks Ltd. (hereinafter referred to as Transferor Company) with M/s HCL Technologies Ltd. (hereinafter referred to as Transferee Company). The Court examined the petition; the order dated 25/05/2010, passed in CA(M) 99/2010, whereby the requirement of convening and holding the meetings of the Equity Shareholders and Unsecured Creditors of the Transferor and Transferee Companies, also Secured Creditors of the Transferee Company for the purpose of considering and if thought fit approving with or without modification, the Scheme of Amalgamation annexed to the affidavit of Sh. Manish Anand, Authorized Signatory of the Petitioner Companies, filed on 14th day of May, 2010 was dispensed with; there being no Secured Creditors of the Transferor Company and the publication in the newspapers namely Statesman (English) and Veer Arjun (Hindi) dated 13/07/2010 containing the notice of the Petition.

The Court also examined the affidavits dated 22/07/2010 of Dr. Navrang Saini, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida on behalf of Central Government stating inter-alia that the Central Government has no objection to the said Amalgamation.

Upon hearing Mr. N.P.S.Chawla, Advocate for the Petitioners, Mr. Rajiv Bahl for the Official Liquidator and Mr. V. K. Gupta, Dy. Registrar of Companies in person; and in view of the approval of the Scheme of Amalgamation without any modification; by the Equity Shareholders and Unsecured Creditors of the Transferor and Transferee Companies, also Secured Creditors of the Transferee Company; and in view of the affidavit of Sh. S.B. Gautam, Official Liquidator filed on 28/07/2010 stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its Members or Creditors or to public interest; and there being no investigation proceedings pending in relation to the Transferee Company under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION set forth in Schedule-I annexed hereto and Doth hereby declare the same to be binding on all the Shareholders & Creditors of the Transferor Company and all concerned and doth approve the said Scheme of Amalgamation with effect from the appointed date i.e.01/04/2009.

AND THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Company specified in first, second and third parts of Schedule-II hereto and all other property, right and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and

2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the transferee Company; and

3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and

4. That as the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company either directly or through its nominees, upon the Scheme becoming finally effective, the said share capital of the Transferor Company will, without any further act, instrument or deed, stand cancelled and there will be no issue and allotment of shares by the Transferee Company in consideration of Amalgamation of the Transferor Company with the Transferee Company; and

5. That the Transferor Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up and the Concerned Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and

6. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty that is payable in accordance with law; and

7. That any person interested shall be a liberty to apply to the Court in the above matter for any directions that may be necessary.

Schedule- I

SCHEME OF AMALGAMATION

In the matter of Amalgamation of HCL Technoparks Limited with HCL Technologies Limited.

1. GENERAL

This Scheme of Amalgamation (hereinafter referred to as the "Scheme") consists of the Scheme for the Amalgamation of HCL Technoparks Limited with HCL Technologies Limited. The Scheme is made pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 ("the Act").

2. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below:

(a) "Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

(b) "Amalgamated Company" means HCL Technologies Limited, the Transferee Company after amalgamation of the Transferor Company.

(c) "Appointed Date" for the purposes of the Scheme means the 1st Day of April 2009 or such other date(s) as the Hon'ble High Court(s) may direct.

(d) "Effective Date" shall be the last of the following dates or such other date as the Hon'ble High Court(s) may direct, namely:

(i) the date on which the certified copy of the Order, under Section 394 of the Act, of the Hon'ble High Court of Delhi is filed with the Registrar of Companies, NCT of Delhi and Haryana.

(ii) the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in Para 6.3 of this Scheme have been obtained.

(e) "High Court" means the Hon'ble High Court of Delhi at New Delhi and/or the National Company Law Tribunal or any other relevant authority empowered to approve the Scheme.

(f) "Scheme" means this Scheme of Amalgamation in its present form as submitted to the Hon'ble High Court or this Scheme with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and Transferee Companies in their meetings to be held as per directions of the Court or such modifications(s) as may be imposed by any competent authority and accepted by the respective Board of Directors of the Transferor and Transferee Companies and/or directed to be made by the Hon'ble High Court(s) while sanctioning the Scheme.

(g) **"The Transferor Company"** means HCL Technoparks Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110 019.

(h) **"The Transferee Company"** means HCL Technologies Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110019.

3. PURPOSE

The Transferor Company is a wholly owned subsidiary of the Transferee Company and was incorporated to carry on the business as a developer of facilities for the IT industry. This Company is developing only one facility in Manesar, Haryana for use by the IT Company. The Transferee Company is also in the process of developing its own facilities at various locations at Noida, Chennai and Bangalore. Amalgamation will channelise synergies and shall lead to optimum utilisation of the available resources and will result in economies of scale. Independent operation of these companies will lead to administrative hassles.

Further, the amalgamation would also enable consolidation and further expansion of the Transferee Company. The amalgamation will provide the Amalgamated Company a strong and focused base to develop the facilities more advantageously and thereby increase in their profitability and shareholders' net worth. The Scheme has been proposed for overall business efficiency to combine their managerial strength to streamline administration, and to promote and secure the overall interest, growth and economies concerned. The amalgamation of the Transferor Company with the Transferee Company will reduce the number of step down subsidiaries of the Transferee Company thereby reducing operating and administrative costs and resulting in cash savings. On amalgamation, the Amalgamated Company would be in a better position to generate surplus funds to enable planning for further growth in the business. The amalgamation will result in improved asset base, and enable the Amalgamated Company to raise resources for future growth and expansion of the business. Therefore with a view to integrate the business synergies and reap the benefit of consolidation through focussed management, the Board of Directors of the Transferor and Transferee Companies thought it appropriate to amalgamate the Transferor Company with the Transferee Company.

4. SHARE CAPITAL

The position of authorized, issued, subscribed and paid up capital of the Companies as on 31.12.2009 is as follows:

Name of the Company	Authorised Share Capital	Issued, Subscribed and Paid Up Capital
HCL Technoparks Limited (Transferor Company)	Rs. 1 crore consisting of 10,00,000 equity Shares of Rs. 10/- each	Rs. 1 crore consisting of 10,00,000 Equity Shares of Rs. 10/- each
HCL Technologies Limited (Transferee Company)	Rs. 150 crores consisting of 75,00,00,000 Equity Shares of Rs. 2/- each	Rs. 134.70 crores consisting of 673,505,932 Equity Shares of Rs. 2/- each

5. THE SCHEME

5.1 With effect from the Appointed Date and subject to the provisions of the Scheme, including in relation to the mode of transfer/vesting, all the undertakings, the entire businesses, properties (whether movable or immovable, tangible or intangible), including but not limited to plant and machinery, buildings and structures, offices, residential and other premises, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, all stocks, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights and prospecting leases, if any) and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits, quotas, consents, rights, entitlements, contracts, licenses, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, benefits of assets or properties or other interest held in trust, registrations, agreements, engagements, easements arrangements of all kind, privileges, liberties, concessions, grants, claims, subsidies, incentives, special status or privileges enjoyed or conferred upon or held or availed by the Transferor Companies and all other rights including tax deferrals and other benefits (including tax benefits) and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Transferor Companies 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 (hereinafter referred to as “said Assets”), shall without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company as a going concern pursuant to the provisions of Section 394 of the Act.

5.2 All the said Assets that have accrued or which may accrue to the Transferor Company on or after the Appointed Date shall pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company. It is hereby clarified that all inter party transactions between the Transferor Company and the Transferee Company and /or interse amongst the Transferor Company shall be considered as intra party transactions for all purposes from the Appointed Date.

5.3 Without prejudice to Clauses 5.1 and 5.2 above, in respect of such of the said Assets of the Transferor Company as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred by the Transferor Companies to the Transferee Company and shall upon such transfer become the property and an integral part of the Transferee Company. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under Section 394 of the Act.

5.4 With effect from the Appointed Date and upon the Scheme becoming effective, the land with the buildings standing thereon, if any, held by Transferor Company, and any documents of title / rights and easements in relation thereto shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed, be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. The mutation of title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective in accordance with terms hereof in favour of the Transferee Company.

5.5 (a) Notwithstanding the generality of Clauses 5.1 to 5.4 above, with effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals, or consents required to carry on operations in the Transferor Company shall, pursuant to the provisions of Section 394 of the Act, stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme.

(b) Upon the coming into effect of the Scheme, all the taxes (including Tax Deducted at Source, Income Tax and Wealth Tax) paid by the Transferor Companies from the Appointed Date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company and the Transferee Company shall be entitled to take credit for such taxes notwithstanding that certificates/challans for the said taxes are in the name of the Transferor Company and not in the name of the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to revise the income tax / wealth tax returns, if any, filed by it or the Transferor Companies in respect of any previous year(s). The Transferee Company will also be entitled to represent the Transferor Company in respect of any tax proceedings in respect of prior years.

5.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred and vested by the order of the Hon'ble High Court to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

5.7 On the coming into effect of the Scheme:

(a) all motor vehicles of any nature whatsoever comprised in or relatable to the Transferor Company as the case may be, shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed, vest in the Transferee Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Transferee Company as if the vehicles had originally been registered in the name of Transferee Company.

(b) all patents, trademarks, copyrights registered with the authorities concerned or applications submitted at any time on or before the Effective Date by the Transferor Company shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed, stand transferred and vested in the name of Transferee Company as if the Transferee Company had originally applied for the same.

5.8 With effect from the Effective Date and till such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in its name, in so far as may be necessary.

5.9 Upon the coming into effect of the Scheme and with effect from the Appointed Date:

(a) All secured and unsecured debts, liabilities including contingent liabilities, whether disclosed or undisclosed, duties, taxes and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon as on the Appointed Date (hereinafter referred to as the "said Liabilities") shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain 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 in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Company is concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Companies, shall, without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor and the Transferee Companies are party, and consistent with the joint obligations assumed by them under such arrangement.

(b) The Transferee Company shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements or instruments and the likes as may be necessary with the creditors, such that the Transferee Company shall assume the sole responsibility for repayment of borrowings allocated to it under the Scheme.

(c) All debentures, bonds, notes or other securities, other than equity share capital, issued by the Transferor Company, if any, either before the Appointed Date or after the Appointed Date till the Effective Date ("Transferor's Securities") shall without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of the Transferor's Securities so transferred.

(d) In respect of the shares issued by the Transferor Company and held interse by the Transferee Company and / or by the nominees of the Transferee Company, the same shall, without any further act, instrument or deed, stand cancelled as of the Effective Date, and shall be of no effect and the Transferor/Transferee Companies shall have no further obligation outstanding in that behalf. Similarly, all the loans, advances, bonds, debentures or any other obligations (including any guarantees, bonds, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company, shall, without any further act, instrument or deed, be and stand discharged and there shall be no liability in that behalf on any of the Transferor Company or the Transferee Company.

(e) All the resolutions of the Transferor Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company.

5.10 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

5.11 All loans raised and utilised and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

5.12 (A) With effect from the Appointed Date upto and including the Effective Date:

(a) the Transferor Company shall carry on and shall be deemed to have carried on all its businesses and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said assets for and on account of, and in trust for, the Transferee Company;

(b) the Transferor Company shall carry on its businesses and activities with reasonable diligence and business prudence.

(B) All profits or incomes accruing or arising to the Transferor Company or expenditure, or losses arising or incurred by the Transferor Company on and after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

5.13 Upon the coming into effect of this Scheme, all suits, actions and proceedings, if any, by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, as effectually and in the same manner and to the same extent as if the same had been pending and/or arising by or against the Transferee Company.

5.14 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments 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, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be in full force and effect against or in favour of the Transferee Company as the case may be 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 thereto.

5.15 The Transferee Company may, at any time after the coming into effect of this Scheme, if so required, under any law or otherwise, enter into and/or issue and/or execute deeds, writings, confirmations, tripartite arrangements, declarations, novations or any other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Companies to be carried out or performed.

5.16 (a) As the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company either directly or through its nominees, upon the Scheme becoming finally effective, the said share capital of the Transferor Companies will, without any further act, instrument or deed, stand cancelled and there will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Company with the Transferee Company.

(b) The Transferee Company and the Transferor Company are entitled to declare and pay dividends, whether interim or final in respect of the accounting period prior to the Effective Date.

5.17 Upon the coming into effect of this Scheme,

(a) All employees in the service of the Transferor Company immediately preceding the Effective Date shall become employees of the Transferee Company on the basis that:

(i) Their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.

(ii) The terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.

(b) The existing provident fund, gratuity fund, and pension and/or superannuation fund/scheme or trusts created by the Transferor Company or any other special scheme(s)/fund(s) created or existing for the benefit of the employees of the Transferor Companies shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time, shall be maintained separately. The Board of Directors of the Transferee Company and the trustees of the respective trusts in the Transferee Company shall be entitled to take all steps as may be necessary to implement the above and to wind up or otherwise deal with the trust, if any, in the Transferor Company, in such manner or may be deemed appropriate by them in their absolute discretion. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes/funds.

(c) The Transferee Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Company.

(d) The Transferee Company undertakes to continue to abide by any agreements(s)/settlement(s) entered into the labour union/employees by the Transferor Company.

5.18 The approval to this Scheme of Amalgamation under Sections 391 and 394 of the Act by the shareholders shall be deemed to have the approval of the shareholders under Sections 17, 94, 100, 101, and/or any other applicable provisions of the Act.

5.19 Upon the Scheme being effective, the Transferee Company shall account for amalgamation / merger in its books as specified hereunder;

(a) All the said assets and the said liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Company.

(b) An amount equal to the balance lying in the "Profit and Loss Account" as appearing in the balance sheet of the Transferor Company shall be taken over by the Transferee Company and included in the balance of its Profit and loss Account.

(c) The balance appearing under the head "Miscellaneous Expenditure Account" (to the extent not written off or adjusted) in the books of the Transferor Company shall be debited by the Transferee Company to Miscellaneous Expenditure Account (to the extent not written off or adjusted) and the same shall thereafter be dealt with in the same manner as it would have been, had the expenditure been incurred by the Transferee Company.

(d) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the Reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statements of the Transferor Companies.

(e) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact on account of change in the accounting policy to achieve uniformity on account of amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistency in the accounting policy.

5.20 The Transferor Company shall be dissolved without winding up with effect from the date on which the certified copy of the Order, under Section 394 of the Act, of the Hon'ble High Court of Delhi sanctioning the Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana.

5.21 Upon coming into effect of this Scheme, all directors of the Transferor Company immediately preceding the Effective Date, shall cease to be the directors of the Transferor Company and shall have no claim against the Transferor Company or Transferee Company on account of cessation of their directorships from the respective companies.

6. OTHER CONDITIONS APPLICABLE TO THE SCHEME

6.1 Application to the Hon'ble High Court(s):

The Transferor Company and the Transferee Company shall with all reasonable dispatch make applications / petitions to the Hon'ble High Court(s) under Sections 391 and 394 and other applicable provisions of the Act, for sanctioning the Scheme of Amalgamation and for dissolution of the Transferor Company without winding up and for convening and/or seeking exemption to convene the meeting of the shareholders and/or of the creditors, and to obtain all other approvals as may be required under law.

6.2 Modifications/Amendments to the Scheme

(a) The Transferor Company and the Transferee Company by their respective Board of Directors either by themselves or by any committee constituted by the Board of Directors or any person(s) authorised by the Board of Directors in this behalf may make or assent from time to time on behalf of all persons concerned to any extension, modification or amendments of this Scheme or any of conditions or limitation which the Hon'ble High Court(s) and/or any authorities/persons may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.

(b) For the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of the Transferee Company or any committee constituted by the Board of Directors or any person(s) authorised by the Board of Directors in this behalf may give and are authorized to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

6.3 Scheme conditional on Approvals/Sanctions

This Scheme is conditional on and subject to:

(a) any consent, as may be applicable, from the lenders of the Transferor Company or Transferee Company, if so mandated under the Agreements entered into with the lenders.

(b) the consents by the requisite majority of the shareholders to the Scheme.

(c) the sanctions of the Hon'ble High Court(s) being obtained under Sections 391 and 394 and other applicable provisions of the said Act, if so required on behalf of the Transferor Company and the Transferee Company.

(d) the certified copies of the orders of the Hon'ble High Court(s) being filed with the Registrar of Companies, NCT of Delhi and Haryana.

6.4 There is no likelihood that any creditor of the Transferor Company /Transferee Company would lose or be prejudiced as a result of the proposed Scheme being passed. The amalgamation will in no way costs any additional burden on the shareholders of the Transferee Company nor will it prejudicially affect the interests of any of the classes of the creditors.

6.5 If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by, any of the Hon'ble High Court(s), or is unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part

6.6 Effect of non-receipt of approvals/sanctions:

(a) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/or the order(s) not being passed as aforesaid on or before 30.06.2011 or within such further period or periods as may be agreed upon by and between the Transferor Company and the Transferee Company, this Scheme shall stand revoked and cancelled and become null and void and be of no effect and in that event, no rights and liabilities whatsoever, shall accrue to or be incurred inter-se by the Transferor and/or Transferee Companies or their shareholders or creditors or employees or any other person.

(b) In the event any of the conditions that may be imposed by the Hon'ble High Court(s) and/or competent authority which the Transferor Company and/or the Transferee Company may find unacceptable for any reason or Board of Directors of the Transferor Company or Transferee Company decides otherwise, then they are at liberty to withdraw from the Scheme.

(c) If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of or implementation of the other part and/or the provisions of this Scheme.

6.7 Expenses Connected with the Scheme:

The Transferee Company shall bear all costs, charges and expenses in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms.

SCHEDULE OF ASSETS TO BE TRANSFERRED BY HCL TECHNOPARKS LIMITED (TRANSFEROR/ PETITIONER COMPANY- I) TO HCL TECHNOLOGIES LIMITED (TRANSFEREE/PETITIONER COMPANY-II)

PART-I

(SHORT DESCRIPTION OF THE FREEHOLD PROPERTIES TO BE TRANSFERRED TO TRANSFEREE/ PETITIONER COMPANY-II)

SL. NO.	PARTICULARS OF LAND AND BUILDING	AREA OF PLOT
1.	Commercial Plot No. CP-3, Sector 8, IMT Manesar, Haryana, along with building constructed thereon, registered in the name of the Transferor/Petitioner Company-I vide Conveyance Deed dated 27th June, 2008 executed between Haryana State Industrial & Infrastructure Development Corporation Limited (HSIDC) and HCL Technoparks Limitedwith Registration No. 8017.	38212 square metres

PART – II

(SHORT DESCRIPTION OF THE LEASEHOLD PROPERTIES TO BE TRANSFERRED TO TRANSFEREE/ PETITIONER COMPANY-II)

—---NIL-—-

PART – III

SHORT DESCRIPTION OF ALL STOCKS, SHARES, DEBENTURES AND OTHER CHARGES IN ACTION OF HCL TECHNOPARKS LIMITED (THE TRANSFEROR/ PETITIONER COMPANY-I) TO BE TRANSFERRED TO HCL TECHNOLOGIES LIMITED (TRANSFEREE/ PETITIONER COMPANY-II

All current assets, plant and machinery, motor vehicles of any nature, capital work in progress and other miscellaneous assets, furnitures, fixtures, office equipments, appliances, accessories, power lines, deposits, all stocks, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights and prospecting leases, if any) and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits, quotas, consents, rights, entitlements, contracts, licenses, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, benefits of assets or properties or other interest held in trust, registrations, agreements, engagements, easements arrangements of all kind, privileges, liberties, concessions, grants, claims, subsidies, incentives, special status or privileges enjoyed or conferred upon or held or availed by the Company and all other rights including tax deferrals and other benefits (including tax benefits) and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor/ Petitioner Company-I, including but without being limited to trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, if any, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records 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/ Petitioner Company-I.

Dated this the 16th August, 2010
By order of the Court

-Sd/-
Joint Registrar (Co.)
for Registrar General

IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY JURISDICTION

COMPANY PETTION NO. 62 OF 2013

CONNECTED WITH

COMPANY APPLICATION (M) NO 187 OF 2012

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 AND 394

OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

HCL COMNET SYSTEMS & SERVICES LIMITED

…………….HCLSS/PETITIONER COMPANY-I

AND

HCL TECHNOLOGIES LIMITED

………………HCLT/PETITINONER COMPANY-II

(Collectively referred to as the Petitioner Companies)

<u>**MEMO OF PARTIES**</u>

HCL COMNET SYSTEMS & SERVICES LIMITED a company incorporated under the Companies Act, 1956 having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019

…………HCLSS/PETITIONER COMPANY-I

AND

HCL TECHNOLOGIES LIMITED a company incorporated under the Companies Act, 1956 having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019

…………HCLT/PETITIONER COMPANY-II

THROUGH

Satwinder Singh/NPS Chawla / Simran Sethi

Vaish Associated, Advocates

Advocates for the Petitioners

1st Floor, Mohan Dev Building,

13, Tolstoy Marg,

New Delhi – 110001

PLACE : New Delhi

Phone no. 011-49292525

DATED : 31/01/2013

E-mail id : satwinder@vaishlaw.com

IN THE HIGH COURT OF DELHI AT NEW DELHI (ORIGINAL JURIDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT OF

COMPANY PETITION NO. 62/2013

CONNECTED WITH

COMPANY APPLICATION (M) No. 187/2012

IN THE MATTER OF : HCL Comnet Systems & Services Limited

806, Siddharth, 96, Nehru Place

New Delhi-110019.

Petitioner Company –1

WITH

IN THE MATTER OF : HCL Technologies Limited

806, Siddharth, 96, Nehru Place

New Delhi-110019.

Petitioner Company –2

BEFORE HON'BLE DR. JUSTICE S.MURALIDHAR

DATED THIS 12.04.2013

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition came up for hearing on 12.04.2013 for sanction of Scheme of Arrangement proposed to be made between HCL Comnet Systems & Services Limited (hereinafter referred to us HCLSS/Petitioner Company –1) and HCL Technologies Limited (hereinafter referred to as HCLT/Petitioner Company-2). The Court examined the petition, the Order dated 07.12.2012, passed in CA (M) No. 187/2012, whereby the meetings of Secured Creditors of Petitioner Company No. 1 and Equity Shareholders and Secured Creditors of Petitioner Company -2 were convened and the requirement of convening meetings of Equity Shareholders and Unsecured Creditors of the Petitioner Company No.-1 and Unsecured Creditors of Petitioner Company No.-2 was dispensed with for the purpose of considering and if thought fit approving with or without modification, the Scheme of Arrangement annexed to the affidavit dated 01.12.2012 of Mr. Manish Anand, Authorized Signatory of the Petitioner Companies and the publication containing notice of the meetings in the newspapers namely 'Business Standard' (English, Delhi Edition) and 'Business Standard' (Hindi, Delhi Edition) both dated 26.12.2012 and Pubilcation in the newspapers namely 'Business Standard' (English) and 'Business Standard' (Hindi) both dated 22.03.2013 containing the notice of the petition.

The Court also examined the affidavit dated 03.04.2013 of Regional Director, Northern Region, Ministry of Corporate Affairs and observed that in view of the reply of the Petitioner Companies and submissions made by the Counsel of the Petitioner Companies, the objection of the Regional Director do not survive.

Upon hearing Mr. NPS Chawla, and Ms. Simran Sethei, Advocate for the Petitioner Companies and Mr.K.S. Pradhan, Deputy Registrar of Companies and in view of the approvel of the Scheme of Arrangement without any modification by the Equity Shareholders, Secured Creditors and Unsecured Creditors of both the Petitioner Companies, and there being no investigation proceedings pending in relation to any of the Petitioner Companies under Section 235 and 251 of the Companies Act,1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT set forth in Schedule- I annexed hereto and doth hereby declare the same to be binding on all the Shareholders & Creditors of both the Petitioner Companies and all concerned and doth approve the said Scheme of Arrangement with effect from the appointed date as i.e. 01.04.2012.

AND THIS COURT DOTH FURTHER ORDER:

1. That all the whole of undertaking the property, assets, rights and powers of the whole of demerged undertaking of the Petitioner Company -1 be transferred to and vest in Petitioner Company -2, without any further act or deed and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the property, rights and powers of the Petitioner Company -2;

2. That all the liabilities and duties of the demerged undertaking of the Petitioner Company -1 be transferred to and vest in the Petitioner Company -2, without further act or deed and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Petitioner Company -2;

3. That all the proceedings now pending by or against the Petitioner Company -1 pertaining to the Demerged Undertaking be continued by or against Petitioner Company -2;

4. So far as the share exchange ratio for amalgamation is concerned the Scheme provides that, upon the Scheme finally coming into effect, Petitioner Company 2 shall issue shares in the following manner

   227 (Two Hundred and Twenty Seven) fully paid-up equity shares of Rs.2/- each, of the Resulting company/ Petitioner company 2 for every 100 (Hundred) fully paid equity share of Rs. 10/- each held by the members whose names appear in the register of members of the Demerged company/ Petitioner company 1 as on the Record Date.

   So far as re-organization of Equity Share capital of HCLSS is concerned, upon the Scheme becoming effective and after reducing the face value and paid up value per share of HCLSS from Rs.10/- to Re 1/- in terms of clause 15 i (b), such reduced face value / nominal value per equity share of HCLSS shall, without any further act or deed, stand altered by consolidating the equity shares of Re. 1/-(Rupee 1) each into 1 (one) equity share of Rs. 10,000/- (Rupees Ten Thousand) each (“Second New Equity Shares”).

5. That the Petitioner Companies do within 30 days after the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and

6. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges that is payable in accordance with law; and

7. That any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary:

SCHEME OF ARRANGEMENT

BETWEEN

HCL TECHNOLOGIES LIMITED

HCL COMNET SYSTEMS & SERVICES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. This composite scheme of arrangement (hereinafter referred to as the "**Scheme**") provides for:

   a) the demerger of Demerged Undertaking (as defined hereinafter) of **HCL Comnet Systems & Services Limited** to **HCL Technologies Limited;**

   b) reorganization of equity share capital of **HCL Comnet Systems & Services Limited**;

   pursuant to sections 391 to 394 read with sections 100 to 103 and other relevant provisions of the Companies Act, 1956 in the manner provided for in the Scheme.

B. The Scheme is divided into the following parts:

   a) Part I deals with the Definitions and Share Capital;

   b) Part II deals with the demerger of Demerged Undertaking (as defined hereinafter) of HCL Comnet Systems & Services Limited to HCL Technologies Limited;

   c) Part III deals with reorganization of the equity share capital of HCL Comnet Systems & Services Limited;

   d) Part IV deals with the residual business of HCL Comnet Systems & Services Limited;

   e) Part V deals with the general terms and conditions that would be applicable to the Scheme

C. The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

PART- I

DEFINITIONS & SHARE CAPITAL

1) **DEFINITIONS:**

1.1 In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning: -

i. "**Act**" means the Companies Act, 1956 (Act No. 1 of 1956) or any statutory modification or re-enactment thereof.

ii. "**Appointed Date**" means 1st April, 2012 or such other date as the Board of HCLT and HCLSS deem fit and proper in the interest of all the companies.

iii. "**Board**" means the board of directors of HCLT and HCLSS as the context may require, and shall, unless it is repugnant to the context or otherwise, includes a committee of directors or any person authorized by the board of directors or such committee of directors.

iv. "**Demerger**" means vesting of the Demerged Undertaking of HCLSS, on a going concern basis, into HCLT and the consequent issue of equity shares by the HCLT in terms of para 14 (a), of the Scheme to the shareholders of the HCLSS.

v. "**Demerged Undertaking**" means the IT Enabled Services Division of HCLSS comprising of data centre management services, end user computing services, managed security services, networking services, tools and process consulting services, which would be transferred on a going concern basis to the HCLT on and from the Appointed Date. The Demerged Undertaking shall mean and include (without limitation):

a) all properties and assets, movable tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date including but not limited to, building, electric Installation, generator, refrigerator, intercom, turbine, photocopy machine, computers, software, capital, work in progress, vehicles, office equipments, telephones, facsimile, other communication facilities and equipment, electricity and other such connections, air conditioner(s), furniture, fixture and fittings, stock in hand, sundry debtors, inventories, cash and bank balances, unbilled revenue, deferred cost, balance with government authorities, capital work in progress, fixed deposits, stores and spares, bills of exchange, receivable(s), loans and advances including interest receivable, deferred tax assets etc., if any, pertaining to Demerged Undertaking;

b) all leases or parts thereof, tenancy rights and agency, if any, pertaining to the Demerged Undertaking and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses (and/or conditions attached thereto), registrations including but not limited to registration(s) permission(s) issued by Software Technology Parks of India, Ministry of Communications & Information Technology, Government of India, other registrations under respective states, quotas, trademarks, patents, copyrights, brand names, import quotas, liberties, easements, advantages, rights and benefits of all agreements, allotments held by the HCLSS or applied after the Appointed Date and pertaining to Demerged Undertaking as on Appointed Date of whatsoever kind, nature or description held, applied for or may be obtained thereafter together with the benefit of all contracts and engagements and all books, papers, documents and records, related to the Demerged Undertaking and all rights, obligations, benefits available under any rules, regulations, statutes including but not limited to direct and indirect taxes and particularly sales tax benefits/ exemptions, service tax credit, minimum alternate tax credit, Income tax exemptions etc;

c) all investments including investments in HCL Comnet Limited and HCL EAS Limited, loans and advances, including accrued interest thereon and loans to employees, of HCLSS pertaining to the Demerged Undertaking;

d) all debts, liabilities, loans, deposits, credit balance in the profit and loss account of the Demerged Company relatable to the Demerged Undertaking, obligations, provisions including provision for gratuity and provision for leave encashment, financial lease obligation, present and future, secured or unsecured, contingent or of whatsoever nature, sundry creditors, book overdraft, unearned revenue and other liabilities pertaining to Demerged Undertaking;

e) all employees engaged in relation to Demerged Undertaking and required in the opinion of management of HCLSS for the Demerged Undertaking at the branches and other offices etc;

f) all security deposits, prepaid expenses, earnest monies, payment against warrants or other entitlements, if any, in connection with or pertaining to Demerged Undertaking.

It is intended that all assets, liabilities and properties, together with all rights, powers, interests, charges, privileges, benefits, entitlements including but not limited to benefit of credit available in respect of minimum alternate tax paid, service tax paid or carry forward losses, if any, relatable to Demerged Undertaking be vested in HCLT pursuant to this Scheme.

vi. **"Effective Date"** means the date on which the certified copy of the order of the High Court approving the Scheme is filed with the Registrar as required under the provisions of the Act.

References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of the Scheme" shall mean the Effective Date.

vii. **"High Court"** means the High Court of Delhi at New Delhi or National Company Law Tribunal or any other relevant authority empowered to approve the Scheme.

viii. **"HCLSS/ Demerged Company"** means HCL Comnet Systems & Services Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110019.

ix. **"HCLT/ Resulting Company"** means HCL Technologies Limited, a company incorporated under the Act and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi – 110019.

x. **"Record Date"** means the date to be fixed by the Board of HCLT in consultation with HCLSS, with reference to which the eligibility of the shareholders of HCLSS for the purposes of issue and allotment of equity shares of HCLT in terms of the Scheme shall be determined;

xi. **"Residual Business"** means all the business activities and undertakings of HCLSS including but not limited to the telecom business carried on by HCLSS other than those pertaining to that of the Demerged Undertaking on or after the Scheme becoming effective.

xii. **"ROC" or "Registrar"** means Registrar of Companies, NCT of Delhi and Haryana.

xiii. **"Reorganization Record Date"** means the date, after giving effect to the Demerger and the reduction in face value of each equity share of the Demerged Company as provided in clause 16 in the books of HCLSS, to be fixed by the Board of HCLSS, with reference to which the eligibility of equity shareholders of HCLSS, for the purpose of issue and allotment of Second New Equity Shares (as defined hereinafter) of HCLSS, in terms of part III of the Scheme, shall be determined.

xiv. **"Scheme"** means this scheme of arrangement in its present form with any amendment/modifications approved or imposed or directed by the Board and/or shareholders and/or creditors and/or by High Court.

xv. **"Stock Exchanges(s)"** shall mean and include Bombay Stock Exchange and/or National Stock Exchange.

1.2 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye- laws, as the case may be including any statutory amendments thereto or re-enactment thereof.

2) **SHARE CAPITAL**

2.1. The authorized, issued, subscribed and paid up share capital of the Demerged Company and Resulting Company as on March 31st, 2012 is as under:

Name of the Company	Authorised Capital	Issued, subscribed and paid up capital
HCLSS (“Demerged Company”)	Rs. 200,000,000/- (Rupees Twenty Crores only) consisting of 20,000,000 (Two Crore) equity shares of Rs. 10/- (Rupees Ten) each. Rs. 550,000,000/- (Rupees Fifty Five Crores only) consisting of 550,000,000 (Fifty Five Crores)1 % Cumulative Redeemable Preference shares of Re. 1/- (Rupee One) each.	Rs. 128,093,690/- (Rupees Twelve Crore Eighty Lakhs Ninety Three Thousand Six Hundred and Ninety only) consisting of 12,809,369 (One Crore Twenty Eight Lakhs Nine Thousand Three Hundred and Sixty Nine) equity shares of Rs.10/- (Rupees Ten) each.
HCLT (“Resulting Company”)	Rs. 1,500,000,000/- (Rupees One Hundred and Fifty Crores only) consisting of 750,000,000 (Seventy Five Crore) equity shares of Rs. 2/- (Rupees Two) each	Rs. 1,384,677,064/- (Rupees One Hundred and Thirty Eight Crores Forty Six Lakhs Seventy Seven Thousand and Sixty Four only) consisting of 692,338,532 (Sixty Nine Crores Twenty Three Lakhs Thirty Eight Thousand Five Hundred and Thirty Two) equity shares of Rs. 2/- (Rupees Two) each

2.2 It is provided that till the Scheme becomes effective, Demerged Company and Resulting Company are free to alter their authorized, issued, subscribed or paid up share capital as required by respective business requirements, subject to compliance with the applicable law, rules and regulations.

PART II

DEMERGER OF DEMERGED UNDERTAKING OF HCLSS TO HCLT

3)

a) Upon the Scheme coming into effect and with effect from the Appointed Date, all the properties and interests of Demerged Company in Demerged Undertaking (including but not restricted to its assets, liabilities, rights, licenses, contracts, agreements, benefits, obligations, profits or losses properties together with all rights, powers, interests, charges, privileges, benefits, entitlements including but not limited to benefit of credit available in respect of minimum alternate tax paid, service tax paid or carry forward losses, if any, pertaining to the Demerged Undertaking etc.) shall subject to the manner as prescribed in clause 3(b) and 3(c), hereinafter, be transferred to and vested in or be deemed to have been transferred to and vested in Resulting Company on a “going concern” basis, subject to existing charges, hypothecation, mortgages, liens, encumbrances, if any, created/existing in favour of banks and/or financial institutions and/or other lenders.

b) In respect of such of the assets of the Demerged Undertaking as are movable in nature, or incorporeal property, which are being capable of being transferred by delivery and acknowledgement of possession thereon the same shall upon the Scheme becoming effective, be transferred to and vested in the Resulting Company as such without requiring any specific deed or instrument of conveyance and shall upon such transfer become the property and an integral part of the Resulting Company.

c) In respect of such of the assets of Demerged Undertaking other than those referred to in clause (b) above, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in Resulting Company upon the Scheme becoming effective pursuant to an order being made thereof under Section 394 of the Act and the same shall be mutated by the concerned authorities in favour of Resulting Company.

d) Upon coming into effect of the Scheme, all assets, rights, title, interest and authorities acquired by the Demerged Company for operation of Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall be considered to be acquired for and on behalf of the Resulting Company and the same shall, pursuant to the Scheme becoming effective, be transferred to and vested in the Resulting Company.

4)

a) Upon the Scheme coming into effect and with effect from the Appointed Date, any statutory licenses, permissions, approvals, sanctions, consents, concessions, benefits or exemptions, including but not limited to permissions or approvals, if any, and/or the permissions/ licenses issued by State Government(s) under various enactments and exemptions with respect to sales tax and income tax, if any, relatable to Demerged Undertaking, which the Demerged Company is or would be entitled to shall stand vested in or transferred to Resulting Company without further act or deed, and shall be appropriately mutated/transferred by the concerned authorities in favour of Resulting Company upon the vesting and transfer of Demerged Undertaking of Demerged Company, pursuant to this Scheme. The benefit of all such statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions, approvals, sanctions or consents, and entitlements, incentives, exemptions relatable to Demerged Undertaking shall vest in and become available to Resulting Company pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, sanctions, authorizations, registrations (including but not limited to registration(s) permission(s) issued by Software Technology Parks of India, Ministry of Communications & Information Technology, Government of India), statutory rights or exemptions as are held by the Demerged Company including the statutory licences, permissions or approvals or consents or exemptions relatable directly or indirectly to the Demerged Undertaking shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, sanctions, authorizations, registrations, statutory rights or exemptions, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the Scheme becomes effective, so as to facilitate the continuation of operation in the Resulting Company and the Demerged Company without hindrance from the Appointed Date.

b) Without prejudice to generality of the aforesaid, any concessional/ statutory forms, refunds, rebate under the respective Central/State tax laws issued/received by the Demerged Undertaking of the Demerged Company in respect of period commencing from the Appointed Date shall be deemed to be issued/received in the name of the Resulting Company and benefit of such forms shall be allowable to the Resulting Company in the same manner and to the same extent as available to the Demerged Undertaking of the Demerged Company.

5)

a) All debts, liabilities, credit balance in the profit and loss account of the Demerged Company relatable to the Demerged Undertaking and other obligations of the Demerged Company relating to the Demerged Undertaking including but not limited to the contingent liability, financial lease obligations, provisions including provision for gratuity and provide for leave encashment pertaining to the Demerged Undertaking, general loans and borrowings of the Demerged Company, if any, as on the close of business on the day immediately preceding the Appointed Date, whether provided for or not in the books of account of the Demerged Company and other liabilities relating to the Demerged Undertaking which may accrue or arise on or after the Appointed Date, but which relate to the period upto the day immediately preceding the Appointed Date, (hereinafter referred to as the **"Demerged Undertaking Liabilities"**) shall become the debts, liabilities, duties and obligations of the Resulting Company, upon the Scheme becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company.

b) If any of the liabilities and obligations of the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Demerger Effective Date, such discharge shall be deemed to have been taken for and on account of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date shall also without any further act or deed be and stand transferred to the Resulting Company and shall become liabilities of Resulting Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Demerged Undertaking Liabilities as defined hereinabove.

c) In so far as the existing security in respect of the Demerged Undertaking Liabilities is concerned, such security unless otherwise agreed to be modified/amended by the relevant secured lender, shall continue to extend to and operate over the assets comprised in the Residual Business and the assets comprised in the Demerged Undertaking, which have been charged and secured in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Demerged Undertaking which have not been charged or secured in respect of the Demerged Undertaking Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party shall not affect the operation of the above and, this Scheme shall not operate so as to require any charge or security to be created on such assets or on any of the assets presently exists in the Resulting Company and are not subject to any change in relation to Demerged Undertaking Liabilities.

d) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any instruments or documents or do any of the acts and deeds as may be required or as agreed upon by the Board of the Demerged Company and/or the Resulting Company with the relevant secured creditor(s), including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, NCT of Delhi & Haryana to give formal effect to the provisions with regard to securitization of the Demerged Undertaking Liabilities.

e) Upon the coming into effect of the Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Demerged Undertaking Liabilities, and the Demerged Company shall not have any obligations in respect of the Demerged Undertaking Liabilities and the Resulting Company shall indemnify the Demerged Company in this behalf.

f) It is expressly provided that, save as mentioned in this para, no other terms or conditions of the Demerged Undertaking Liabilities are modified by virtue of this Scheme except to the extent that such amendment is required in order to implement this Scheme.

g) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this para shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

6) All legal or other proceedings by or against the Demerged Company, whether pending on the Appointed Date or any matter arising before the Appointed Date, and relating to the Demerged Undertaking, shall

be continued and enforced by or against the Resulting Company. If any proceedings relating to Demerged Undertaking are instituted against the Transferor Company before the Effective Date, the Demerged Company will defend the same with due notice to the Resulting Company for indemnification from and against all liabilities, obligations, actions, claims and demands in respect thereof. However, after the Effective Date, the parties hereto shall take appropriate steps to substitute the name of the Resulting Company for that of Demerged Company in respect of such proceedings.

7) With effect from the Appointed Date and upto the Effective Date:-

a) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and stand possessed of the properties to be transferred to Resulting Company for and on account of and in trust for Resulting Company.

b) All income, receipts, profits of whatsoever nature accruing to the Demerged Company or losses, expenses and payments of whatsoever nature arising or incurred by it relating to the Demerged Undertaking shall for all purposes, be treated as profits, income, receipts, or losses, expenses, payments, as the case may be, of the Resulting Company

8) Tax Deducted at Source (TDS), if any, by the Resulting Company under the Income Tax Act, in respect of the payments made by the Resulting Company to the Demerged Company, on or after the Appointed Date, which pertain to the Demerged Undertaking, shall be treated as advance tax paid by the Resulting Company and accordingly, the Resulting Company shall be entitled to claim the the credit for such TDS as advance tax paid, notwithstanding the fact that the challans or deposit receipts are towards TDS. The TDS certificate(s), if any, issued by the Resulting Company to the Demerged Company for such payments shall stand cancelled without any further act or deed and no credit on such TDS certificates shall be made available to the Demerged Company on the Scheme becoming effective

9)

a) It is specifically declared that the tax deducted at source (TDS) from the income of the Demerged Undertaking of the Demerged Company, in terms of the provisions of Chapter XVII of the Income Tax Act or any advance tax paid by the Demerged Company in respect of the Demerged Undertaking, for the period beginning from the Appointed Date and ending as on the Effective Date, shall be deemed to be tax paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted or paid, whether by way of TDS or advance tax, notwithstanding that certificates / challans or other documents for payment of such taxes are in the name of the Demerged Company and not in the name of the Resulting Company.

b) Any tax payments made by the Demerged Company, which is not directly relatable to the Demerged Undertaking and Residual Business, shall be apportioned between the Demerged Company and the Resulting Company in proportion of the net assets, pertaining to Demerged Undertaking, being vested in the Resulting Company, and the Residual Business respectively or any other appropriate basis as the Board of the Demerged Company and the Resulting Company mutually in their discretion consider fit and proper.

10)

a) Pursuant to this scheme, unless otherwise required under the provisions of any tax laws, the Resulting Company shall not be required to revise any tax returns filed by it prior to the Appointed Date. Nothing shall, however, preclude the Resulting Company from filing or revising its tax returns, tax deduction at source certificates, tax deduction at source returns and other statutory returns, for the period on or after the Appointed Date.

b) The Resulting Company and the Demerged Company shall, after the Scheme becomes effective, be entitled to revise the income tax returns, if any, filed by Demerged Company or the Resulting

Company in respect of the period from 1st April, 2012 till ending 31st March, 2013 or thereafter, notwithstanding that the time prescribed under the provisions of the Income tax Act for filing of the revised income tax return has elapsed, in the event this Scheme is sanctioned by the Hon'ble High Court after the expiry of the due date of filing of the revised returns for the relevant assessment year(s).

11) The demerger of the Demerged Undertaking as a going concern to the Resulting Company is in accordance with the provisions of section 2(19AA) of the Income Tax Act, 1961 and all the conditions provided therein are complied with.

12)

a) The Resulting Company undertakes to engage, on and from the Effective Date, all employees exclusively engaged in relation to the Demerged Undertaking, on the same terms and conditions at which these employees are engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed / effected by the Demerged Company with all such employees between the Appointed Date and Effective Date.

b) The Resulting Company undertakes to continue to abide by any agreements / settlements entered into by the Demerged Company in respect of Demerged Undertaking with any union/ representatives of the employees of the Demerged Company. The Resulting Company a g r e e s that the service of all such employees with the Demerged Company upto the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company upto the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

c) Upon the Demerger becoming effective, the accumulated balance, upto the Effective Date in respect of the employees engaged in the Demerged Undertaking, in the Provident Fund Trust/Fund, maintained by the Demerged Company for its employees, shall be transferred to the Trust/Fund set up/maintained by the Resulting Company for its employees subject to the required approval/ intimation to the PF authorities, if any.

d) In so far as the existing pension and /or superannuation fund / trusts and retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits created, if any, by the Demerged Company for its employees (including employees of the Demerged Undertaking) are concerned, such proportion of the investments made by the funds which is relatable to the employees pertaining to the Demerged Undertaking as on the Effective Date, who are being transferred along with the Demerged Undertaking in terms of the Scheme, shall upon Demerger becoming effective, shall be transferred to the necessary funds/schemes/ trusts to be created by the Resulting Company and till such time the necessary funds/schemes/ trusts are created by the Resulting Company contribution shall continue to be made to the existing funds/schemes of Demerged Company.

e) Upon the Scheme becoming effective the provision for gratuity created, if any, in the books of accounts of the Demerged Company, in relation to the employees pertaining to Demerged Undertaking shall get transferred, as it is, in the books of Resulting Company.

f) The Resulting Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Resulting Company for Demerged Company.

13)

a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature, relating to the Demerged Undertaking to which Demerged Company is a party subsisting or having effect immediately before the Appointed Date shall remain in full force and effect against or in favour of Resulting Company and may be enforced as fully and effectively as if the Resulting Company instead of the Demerged Company, had been a party thereto.

b) The Resulting Company shall, wherever necessary, enter into and/ or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this para.

c) It is clarified that even after the Effective Date, the Resulting Company shall be entitled to realize all monies and to complete and nforce all pending contracts and transactions in respect of the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme finally stands devolves on the parties concerned.

14) **Consideration:**

a) Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Demerged Undertaking, the members of the Demerged Company (**"Members"**), except the Resulting Company itself, shall be entitled for 227(Two hundred and twenty seven) fully paid up equity shares of Rs. 2/- each of the Resulting Company for every 100 (Hundred) fully paid equity shares of Rs. 10/- each held by the Members whose names appear in the Register of Members of the Demerged Company as on the Record Date. The Resulting Company shall allot Equity shares ("hereinafter referred to as **"New Equity Shares"**) to the Members or such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Demerged Company. In case there are any fractional entitlements, these shall be consolidated (rounded off to the next whole number) and the same shall be allotted to the trustee who shall be appointed by the Board of the Resulting Company in terms of clause 14(c) mentioned herein below.

b) The New Equity Shares as allotted above shall be credited to the respective demat account of the Members of the Demerged Company provided that the Member has an account with a depository participant and has provided the details thereof and such other confirmations as may be required. In the event any Member has not provided the requisite details relating to the demat account with a depository participant or such other confirmations as may be required by the Resulting Company, the Resulting Company shall, with respect to those Members, issue a physical certificate in respect of the New Equity Shares with a minimum lot of fifty shares each (a lot below fifty shares shall be treated as odd lot to be dealt with in accordance with the provisions as contained in clause 14(c) hereinafter). No share certificate shall be issued by the Resulting Company in respect of the odd lot and the same shall be consolidated and these shares shall be allotted and credited to the demat account of the trustee who shall be appointed by the Resulting Company in terms of clause 14(c) mentioned hereinbelow.

c) The Board of the Resulting Company in its absolute discretion shall appoint any practising chartered accountant/ practising company secretary or such other person as the Board may deem fit as the trustee for the fractional shares and the odd lots and thereupon allot/ credit the shares to the demat account of the said trustee as per clause 14(a) and 14(b) respectively with the express undertaking that such trustee to whom such shares have been credited, shall separately sell the same at the best available price in one or more lots (the decision of the trustee shall be taken as final as regards price and method of sale of such shares is concerned) and deposit the proceeds in separate bank accounts, one for fractional entitlement and other for odd lots and pay the net proceeds thereof from the aforesaid bank accounts to the members of the Demerged Company in proportion to their fractional entitlements and odd lot entitlements respectively. The Board of the Resulting Company in consultation with the trustee shall fix remuneration for the trustee and remuneration so paid shall be borne by the Company and not to be accounted for while determining the net proceeds payable to the members in proportion to their fractional or odd lot entitlements.

d) Reduction and consolidation of the Equity Shares of the Company into New Equity Shares and amendments in the Memorandum and Articles of Association of the Company pursuant to this Scheme shall also be deemed to be in compliance with the provisions of sections 17, 31, 94, 95, 100 to 103 and other applicable provisions of the Act and rules and regulations made there under upon the Scheme becoming effective.

e) The Transferee Company shall not be required to use the words “and reduced” as part of its corporate name and such use is dispensed with.

f) The New Equity Shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Resulting Company.

g) The New Equity Shares of the Resulting Company to be issued and allotted in lieu of the equity shares of the Demerged Company shall rank, for dividend, voting rights and for all other benefits and in all other respects, pari passu with the existing equity shares of the Resulting Company with effect from the date of allotment of New Equity Shares.

h) All the New Equity Shares so issued and allotted by the Resulting Company shall be listed and/or admitted to trading on the Stock Exchange(s). The Stock Exchanges shall list the said New Equity Shares, the issuance of which shall be considered as due compliance of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable and other applicable provisions of law. The Resulting Company will enter into such arrangements and give such confirmations and/or undertakings and/or file such necessary applications, as may be necessary in accordance with applicable laws or regulations for complying with formalities of the said Stock Exchanges/Securities Exchange Board of India, if required.

i) The issue and allotment of New Equity Shares to Members of the Demerged Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under section 81(1A) and any other applicable provisions of the Act.

15) **Accounting Treatment:**

(i) In the books of Demerged Company

a) The demerger of the Demerged Undertaking as a going concern to the Resulting Company is in accordance with the provisions of section 2(19AA) of the Income Tax Act, 1961 and all the conditions provided therein are complied with.

b) An amount lying under “Profit and Loss Account” of the Demerged Company, relatable to the Demerged Undertaking, shall be transferred to Resulting Company.

c) Upon the Scheme becoming effective, the amount of difference between the aggregate value of assets over the aggregate value of liabilities of the Demerged Undertaking and the credit balance of the profit and loss account relatable to the Demerged Undertaking, as transferred by the Demerged Company to the Resulting Company, shall be first adjusted against the issued, subscribed and paid up share capital of the Demerged Company by reducing the face value and paid up value per share of the Demerged Company from Rs.10 per share to Re.1 per share and the balance, if any, shall be adjusted against the capital redemption reserve of the Demerged Company. The remaining deficit, if any, in the books of the

Resulting Company shall be first adjusted against the securities premium account and balance against profit and loss account of the Demerged Company.

d) Reduction of paid up value per share of the Demerged Company and the balance in the capital redemption reserve and securities premium account, in terms of provisions of clause 15(i)(b) herein above, shall be effected as a part of this Scheme itself and not under a separate process in terms of sections 100 to 103 of the Act and order of the High Court sanctioning the Scheme shall be deemed to be a due compliance of the provisions of sections 78, 94, 95, 100, 102 & 103 and any other applicable provisions of the Act and rules and regulations made there under. Consequently, the Demerged Company shall not be required to use the words “and reduced” as part of its corporate name.

(ii) In the books of Resulting Company

a) Upon the Scheme becoming effective, all the assets and liabilities, the credit balance of the profit and loss account, relatable to the Demerged Undertaking, of the Demerged Company, shall be transferred and vested in the Resulting Company at the values appearing in the books of the Demerged Company at close of business of the day immediately preceding the Appointed Date.

b) The Resulting Company shall also credit to its share capital account, the aggregate face value of the new equity shares issued and allotted by it to the Members of the Demerged Company pursuant to clause 14 of this Scheme.

c) In case of any differences in the accounting policy between Demerged Company and Resulting Company, the impact of the same till demerger shall be quantified and adjusted in the reserves and surplus of Resulting Company to ensure that the financial statement of Resulting Company reflects the financial position on the basis of consistent accounting policy.

d) Upon the Scheme becoming effective, the excess/deficit, if any, of the net assets, i.e. aggregate value of the assets over the aggregate value of the liabilities of Demerged Undertaking recorded by the Resulting Company upon their transfer to and vesting in the Resulting Company under the Scheme over the aggregate value of the equity shares issued and allotted in terms of para 14 by the Resulting Company, shall be first adjusted against diminution in the value of the investments, if any, made by the Resulting Company in the Demerged Company consequent to such demerger, based upon the fair value of shares of the Demerged Company as arrived at by a firm of independent chartered accountants. The excess or deficit remaining after recording the aforesaid entries shall be credited to its capital reserves or debited to the general reserve, as the case may be which shall be forming part of the net worth of the Resulting Company for all purposes.

e) Upon scheme becoming effective, the shares held by the Resulting Company in the demerged company shall be revalued at a price as determined by an independent valuer in terms of clause 20 of the Scheme and any loss on such revaluation shall be debited to the reserve as created in clause (d) above.

PART – III

REORGANISATION OF EQUITY SHARE CAPITAL OF HCLSS

16) Upon the Scheme becoming effective and after reducing the face value and paid up value per share of HCLSS from Rs.10/- to Re.1/- in terms of clause 15 i (b), such reduced face value / nominal value per equity share of HCLSS shall, without any further act or deed, stand altered by consolidating the equity shares of Re. 1/- (Rupee 1) each into 1 (one) equity share of Rs. 10,000/- (Rupees Ten Thousand) each(**“Second New Equity Shares”**).

17) Pursuant to clause 16, the words and figures in Clause V of the Memorandum of Association of HCLSS shall be substituted to read as follows:

"The authorized share capital of the company is Rs.200,000,000/- (Rupees Twenty Crores only) divided into 20,000 (Twenty Thousand) Equity Share of Rs.10,000/- (Rupees Ten thousand) each and Rs.550,000,000/- (Rupees Fifty Five Crores only) consisting of 550,000,000 (Fifty Five Crores) 1 % Cumulative Redeemable Preference shares of Re.1/- (Rupee One) each."

Accordingly Article 3 of the Articles of Association of the Company shall, upon the Scheme coming into effect and without any further act or deed, stand replaced by the following clause:

" 3.The authorized share capital of the company is Rs.200,000,000/- (Rupees Twenty Crores only) divided into 20,000 (Twenty Thousand) Equity Share of Rs.10,000/- (Rupees Ten thousand) each and Rs.550,000,000/- (Rupees Fifty Five Crores only) consisting of 550,000,000 (Fifty Five Crores) 1 % Cumulative Redeemable Preference shares of Re.1/- (Rupee One) each"

18) Pursuant to giving effect to the reorganization of equity shares, HCLSS shall file the amended copy of its Memorandum and Articles of Association with the Registrar of Companies, within 30 days from the date the Scheme becomes effective, who will register the same. The approval of this Scheme by the Shareholders of HCLSS under section 391 and 394 of the Act shall be deemed to have the approval under sections 16, 31, 94, 95 and other applicable provisions of the Act and any other consents and approvals required in this regard.

19) The Second New Equity Shares shall be allotted to the members of the HCLSS whose names appear in the Register of Members and are entitled in terms of clause 16 herein above on the Reorganization Record Date.

20) HCLSS, in respect of the fractional entitlement, shall issue no fractional Second New Equity Shares on consolidation of the equity shares in terms of paragraph 16 mentioned herein above. The member of HCLSS entitled to such fractional entitlement shall be proportionately paid by way of cheque/ draft by HCLSS at a minimum price as may be determined by an independent valuer. Such fractional equity shares shall automatically stand cancelled and extinguished upon payment thereof by HCLSS without any further act or deed by the member of HCLSS. Any payment made to the members entitled to such fractional entitlement over and above the face value of the fractional equity shares so cancelled shall be adjusted against the profit and loss account of HCLSS.

21) Upon the Scheme becoming effective, if on account of reorganization of equity share capital of HCLSS, the number of members of HCLSS falls below seven, i.e. the minimum number of members required in a public company, HCLT, in terms of section 187C of the Act, undertakes to declare the nominee(s) or representative(s) who shall hold the New Equity Shares for and on behalf of HCLT.

22) Consolidation of the equity shares of HCLSS into Second New Equity Shares and cancellation of fractional entitlement in terms of the provisions of paragraph 16 and 19, respectively, above shall also be deemed to be in compliance of the provisions of sections 94, 95, 100 to 103 and other applicable provisions of the Act and rules and regulations made there under upon the Scheme becoming effective. Consequently, HCLSS shall not be required to use the words "and reduced" as part of its corporate name.

PART-IV

RESIDUAL BUSINESS OF THE DEMERGED COMPANY

23)

a) The Residual Business and all the assets (including but not limited to the immovable property owned by HCLSS at Bandra Kurla Notified Area, Tehsil Andheri, Greater Bombay), liabilities and obligations pertaining thereto shall continue to belong and remain vested in and be managed by the Demerged Company.

b) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Residual Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Residual Business) shall be continued and enforced by or against the Demerged Company, which shall keep the Resulting Company fully indemnified in that behalf. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

c) If proceedings are taken against the Resulting Company in respect of the matters referred to in clause (a) above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

PART-IV

OTHER TERMS & CONDITIONS

24)

a) With effect from the date of filing of this Scheme with the High Court and upto and including the Effective Date, HCLT and HCLSS shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

b) Until the coming into effect of this Scheme, the shareholders of the HCLT and HCLSS, save as expressly provided otherwise in this Scheme; continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

c) 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 shareholder of any of the HCLT and HCLSS to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the HCLT and HCLSS and subject, wherever necessary, to the approval of the shareholders of the HCLT and HCLSS , respectively.

25) **Application to the Hon'ble High Court:**

HCLT and HCLSS shall with all reasonable make applications / petitions to the Hon'ble High Court under Sections 391 and 394 and other applicable provisions of the Act, for sanctioning the Scheme and for convening and/or seeking exemption to convene the meeting of the shareholders and/or of the creditors, and to obtain all other approvals as may be required under law.

26) **This Scheme is conditional upon and subject to:**

a) the consents by the requisite majority of the shareholders and creditors of HCLT and HCLSS to the Scheme, if required and the requisite orders of the Hon'ble High Court sanctioning the Scheme in exercise of the powers vested in it under the Act; and

b) the certified copy of the order of High Court under sec 394 of the Act being filed with the Registrar of Companies.

27) **Modifications/Amendments to the Scheme**

a) HCLT and HCLSS by their respective Board of Directors may make or assent from time to time on behalf of all persons concerned to any extension, modification or amendments of this Scheme or any of conditions or limitation which the Hon'ble High Court and/or any authorities/persons may deem fit to approve of or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors of HCLT, and/or HCLSS to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.

b) For the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of HCLT and HCLSS may give and are authorized to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

28) There is no likelihood that any creditor of HCLT and HCLSS would lose or be prejudiced as a result of the proposed Scheme being passed. The arrangement will in no way cost any additional burden on the shareholders of any of these companies nor will it prejudicially affect the interests of any of the classes of the creditors.

29) If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the Hon'ble High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

30) Approval of the Scheme under Section 391 & 394 of the Act shall also be deemed to be compliance of the provisions of sections 16,31, 78, 81(1A), 94, 95, 100, 102 to 103 and other applicable provisions of the Act and rules and regulations made there under upon the Scheme becoming effective.

31) **Effect of non-receipt of approvals/sanctions:**

a) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/or the order not being passed as aforesaid on or before 31st December 2015 or within such further period or periods as may be agreed upon by and among HCLT and HCLSS , this Scheme shall stand revoked and cancelled and become null and void and be of no effect and in that event, no rights and liabilities whatsoever, shall accrue to or be incurred inter-se by HCLT and HCLSS or their shareholders or creditors or employees or any other person.

b) In the event any of the conditions that may be imposed by the Hon'ble High Court and/or competent authority which HCLT and/or HCLSS may find unacceptable for any reason or Board of Directors of HCLT and/or HCLSS decides otherwise, then they are at liberty to withdraw from the Scheme.

c) If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of HCLT and/or HCLSS affect the validity of or implementation of the other part and/or the provisions of this Scheme.

32) **Expenses Connected with the Scheme:**

HCLT shall bear all costs, charges and expenses in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the terms in pursuance of this Scheme.

For **HCL Technologies Limited**

Sd/-

(Authorized Signatory)

For **HCL Comnet Systems & Services Limited**

Sd/-

(Authorized Signatory)

Legal Counsel for the Scheme:

Vaish Associates, Advocates,
1st Floor, Mohandev Building,
Tolstoy Marg, New Delhi-110001

Schedule - II

Schedule of assets of Demerged Undertaking of HCL Comnet Systems & Services Limited to be transferred to HCL Technologies Limited

PART-I

Short description of the freehold properties of Demerged Undertaking of HCL Comnet Systems & Services Limited to be transferred to HCL Technologies Limited

NIL

PART-II

Short description of the leasehold properties of Demerged Undertaking of HCL Comnet Systems & Services Limited to be transferred to HCL Technologies Limited

NIL

PART-III

Short description of assets of Demerged Undertaking of HCL Comnet

Systems & Services Limited to be transferred to HCL Technologies Limited

1. All plant & machinery , computers, computer systems & peripherals electrical Installations, software, printers, laptop and laptop accessories, office equipments, telephones, facsimile, computer networking equipments, intercoms, other communication facilities and equipments, air conditioner(s), furniture, fixtures & fittings, generators, refrigerators, photocopy machine, vehicles(owned and leased), sundry debtors, receivable(s), bills of exchange, investments, loans and advances including interest receivable, inventories, stores and spares, income accrued, cash and bank balances, fixed deposits, security deposits, loans to employees, prepaid expenses, deferred tax assets, deferred cost, unbilled revenue, capital work in progress and lease hold improvements, benefits of credit(s) available in respect of service tax paid.

2. All lease agreements, tenancy rights, industrial and other licenses, registrations, trademarks, patents, copyrights, brands, names, lending/ guarantee contracts.

Sd/-

Dated this the 12th Day of April, 2013 — **Joint Registrar (Co.)**

By order of the Court — **For Registrar General**

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL COMPANY JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF DEMERGER AND ARRANGEMENT UNDER SECTION 391 - 394 OF THE COMPANIES ACT, 1956 AND THE CORRESPONDING PROVISIONS OF THE COMPANIES ACT, 2013 (TO THE EXTENT APPLICABLE).

IN THE MATTER OF:

COMPANY PETITION NO. 991 OF 2016

CONNECTED WITH

COMPANY APPLICATION (M) NO. 100 OF 2016

HCL Technologies Limited

806, Siddharth, 96, Nehru Place,

New Delhi- 110019

.......Petitioner/Transferee No. 1 Company

AND

Geometric Limited

Plant 11, 3rd Floor

Pirojshanagar, Vikhroli (West),

Mumbai - 400079

.......Non Petitioner/Demerged/Transferor Company

AND

3D PLM Software Solutions Limited

Plant 11, 3rd Floor,

Pirojshanagar, Vikhroli (West),

Mumbai - 400079

...Non Petitioner/Transferee No. 2 Company

BEFORE HON'BLE MR. JUSTICE SIDDHARTH MRIDUL.

RESERVED ON 14TH DAY OK DECEMBER, 2016

PRONOUNCED ON 18TH DAY OF JANUARY, 2017.

ORDER UNDER SECTION 391 & 394 OF THE COMPANIES ACT, 1956

The above Petition by HCL Technologies Limited (hereinafter referred to as 'Petitioner/Transferee No. 1 Company') came up for hearing on 14/12/2016 and pronounced on 18/01/2017, seeking sanction to the Scheme of Arrangement and Amalgamation (hereinafter referred to as 'Scheme') Between Geometric Limited (hereinafter referred to as 'Demerged/Transferor Company'); 3D PLM Software Solutions Limited (hereinafter referred to as 'Transferee No.2 Company'); and the Petitioner/Transferee No.1 Company.

The registered offices of the Demerged/Transferor Company and the Transferee No.2 Company are situated at Mumbai, Maharashtra, outside the territorial jurisdiction of this Court and separate petitions seeking sanction to the Scheme, have been filed by the Demerged/Transferor Company and the Transferee No.2 Company, respectively, before the High Court of Judicature at Bombay, being the competent Court exercising territorial jurisdiction over them.

The Court examined the Petition; the order dated 03/08/2016, passed in CA(M) No. 100 of 2016, whereby the Court dispensed with the requirement of convening and holding the meetings of secured creditors; and directed convening of meetings of equity shareholders and unsecured creditors, of the Pelitioner/Transferee No.1 Company; the said meetings were convened pursuant to the publication in the newspapers namely "Financial Express" (English) and "Navbharat Times" (Hindi) both dated 12/09/2016 for the purpose of considering, and if thought fit, approving with or without modification; the Scheme of Arrangement annexed to the affidavit dated 09/07/2016 of Mr. Manish Anand, Authorised Signatory of the 'Petitioner/Transferee No.1 Company; the report of Chairpersons of the said meetings and the publication containing the notice of the final hearing of the petition published in the newspapers namely "Statesman" (English) and 'Veer Arjun'(Hindi) both dated 29/10/2016.

The Court also examined the affidavit dated 17/11/2016 of the Regional Director, Northern Region, Ministry of Corporate Affairs Wherein he has stated that the office of the Regional Director has no objection to the sanction of the Scheme, subject to approval of Reserve Bank of India (RBI) to the Scheme.

Upon hearing Mr. Arun Bhardwaj, Sr. Advocate with Mr. Gyanendra Kumar, Ms. Shikha Tandon and Ms. Samapika Biswal, Advocates for petitioner, Mr. Rajiv Bahl, Advocate for OL Ms. Aparna Mudium, Assistant Registrar of Companies for Regional Director (NR); and in view of the approval of the Scheme with or without any modification; by the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner/'Transferee No. 1 Company; and it has been submitted by the petitioners that no proceedings under Sections 235 and 250A of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013 are pending against the petitioner companies.

THIS COURT DOTH HEREBY SANCTIONS THE COMPOSITE SCHEME OF ARRANGMENT AND AMALGAMATION, under Section 391 and 394 of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013 as set forth in Schedule I annexed hereto and doth hereby declare the same to be binding on shareholders and the secured and unsecured creditors of the Petitioner Company and all concerned and doth approves the said Scheme of Arrangement and Amalgamation with effect from the Appointed Date i.e. March 31, 2016.

THAT THIS COURT DOTH FURTHER ORDER:

1. ‘That in terms of the Scheme, the Demerged Business Undertaking of the Demerged Company, without any further act or deed, shall stand transferred to and vest in or be deemed to be transferred to and vested in the Petitioner Company as a going concern and all the properties (including as set forth in Schedule II annexed hereto) whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, inventories, work in progress, current assets, deposits, reserves, provisions, funds and all other entitlements, licenses, registrations, patents, trade names, trademarks, leases, tenancy rights, flats, telephone, telexes, facsimile, connections, email connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, title, interests, other benefits (including Tax benefits), tax holiday benefit, incentives, credits (including Tax credits), Tax losses and advantages of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company shall be transferred to and vested in or deemed to be transferred to and vested in the Petitioner Company so as to become the property and asset of the Petitioner Company in the manner set out in the Scheme.

2. That in terms of the Scheme, all the Demerged Liabilities shall also, without any further act or deed be transferred or deemed to be transferred to the Petitioner Company so as to become as and from the Appointed Date the debts, liabilities, duties, obligations of the Petitioner Company and further that all the Demerged Liabilities incurred/ contracted by the Demerged Company during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/ contracted by the Petitioner Company and shall be deemed to be the Liabilities and obligations of the Petitioner Company in the manner as set out in the Scheme and further that it shall not be necessary to obtain consent of any person in order to give effect to the provisions hereof.

3. That in terms of the Scheme, all the employees of the Demerged Company who are employed in the Demerged Business Undertaking on the Effective Date, shall be deemed to have become the employees of the Petitioner Company with effect from Appointed Date or their respective joining dates, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Petitioner Company shall not be less favourable than those applicable to them with reference to the Demerged Business Undertaking on the Effective Dale. It is clarified that the CEO of the Demerged Company shall not be transferred to the Petitioner Company as an employee but will provide consultancy service to the Petitioner Company as per the terms of a consultancy agreement with the Petitioner Company.

4. That in terms of Scheme, all legal proceedings by or against the Demerged Company save for legal proceedings pertaining to the Remaining Undertaking pending and/ or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in the Scheme but shall be continued and enforced by or against the Petitioner Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

5. That in terms of the Scheme and notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Business Undertaking to which the Demerged Company is a party or to the

benefit of which the Demerged Company may be eligible, shall continue in full force and effect against or in favour of the Petitioner Company, and may be enforced effectively by or against the Petitioner Company as fully and effectually as if, instead of the Demerged Company, the Petitioner Company had been a party thereto from inception.

6. So far as the share exchange ratio is concerned, the same shall be as per Clause 14 of the Scheme, in the following ratio:

   "10 equity shares of Rs.2/- each of the Petitioner/Transferee No.1 Company, fully paid up, for every 43 equity shares of Rs.2/- each held by the shareholders in the Demerged/Transferor Company."

7. That the Petitioner Company within 30 days after the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Demerged Business Undertaking of the Demerged Company shall stand demerged into the Petitioner Company and the Registrar of Companies shall place on all documents relating to the Petitioner Company and registered with him on the file kept by him in relation to the Petitioner Company.

8. That the necessary consent, approval and/or permission shall be obtained by the Demerged/Transferor Company from the Reserve Bank of India, in terms of Clause 35.1 (a) of the Scheme;

9. That the Petitioner Company shall comply with the Foreign Direct Investment norms with respect to the proposed integration of Transferee No.2 Company into the foreign Company, Dassault Systems;

10. That sanction shall have been accorded by the Court of competent jurisdiction to the Scheme, in respect of the Demerged/Transferor Company and the Transferee No.2 Company;

11. That the Petitioner/Transferee No.1 Company shall comply with all the statutory requirements with respect to the relief sought in the Petition, in accordance with law.

12. That it is clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of jaw or from any applicable permissions that may have to be obtained or even compliances that may have to be made, as per the mandate of law; and

13. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

Sd/-
Registrar (Co.)
For Registrar General

Dated this the 18th day of January, 2017
By Order of the Court.

HIGH COURT, BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 706 OF 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 532 OF 2016

Geometric Limited **.......Petitioner**

AND

COMPANY SCHEME PETITION NO. 707 OF 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 533 OF 2016

3D PLM Software Solutions Ltd. **.......Petitioner**

In the matter of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013;

And

In the matter of the Composite Scheme of Arrangement and Amalgamation amongst Geometric Limited; HCL Technologies Limited and 3D PLM Software Solutions Ltd and their respective shareholders and creditors.

Called for Hearing

Mr. Darius Khambatta, Senior Counsel and Mr. Gaurav Joshi, Senior Counsel along with Mr. Vikram Raghani, Mr. Ravichandra Hegde, Mr. Varghese Thomas and Ms. Saeeda Bandukwala i/b J. Sagar Associates Advocates for the Petitioner Companies.

Mr. Chirag J. Shah, i/b A. A. Ansari for the Regional Director in both Petitions.

CORAM : S. C. Gupte J.

DATE: 2nd December, 2016

PC:

1. Heard Learned Counsel for the parties. No objector has come before the Court to oppose the Scheme nor has any party controverted any averments made in the Petition.

2. The Learned Counsel for the Petitioner Companies states that the Petition has been filed to seek sanction to the Composite Scheme of Arrangement and Amalgamation amongst Geometric Limited (hereinafter referred to as the **"Geometric" / "Demerged Company" / "Transferor Company"**); HCL

Technologies Limited (hereinafter referred to as the **"Resulting Company"**) and 3D PLM Software Solutions Ltd. (hereinafter referred to as the **"3DPLM" / "Transferee Company"**) under the provisions of Sections 391 to 394 read with Section 100 to 104 of the Companies Act , 1956 and Section 52 of the Companies Act 2013.

3. The registered office of the Resulting Company is situated in New Delhi. The Resulting Company has filed Company Petition No. 991 of 2016 in High Court of Delhi which is pending disposal.

4. The Learned Counsel for the Petitioners states that the Petitioner Companies have complied with all the directions passed in Company Summons for Directions and that the Company Scheme Petitions have been filed in consonance with the order passed in the respective Company Summons for Direction.

5. The Learned Counsel for the Petitioners states that the Petitioner Companies have complied with all requirements as per the directions of this Court and have filed necessary Affidavits of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 / Companies Act, 2013 and the Rules made thereunder. The said undertaking is accepted.

6. The Learned Counsel for the Petitioners states that Geometric / Demerged Company is engaged in the business of IT enabled engineering services, PLM services and engineering design productivity software tools (**"Demerged Business"**) and also holds 900,200 shares representing 58% of the paid-up share capital of 3DPLM / the Transferee Company (**"Remaining Undertaking"**). The Resulting Company is engaged in the business of providing IT services, IT Infrastructure services, applications services and business process related services. 3DPLM / the Transferee Company is engaged in the business of providing the following services: (i) developing software and other products and providing software solution services software services; (ii) providing professional, consulting and shared services (i.e. processing centre services). The Scheme provides for the demerger of the Demerged Business to the Resulting Company and thereafter amalgamation of Geometric / Transferor Company comprising the Remaining Undertaking into 3DPLM / Transferee Company and the issue of listed equity shares of the Resulting Company and the listed redeemable preference shares of the Transferee Company (which listing is subject to approval of the stock exchanges) as consideration to the shareholders of Geometric for the demerger and amalgamation respectively. The consolidation of the Demerged Business with that of the Resulting Company will widen the markets and expertise and the combined entity will be able to offer its customers a unique blend of services and solutions around PLM, engineering software, embedded software, mechanical engineering and geometry related technologies. The amalgamation of the Transferor Company comprising the Remaining Undertaking post the demerger with the Transferee Company is proposed to integrate the Transferee Company into Dassault Systemes which along with its affiliate owns 42% of the Transferee Company.

7. The Petitioner Companies and the Resulting Company have approved the said Scheme by passing board resolutions which are annexed to the Company Scheme Petitions.

8. The Official Liquidator has filed his report on the 23rd November 2016 in Company Scheme Petition No. 706 of 2016 stating that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.

9. The Regional Director has filed an affidavit on 28th November 2016 stating therein that save and except as stated in paragraph 6 of the said affidavit it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said affidavit, the Regional Director has stated that:

(a) *In addition to compliance of AS-14 the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 etc.*

(b) *The tax implication if any arising out of the scheme is subject to final decision of Income Tax*

Authorities. The approval of the scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the demerged/resulting, Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding oh the petitioner Company.

(c) *The Registered Office of the M/s HCL Technologies Limited (HL or Resulting Company) is situated at 806, Siddharth, 96, Nehru Place, New Delhi in the State of Delhi, is outside the jurisdiction of this Hon'ble Court and falls within the jurisdiction of Hon'ble High Court of Delhi. Accordingly, similar approval be obtained from concerned Hon'ble High Court of Delhi.*

(d) *As per clause Part -I Definitions the appointed date Means the opening hours of business on March 31, 2016.*

In this regard the appointed date should be 31st March 2016 or such other date as may be fixed or approved by the Hon'ble Court of Judicature at Bombay may direct.

(e) *Since the Transferor Company has non-resident shareholders, and the Company prefers to issue Redeemable Preference Shares to NRIs it is subject to compliance of section 55 of the Companies Act, 2013 the FEMA Regulations/RBI Guidelines by the Transferee Company.*

(f) *BSE vide its letter No. DSC/AMAL/AC/24 (f) 414/16-17 and NSE vide its letter No. NSE/LIST75635 dated 08.06.2016 & 07.06.2016 "**Exhibit F-I & F-2"** inter alia informed that as per the directions ofSEBI the company has to comply with various provisions of the circulars. And that they have no observations with limited reference to those matters having a bearing on listing requirements. Upon the sanction of the Scheme the company to submit stock exchange such documents as mentioned in the letter and the exchange reserves the right to withdraw its "no adverse observation".*

Deponent prays that the Hon'ble Court to direct the company to make compliance of directions issued by the exchanges vide above referred letters.

10. In so far as the observation made in paragraph 6(a) of the Affidavit of the Regional Director is concerned, the Transferee Company through their Counsel undertakes that in addition to compliance of Accounting Standard 14, the Transferee Company will pass such accounting entries which may be necessary in connection with the Scheme in compliance with other applicable accounting standards such as AS-5 etc.

11. In so far as the observation made in paragraph 6(b) of the Affidavit of the Regional Director is concerned, Learned Counsel for the Petitioners states that the Petitioner Companies are bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be met and answered in accordance with law.

12. In so far as the observation made in paragraph 6(c) of the Affidavit of the Regional Director is concerned, the Learned Counsel states that the order of this Court shall be subject to the order passed by the Hon'ble High Court of Judicature at Delhi in Company Petition No. 991 of 2016.

13. In so far as the observation made in paragraph 6(d) of the Affidavit of the Regional Director is concerned the Learned Counsel for the Petitioners states that the appointed date means opening hours of business on 31st March 2016 or such other date as fixed / approved by this Hon'ble Court.

14. In so far as the observation made in paragraph 6(e) of the Affidavit of the Regional Director is concerned, the Learned Counsel for the Petitioner undertakes on behalf of the Transferee Company that the Transferee Company shall comply with the provisions of Section 55 of the Companies Act, 2013 and the FEMA/RBI regulations as applicable in this regard.

15. In so far as the observation made in paragraph 6(f) of the Affidavit of the Regional Director is concerned, the Learned Counsel undertakes on behalf of the Petitioners that the Petitioners shall comply with the

directions issued by the stock exchanges vide letters referred to in the said paragraph 6(f).

16. The Learned Counsel for the Regional Director on instructions of Mr. S. Ramakantha, Joint Director in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertakings given by the Petitioner Companies through their Advocate. The above undertakings are accepted.

17. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

18. Since all the requisite statutory compliances have been fulfilled, the above Company Scheme Petition No. 706 of 2016 is made absolute in terms of prayer clauses (a) to (c) and Company Scheme Petition 707 of 2016 is made absolute in terms of prayers (a) and (b).

19. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court, (O.S), Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.

20. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E- Form INC-28 in addition to the physical copy, as per the relevant provisions of the Companies Act 1956/2013. The Scheme is subject to the order passed by the Delhi High Court and contemplates approvals from regulatory authorities as per clause 35. Accordingly, on the application of Counsel for the Petitioners, the Petitioners are at liberty to file copy of this order at any time before the 31st January 2017, with the concerned Registrar of Companies. Thereafter, the Petitioners shall make appropriate application to this Court for further extensions.

21. The Petitioner Companies to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner in Company Scheme Petition No. 706 of 2016 to pay costs of Rs. 10,000 to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from date of order.

22. Filing and issuance of the drawn up order is dispensed with.

23. All concerned regulatory authorities to act on a copy of this order and the Scheme duly authenticated by Company Registrar, High Court, (O.S), Bombay.

(S. C. Gupte, J.)

CERTIFICATE

I certify that this upload is a true and correct copy of the original signed order.

Uploaded by : Shankar Gawde, Stenographer.

IN THE HIGH COURT OF JUDICATURE
AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.707 OF 2016

CONNECTED WITH COMPANY SUMMONS
FOR DIRECTION NO.533 OF 2016

3D PLM Software Solutions Ltd ...Petitioner

In the matter of sections 391 to 394 read with sections 100 to 104 of the companies act, 1956 and section 52 of companies act, 2013 and the applicable provisions of the companies act, 1956 and/or companies act, 2013;

And

In the matter of the Composite Scheme of Arrangement and Amalgamation amongst Geometric Limited: HCL Technologies Limited and 3D PLM Software Solutions Ltd., and their respective shareholders and creditors.

AUTHENTICATED COPY OF THE ORDER DATED 2ND DECEMBER, 2016 ALONGWITH THE SCHEME OF ARRANGEMENT AND AMALGAMATION

J. SAGAR ASSOCIATES
ADVOCATES FOR THE PETITIONER
VAKILS HOUSE, 18 SPROTT ROAD,
BALLAD ESTATE, MUMBAI- 400 001

ANNEXURE - 1

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

UNDER SECTION 391 READ WITH SECTION 394
OF THE COMPANIES ACT, 1956

AMONGST

GEOMETRIC LIMITED;
(GL or Demerged Company or Transferor Company)

AND

HCL TECHNOLOGIES LIMITED;
(HL or Resulting Company)

AND

3DPLM SOFTWARE SOLUTIONS LIMITED;
(GSL or Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CHAPTER 1

(A) Background of Companies and Rationale

a) This Composite Scheme of Arrangement and Amalgamation (the **"Scheme")** amongst GL **("Demerged Company/Transferor Company"),** HL **("Resulting Company")** and GSL **("Transferee Company")** provides for(l) the transfer by way of a demerger of the Demerged Business Undertaking (defined below) of the Demerged Company to the Resulting Company and consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company **("Demerger");** (2) amalgamation of the Transferor Company (defined below) comprising the Remaining Undertaking (defined below) with the Transferee Company, in each case pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable following the Demerger **("Amalgamation");** and (3) various other matters consequential or integrally connected therewith including the reorganisation of the share capital of the Resulting Company and the Transferee Company, pursuant to Sections 391-394, Section 100 and other relevant provisions of the Companies Act, 1956 / Companies Act, 2013 as may be applicable, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Sections 2(19AA) and 2(1B).

b) GL, a public limited company, incorporated on March 25, 1994under the Companies Act, 1956, has its registered office situated at Plant 11, 3rd Floor, Pirojshanagar, Vikhroli (West), Mumbai - 400079in the State of Maharashtra. The equity shares ofGL are listed on the BSE Limited and National Stock Exchange of India Limited **("Stock Exchanges").** GL is engaged only in the Demerged Business (as defined below) through the Demerged Business Undertaking (as defined below); and also holds 58% of the share capital of GSL (as defined below) which is engaged in the business of providing the following services only to DS and its affiliates: (i) developing software and other products and providing software solutions and software services; (ii) providing professional, consulting and shared services (i.e. processing centre services). GL does not conduct any business other than the Demerged Business and the Remaining Undertaking. GSL was incorporated on December 14, 2001 and has its registered office situated at Plant 11, 3rd Floor, Pirojshanagar, Vikhroli (West), Mumbai - 400079 in the State of Maharashtra. GSL has a wholly owned subsidiary 3D PLM Global Services Private Limited. In addition to GSL, GL has the following subsidiaries, all of which are wholly owned, directly or indirectly, by GL and incorporated outside India:

(1) Geometric Europe GmbH,

(2) Geometric Americas Inc.,

(3) Geometric Asia Pacific Pte. Limited,

(4) Geometric GmbH,

(5) Geometric SRL,

(6) Geometric SAS and

(7) Geometric China Inc.

c) HL, a public limited company, incorporated in 1991under the Companies Act, 1956 has its registered office situated at 806, Siddharth, 96, Nehru Place, New Delhi, Delhi in the State of Delhi. The equity shares of HL are listed on the Stock Exchanges. HL is engaged in the business of providing IT services, IT Infrastructure services, applications services and business process related services.

d) HL is desirous of acquiring and GL is desirous of transferring the Demerged Business of GL to HL by way of a Demerger of the Demerged Business Undertaking in accordance with Sections 391 to 394 and/or other applicable provisions of the Act.

e) Immediately after the Demerger of the Demerged Business Undertaking to HL, the Transferor Company shall be merged with GSL such that the Transferor Company will stand dissolved due to operation of this Scheme without winding up.

f) The Demerger of the Demerged Business Undertaking from GL into HL and the merger of GL with GSL is sought to be undertaken to help in achieving the following:

(i) in relation to the Demerger

HL has a rapidly growing engineering services business and is a leader in embedded systems and software engineering services with strengths in the aerospace, hi-tech and telecom markets. GL is a leader in PLM software services combined with capability in mechanical engineering and some unique technologies. GL's market strength lies in automotive and industrial arenas.

The consolidation will widen the markets and expertise and the combined entity will be able to offer its customers a unique blend of services and solutions around PLM, engineering software, embedded software, mechanical engineering and geometry related technologies.

(ii) in relation to the Amalgamation

GL and DassaultSystemes recognize that the changes in technology and the consequent evolution of software development would require a very tight and close integration between the research and development centers of Dassault Systemes.

The proposed integration of GSL into Dassault Systemes as a result of the Amalgamation will mark the strategic next phase in the contribution of GSL in Dassault Systemes' strategic research and development operations.

While the Amalgamation will result in transfer of ownership and control of GSL to Dassault Systemes, it will also provide the shareholders of GL an opportunity to directly participate and receive listed Redeemable Preference Shares (as defined below) of GSL as consideration.

g) The Scheme is expected to be in the best interests of the shareholders, employees and the creditors of GL, HL and GSL.

The Demerger and the Amalgamation shall comply with the provisions of Section 2(19AA) and Section 2(1B), respectively of the Income Tax Act, 1961.

(B) Chapters in the Scheme

The Scheme is divided into 4 chapters, the details of which are as follows:

1. **Chapter 1:** Chapter 1 of this Scheme sets forth the background of the Companies, overview and objects of the Scheme and definitions and interpretation which are common and applicable to all Chapters of the Scheme. Specific definitions relevant to a Chapter have been provided in the respective Chapters themselves.

2. **Chapter** 2: Chapter 2 deals with the Demerger and transfer and vesting of Demerged Business Undertaking of GL into HL.

3. **Chapter** 3: Chapter 3 deals with the Amalgamation of GL comprising the Remaining Undertaking with GSL.

4. **Chapter 4:** Chapter 4 provides for general terms and conditions applicable to this Scheme.

5. Chapters 2 and 3 are further sub-divided into the following parts:

   (a) *Part 1* sets forth the definitions specific to the Chapter and also provides for the current capital structure of the Companies;

(b) *Part 2* deals with the vesting of the Demerged Business Undertaking in HL/ amalgamation of GL with GSL, in accordance with Sections 391 to 394 and/or other applicable provisions of the Act;

(c) *Part 3* deals with accounting treatment and consideration.

1. GENERAL DEFINITIONS AND INTERPRETATIONS

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below:

"Act" means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Board of Directors of the Demerged Company, the Resulting Company and the Transferee Company, Sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 / Companies Act, 2013 as may be in force;

"Appointed Date" means the opening hours of business on March 31, 2016;

"Applicable Law" means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Appropriate Authority, that is binding or applicable to a Person, whether in effect as of the date of on which this Scheme has been approved by the Boards of Directors of the Companies or at any time thereafter;

"Appropriate Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India or outside India and includes the National Company Law Tribunal (if and when applicable)/ the High Courts, Stock Exchanges, Competition Commission of India, Reserve Bank of India and the Securities and Exchange Board of India or any other statutory or regulatory authority or governmental authority;

"Board of Directors" shall mean the board of directors or any committee thereof, of the Demerged Company/Transferor Company, the Resulting Company and the Transferee Company as the context may require;

"Companies" shall collectively mean HL, GL and GSL;

"Demerged Business" means IT enabled engineering services, PLM services and engineering design productivity software tools;

"Demerged Business Undertaking" means all assets, undertakings, business, activities, operations and Liabilities of the Demerged Company, which shall include, without limitation, the following:

(a) all assets and properties, wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all fixed and current assets, all lands (whether leasehold or freehold), benefits and interests of rental agreements for lease or licence of premises, buildings, warehouses, offices, capital work in progress, furniture, fixtures, computers, vehicles, office equipment, furnishings, appliances, accessories, goods, utilities, installations and other tangible property of every kind, nature and description, and all other assets including all items as recorded in the fixed assets register relating to the Demerged Business including the immovable properties disclosed in **Schedule 1**, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, power lines, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Business;

(b) direct and indirect overseas subsidiaries and branch offices as disclosed in **Schedule 2;**

(c) investments (other than the Remaining Undertaking), cash, cash equivalent, bank accounts (including bank balances, financial assets, insurances, provisions, funds, equipments, book debts and debtors and any related capitalized items and other tangible property of every kind, nature and description, share of any joint assets, benefits of any bank guarantee, performance guarantee and any letter of credit and all other assets pertaining to the Demerged Business:

(d) all permits, quotas, rights, entitlements, licenses, municipal permissions, approvals, consents, privileges, bids, tenders, letters of intent, expressions of intent, memoranda of understanding, or similar instruments, consent, subsidies, benefits including Tax benefits, exemptions, all other rights including tax deferrals and other benefits, lease rights, licenses, powers and facilities of every kind pertaining to the Demerged Business;

(e) all earnest moneys and/or security deposits and/or advances paid by the Demerged Company in connection with or relating to the Demerged Business and benefit of any deposits;

(f) all existing employees of the Demerged Company as on the Effective Date;

(g) all rights in intellectual property (whether owned, licensed or otherwise, whether registered or unregistered) used in relation to the Demerged Business including the Geometric logo and trademark, and all other trade names, service names, trade marks, brands, copyrights, designs, know-how and trade secrets, patents, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations and all such other industrial or intellectual rights of whatsoever nature and advantages of whatever nature in connection with the above save and except any intellectual property listed in **Schedule 4;**

(h) all lease agreements, leave and license agreements, and all contracts and arrangements in any form relating to the Demerged Business (including the contracts with customers of the Demerged Business and the DS Support Undertaking), including contracts pertaining to units in special economic zones, software technology parks of India, customers, vendors, benefits of all contracts, agreements, arrangements and all other interests in connection therewith whether registered or not registered. For the avoidance of doubt it is clarified that the Framework Agreement and the following contracts between Geometric, Geometric Subsidiary and DSdo not form part of the Demerged Business Undertaking: (a) amended and restated shareholders' agreement dated March 4, 2015; (b) amended and restated escrow agreement; (c) umbrella agreement dated September 16, 2008; (d) frame services agreement dated February 9, 2004; and (e) umbrella agreement for the 3DGS arrangement dated March 4, 2015;

(i) all books, records, files, papers, engineering and process information, software, licences for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Demerged Business;

(j) all the Liabilities of the Demerged Company whether or not relating to the period before or after the Appointed Date, including liabilities on account of and relating to Tax, employees provident fund, employees state insurance and gratuity contributions and liabilities arising out of disclosures made to the Resulting Company in terms of the Framework Agreement, but excluding the Other Liabilities and Liabilities of or pertaining to GSL;

(k) all legal proceedings filed by or against the Demerged Company excluding legal proceedings pertaining to the Other Liabilities pending and/or arising before the Effective Date.

For the avoidance of doubt it is clarified that: (a) the Demerged Company has no Liabilities other than the Liabilities pertaining to the Demerged Business and the Other Liabilities(including for the avoidance of doubt Liabilities of or pertaining to the GSL).The Other Liabilities (including for the avoidance of doubt Liabilities of or pertaining to GSL) do not form part of the Demerged Business Undertaking and (b) the Demerged Company has not filed any legal proceedings and is not subject to any legal proceedings other than the legal proceedings pertaining to the Business and the Other Liabilities (including for the avoidance of doubt Liabilities of or pertaining to GSL). The legal proceedings pertaining to the Other Liabilities (including for the avoidance of doubt Liabilities of or pertaining to GSL) do not form part of the Demerged Business Undertaking.

"DS" means Dassault Systemes, a company incorporated under the laws of France, who along with DS Affiliate owns 42% of GSL;

"DS Affiliate" means Dassault Systemes Americas Corp, a Delaware corporation;

"DS Support Undertaking" means the deed dated April 1, 2016 by and between DS, DS Affiliate, GSL and GL;

"Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 35.1 have been fulfilled, obtained or waived, as applicable. References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly;

"Encumbrance" includes without limitation any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint, or any other encumbrance of any kind or nature whatsoever;

"Framework Agreement" shall mean the agreement dated April 1, 2016 executed between HL and GL dealing inter-aliawith the demerger of the Demerged Business Undertakings HL;

"GL" means Geometric Limited, CIN No.: L72200MH1994PLC077342 a company incorporated under the Companies Act, 1956, and having its registered office at Plant 11, 3rd Floor, Pirojshanagar, Vikhroli (West), Mumbai -400079, Maharashtra;

"GSL" means 3DPLM Software Solutions Ltd., CIN No.: U72900MH2001PLC134244a company incorporated under the Companies Act, 1956, and having its registered office at Plant 11, 3rd Floor, Pirojshanagar, Vikhroli (West), Mumbai - 400079, Maharashtra;

"HL" means HCL Technologies Limited, CIN No. L74140DL1991PLC046369, a company incorporated under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi, Delhi;

"High Courts" means the High Court of Judicature at Bombay having jurisdiction in relation to GL and GSL and High Court of Delhi having jurisdiction in relation to HL and shall include, if applicable, the National Company Law Tribunal, or such other forum or authority as may be vested with the powers of a High Court for the purposes of Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013, as may be applicable;

"Record Date" shall mean such date to be fixed by the Board of Directors of the Demerged Company or a committee thereof duly authorized by the Board of Directors of GL for the purpose of determining the members of GL to whom shares of the Resulting Company and the Transferee Company will be allotted pursuant to this Scheme in terms of Clauses 14 and 23;

"Remaining Undertaking" means 900,200 shares representing 58% of the paid up capital held by GL in GSL;

"Sanction Orders" means, collectively, the orders of the High Courts sanctioning the Scheme for GL, GSL and HL and "Sanction Order" means the order of either High Court sanctioning the Scheme;

"Scheme" means this composite scheme of arrangement and amalgamation with such modification(s), if any made, in accordance with the terms hereof and the Framework Agreement;

"Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited;

"Taxes" or **"Tax"** or **"Taxation"** means all forms of taxation with reference to profits, gains, net wealth, asset values, turnover, gross receipts, duties (including stamp duties), levies, imposts, including without limitation corporate income-tax, wage withholding tax, fringe benefit tax, value added tax, customs, service tax, excise duties, fees or levies and other legal transaction taxes, dividend / withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties, any other similar assessments or other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, assessments, or addition to Tax, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or country.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be operative from the Appointed Date but shall be effective from the Effective Date.

CHAPTER 2

PART 1

3. DEFINITIONS:

In this Chapter 2 of the Scheme, concerning the demerger of the Demerged Business Undertaking to the Resulting Company, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

"Demerged Liabilities" shall mean all Liabilities of the Demerged Company other than (a) Other Liabilities and (b) Liabilities of or pertaining to GSL. For the avoidance of doubt it is clarified that the Demerged Company has no Liabilities other than the Liabilities pertaining to the Demerged Business and the Other Liabilities(including for the avoidance of doubt Liabilities of or pertaining to the GSL);

"ESOP Plans"shall mean the ESOP Scheme 2009 - Employees, ESOP Scheme 2011, ESOP Scheme 2013 - Employees, ESOP Scheme 2013 - Directors and ESOP Scheme 2015 of GL;

"Liability" means liabilities, borrowings, claim, a notice of assertion, demand, loans, debts or other obligations of any kind or nature, whether known or unknown, present or future, absolute, accrued, contingent, liquidated, unliquidated or otherwise, due or to become due or otherwise and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP as applicable to the relevant entity;

"Material Contracts" has the meaning assigned to the term in the Framework Agreement;

"Other Liabilities" means:

(i) Liabilities arising on account of the following:

(a) Failure, if any, by GL to file returns or forms or comply with the erstwhile or current Listing Agreement with the Stock Exchanges, the SEBI Act, 1992, the Act, Foreign Exchange

Management Act, 1999 (except relating to compliance thereof for the overseas investments made by GL which are part of the Demerged Business Undertaking) and the rules and regulations issued under each of the aforesaid from time to time;

(b) Failure, if any, by GL to maintain registers or records as required under the Act;

(ii) Liabilities which have arisen or accrued as of the date of execution of the Framework Agreement and are known to GL but have not been disclosed to HL in terms of the Framework Agreement; and

(iii) Liabilities of or pertaining to the Remaining Undertaking.

"Person" means any individual, partnership, joint venture, firm, corporation, company, association, trust or other enterprise (whether incorporated or not) or Government (central, state or otherwise), sovereign, or any agency, department, authority or political sub-division thereof, international organisation, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs;

4. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Demerged Company as on April 1, 2016 is as under:

Particulars	Rupees
Authorized Capital	
80,000,000 equity shares of Rs.2 each	160,000,000
Total	**160,000,000**
Issued, Subscribed and Paid-up*	
65,030,414 equity Shares of Rs.2 each fully paid up	130,060,828
Total	**130,060,828**

*After considering the outstanding ESOPs the issued share capital on a fully diluted basis is 67,254,346 equity shares of Rs. 2 each.

The authorized, issued, subscribed and paid up share capital of the Resulting Company as on April 1, 2016 is as under:

Particulars	Rupees
Authorised Capital	
1,500,000,000 equity shares of Rs.2 each	3,000,000,000
Total	3,000,000,000
Issued, Subscribed and Paid-up	
1,414,068,010 equity shares of Rs.2 each fully paid-up	2,828,136,020
Total	2,828,136,020

* This includes shares pending allotment and outstanding employee stock options under the Resulting Company's employee stock option schemes.

PART 2

5. **TRANSFER AND VESTING OF DEMERGED BUSINESS UNDERTAKING INTO THE RESULTING COMPANY**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Business Undertaking shall, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Sections 391 to 394 of the Act, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern and all the properties whether moveable or immoveable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, inventories, work in progress, current assets, deposits, reserves, provisions, funds and all other entitlements, licenses, registrations, patents, trade names, trademarks, leases, tenancy rights, flats, telephones, telexes, facsimile, connections, email connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, titles, interests, other benefits (including Tax benefits), Tax holiday benefit, incentives, credits (including Tax credits), Tax losses and advantages of whatsoever nature and where so ever situated belonging to or in possession of or granted in favour of or enjoyed by the Demerged Company shall be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company in the manner set out below.

5.1. TRANSFER OF ASSETS

5.1.1. Upon the Scheme becoming effective, with effect from the Appointed Date, the whole of the said assets, as aforesaid, of Demerged Business Undertaking, of whatsoever nature and wherever situated whether capable of passing by manual delivery and/or endorsement or otherwise however shall, under the provisions of Sections 391 and 394, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company as a going concern so as to vest in, become and form part of the Resulting Company along with all the rights, claims, title and interest of the Resulting Company therein, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

5.1.2. Without prejudice to clause 5.1.1, upon the Scheme becoming effective, with effect from the Appointed Date, all the moveable assets including cash, if any, of Demerged Business Undertaking, or otherwise capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Resulting Company and shall become the property of the Resulting Company as an integral part of the Demerged Business Undertaking, to the end and intent that the ownership and property therein passes to the Resulting Company in pursuance of the provisions of Section 394 of the Act, without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

5.1.3. Without prejudice to clause 5.1.1, upon the Scheme becoming effective, with effect from the Appointed Date, in respect of the moveable properties of Demerged Business Undertaking other than specified in Clause 5.1.2 above and any intangible assets, including sundry debtors, loans, receivables, bills, credits, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., the same shall, on and from the Appointed Date, stand transferred to the Resulting Company to the end and intent that the right of the Demerged Company to recover or realize all such debts (including the debts payable by such Persons or depositors to the Demerged Company) stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors(althoughthe Resulting Company may itself without being obliged and if it so deems appropriate at its sole discretion, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law, give notices in such form as it may deem fit and proper, to each Person, debtors or depositors, as the case may be, that pursuant to the High Courts having sanctioned the Scheme, the said debt, loan receivable, advance or deposit stands transferred and vested in the Resulting Company and be paid or made good or held on account of the Resulting Company as the Person entitled thereto.

5.1.4. In respect of such assets belonging to the Demerged Company and forming part of the Demerged Business Undertaking, other than those referred to in Clauses 5.1.2 and 5.1.3 above, the same shall, as more particularly provided in Clause 5.1.1 above, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 391-394 of the Act.

5.1.5. All cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company/Transferor Company (in relation to Demerged Business Undertaking) after the Effective Date shall be deemed to be in the name of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company or received through electronic transfers and the bankers of the Resulting Company shall accept the same. Similarly, the banker of the Resulting Company shall honour all cheques / electronic fund transfer instructions issued by the Demerged Company/Transferor Company (in relation to Demerged Business Undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company/ Transferor Company and/orthe Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Demerged Company/Transferor Company by the Resulting Company in relation to the Demerged Business Undertaking for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/ made in the name of the Resulting Company.

5.1.6. Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme, the Resulting Company shall be entitled to all the intellectual property and rights thereto of the Demerged Company in relation to the Demerged Business Undertaking. The Resulting Company may take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Resulting Company.

5.1.7. Any assets, acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Business Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme.

6. TRANSFER OF LIABILITIES

6.1. Upon the Scheme becoming effective, with effect from the Appointed Date, all the Demerged Liabilities shall also, under the provisions of Sections 391 and 394 of the Act without any further act or deed be transferred or deemed to be transferred to the Resulting Company so as to become as and from the Appointed Date the debts, liabilities, duties, obligations of the Resulting Company and further that all the Demerged Liabilities incurred/contracted by the Demerged Company during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by the Resulting Company and shall be deemed to be the Liabilities and obligations of the Resulting Company and further that it shall not be necessary to obtain consent of any Person in order to give effect to the provisions of this Clause.

6.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

6.3. Without prejudice to Clause 6.1, upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Business Undertaking with effect from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.

6.4. The transfer and/or vesting of the properties as aforesaid shall be subject to the Encumbrances as on the Effective Date, if any, over or in respect of all the said assets or any part thereof of Demerged Business Undertaking to the extent that such Encumbrances relate to the Demerged Liabilities forming part of the Demerged Business Undertaking. In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Business Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Business Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

The Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Demerged Business Undertaking which shall vest in the Resulting Company by virtue of the Scheme, including for the avoidance of doubt and notwithstanding anything contained herein, that no Encumbrances shall be extended to any of the assets of HL.

6.5. Further, in so far as the assets comprised in the Demerged Business Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities which do not form part of the Demerged Liabilities, shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such liabilities.

6.6. It is expressly provided that, save as mentioned in this Clause 6, no other term or condition of the Demerged Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

6.7. Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, the Demerged Company/GSL and the Resulting Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.

6.8. The provisions of this Clause 6 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions. Provided however that nothing in this Clause 6.8 shall modify the Framework Agreement.

7. TAXES AND TAXATION

7.1. Upon the Scheme becoming effective, each of the Demerged Company and the Resulting Company are expressly permitted 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, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

7.2. Any refund, under Taxation legislation due to the Demerged Company in relation to the Demerged Business consequent to the assessment made on the Demerged Company whether relating to the period before or after the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.

7.3. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation in respect of income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Demerged Company is entitled to in terms of Applicable Laws in relation to the Demerged Business, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.

7.4. Any refund or tax credit including under the Income Tax Act, 1961 due to the Demerged Company, which is pertaining to the business of the Demerged Business Undertaking consequent to the assessment made on the Demerged Company, and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received or credit availed, as the case may be, by the Resulting Company.

8. EMPLOYEES

8.1. On the Scheme becoming effective, all employees of the Demerged Company who are employed in the Demerged Business Undertaking on the Effective Date ("Transferred Employees"), shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to the Demerged Business Undertaking on the Effective Date. It is clarified that the CEO of the Demerged Company shall not be transferred to the Resulting Company as an employee but will provide consultancy services to the Resulting Company as per the terms of a consultancy agreement with the Resulting Company.

8.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund or any other special fund or trusts created or existing for the benefit of the Transferred Employees and Geometric Limited Excluded Employees Provident Fund Trust existing for the benefit of the past employees of Geometric (collectively referred to as the "Funds") shall be transferred to the similar Funds created by the Resulting Company and shall be held for their benefit pursuant to this Scheme or, at the Resulting Company's sole discretion, maintained as separate Funds by the Resulting Company. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Transferred Employees shall be transferred to the Funds created by the Resulting Company. It is clarified that the services of the employees of the Demerged Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

8.3. In relation to any other fund created or existing for the benefit of the Transferred Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

8.4. In so far as the existing benefits or funds created by GL for the employees of the Remaining Undertaking are concerned, the same shall continue and GL/GSL shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of such employees.

8.5. ESOPs

8.5.1. Details of the employee stock options **("ESOPs")** under the ESOP Plans are provided in **Schedule 3** to this Scheme. On and from April 1, 2016, the Demerged Company shall not bring into effect any employee stock option plan (save for issuance of upto2,223,932 equity shares pursuant to options that have already been granted under the ESOP Plans), issue or enter into any agreements/arrangements for issuance of employee stock options or grant any options.

8.5.2. Simultaneously on receipt of the Sanction Orders, all employee stock options which have been granted under the ESOP Plans and are valid and subsisting shall stand accelerated in accordance with the terms of the respective ESOP Plans.

8.5.3. With respect to the stock options which have been granted under the ESOP Plans and are valid and subsisting and remain unexercised by the relevant grantee as on the date which is 5 Business Days prior to the Effective Date (which date shall be notified by GL at least 2 Business Days in advance) (the **"Unexercised Options"**), GL shall, for the purpose of permitting cashless exercise of the Unexercised Options by the relevant grantees of such Unexercised Options (**"Relevant Employees"**), set up an employee benefit trust (**"ESOP Trust"**) for the benefit of the Relevant Employees, for the sole purpose of implementing the provisions of this Clause. On the Effective Date and immediately prior to effectiveness of the Scheme, (i) GL shall, as per Section 67 of the Companies Act, 2013, Rule 16 of Companies (Share Capital and Debenture) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations 2014 (**"SEBI ESOP Regulations"**) and other applicable provisions of the Companies Act, 2013, SEBI ESOP Regulations and rules, regulations, circulars and notifications framed thereunder, grant an interest free loan (**"ESOP Loan"**) to the ESOP Trust to enable the ESOP Trust to pay, on behalf of the Relevant Employees, the exercise price towards the exercise of Unexercised Options, (ii) the ESOP Trust shall immediately on receipt of the ESOP Loan, pay the entire amount of the ESOP Loan to GLas payment of the exercise price towards Unexercised Options, and (iii) GL shall allot equity shares of GL to the ESOP Trust against the Unexercised Options. It is clarified that those Relevant Employees who do not exercise their respective Unexercised Options until 5 Business Days prior to the Effective Date shall be deemed to have opted for cashless exercise mechanism as set out in this Clause.

8.5.4. The Resulting Company agrees and acknowledges that the ESOP Loan shall be transferred to the Resulting Company as a part of the Demerged Business Undertaking under the Scheme. Further, if the ESOP Trust is a shareholder of GL as on the Record Date, upon coming into effect of the Scheme, the Resulting Company shall issue and allot equity shares to the ESOP Trust as per the Share Entitlement Ratio and in accordance with Clause 14 (Consideration) of the Scheme.

8.5.5. The ESOP Trust shall, within a reasonable period from the allotment and listing and commencement of trading of the shares so allotted, sell the equity shares of the Resulting Company held by it in the secondary market and shall use the proceeds of such sale to repay the ESOP Loan to the Resulting Company and remit the balance amounts of the proceeds, after deduction of taxes and other expenses, to the Relevant Employees in proportion to their respective entitlement under the ESOP Plans and subject to necessary approvals under Applicable Law.

8.5.6. It is clarified that the consent to the Scheme by the shareholders of GL and the Resulting Company shall be deemed to be consent, as an integral part of this Scheme, to (i) the amendment to the ESOP Plans; (ii) setting up of the ESOP Trust; (iii) grant and repayment ofthe ESOP Loan; and (iv) the implementation of the ESOP Plans and the cashless exercise ofthe Unexercised Options as per the requirements of the Companies Act, 2013, SEBI ESOP Regulations or any other Applicable Law. No further approval of the shareholders of the Resulting Company or GL would be required in this connection under any Applicable Law.

8.5.7. The Resulting Company and the Demerged Company and the Board of Directors and the Nomination and Remuneration Committee of the Demerged Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause.

8.5.8. For the purposes of this Clause 8.5, the term “Business Day” means a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open in Mumbai and Delhi for the transaction of normal banking business.

9. LEGAL PROCEEDINGS

9.1 In the event, after the Effective Date, any Person (including any Tax authority or customer) makes any claim, a notice of assertion, demand, action, proceeding or suit **(“Third Party Claim”)** against the Transferor Company (which expression shall include the Transferee Company following the amalgamation) in relation to the Demerged Business Undertaking, the procedure set out below shall be followed:

(i) If the Transferor Company receives a Third Party Claim with respect to the Demerged Business Undertaking, the Transferor Company shall, within 14 (fourteen) days thereof, notify the Resulting Company in writing of such Third Party Claim (specifying in reasonable detail the circumstances which give rise to the Third Party Claim and the amount, if any, claimed in such Third Party Claim).

(ii) The Resulting Company shall, within 30 (thirty) days (or such shorter period, if any response needs to be communicated or defence needs to be undertaken within any shorter statutory or regulatory time-frame in relation to such Third Party Claim) of the receipt of the notice mentioned in sub-clause (i) above, assume the control and where applicable, defence, of such Third Party Claim. The Resulting Company shall, in consultation with its counsel, be entitled to take such defences or course of actions including settlement of claims as may be available with respect to the Third Party Claim but in all cases ensuring that the Third Party Claim or the settlement does not result in any obligation or liability on the Transferor Company. The Transferor Company shall at the cost and expense of the Resulting Company, cooperate with the Resulting Company in the defense or prosecution of any such Third Party Claim and shall furnish the Resulting Company with such relevant documents and information available with it, and attend such conferences, proceedings, hearings, trials and appeals as may be reasonably required by the Resulting Company in connection therewith.

(iii) The Transferor Company shall have the right but not the obligation to participate (but not control) in the defence of any Third Party Claim which the Resulting Company is defending. All costs and expenses including legal fees, deposits, guarantees, etc. in relation to the Third Party Claim shall be borne by the Resulting Company.

(iv) At the Transferor Company's request, the Resulting Company shall co-operate with the Transferor Company and its advisors and provide the Transferor Company and its advisors, the relevant documents and information, if any, available with it and that may be reasonably requested by the Transferor Company in respect of the Transferor Company's participation in the defence of the said Third Party Claim.

(v) The Resulting Company shall keep the Transferor Company informed of material developments relating to the Third Party Claim along with relevant documentation.

9.2. In the event, after the Effective Date, any Person (including any Tax authority or customer) makes any claim against the Resulting Company in relation to the Remaining Undertaking **("G Third Party Claim")** the procedure set out below shall be followed:

(i) If the Resulting Company receives a G Third Party Claim, the Resulting Company shall, within 14 (fourteen) days thereof, notify the Transferor Company in writing of such G Third Party Claim (specifying in reasonable detail the circumstances which give rise to the G Third Party Claim and the amount, if any, claimed in such G Third Party Claim).

(ii) The Transferor Company shall within 30 (thirty) days (or such shorter period, if any response needs to be communicated or defence needs to be undertaken within any shorter statutory or regulatory time-frame in relation to such G Third Party Claim) of the receipt of the notice mentioned in sub-clause (i) above, assume the control and where applicable, defence, of such G Third Party Claim. The Transferor Company shall, in consultation with its counsel, be entitled to take such defences or course of actions including settlement of claims as may be available with respect to the G Third Party Claim but in all cases ensuring that the settlement does not result in any obligation on the Resulting Company. The Resulting Company shall, at the cost and expense of the Transferor Company, cooperate with the Transferor Company in the defense or prosecution of any such G Third Party Claim and shall furnish the Transferor Company with such relevant documents and information available with it, and attend such conferences, proceedings, hearings, trials and appeals as may be reasonably required by the Transferor Company in connection therewith.

(iii) The Resulting Company shall have the right but not the obligation to participate (but not control) in the defence of any G Third Party Claim which the Transferor Company is defending, provided that in such a case all costs and expenses including legal fees, deposits, guarantees, etc. in relation to the G Third Party Claim shall be borne by the Transferor Company.

(iv) At the Resulting Company's request, the Transferor Company shall co-operate with the Resulting Company and its advisors and provide the Resulting Company and its advisors, the relevant documents and information, if any, available with it and that may be reasonably requested by the Resulting Company in respect of its participation in the defence of the said G Third Party Claim.

(v) The Transferor Company shall keep the Resulting Company informed of material developments relating to the G Third Party Claim.

9.3. All legal proceedings of whatsoever nature by or against the Demerged Company save for legal proceedings pertaining to the Remaining Undertaking pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

9.4. Without prejudice to Clause 9.1 above, the Resulting Company undertakes that it shall at its own cost, file applications with the relevant Appropriate Authorities for change of name in such legal proceedings forming part of the Demerged Business Undertaking within a period of 3 (three) months from the Effective Date. HL shall do such things as may be required for changing the name of the party from Demerged Company to the Resulting Company in all legal proceedings by or against the Demerged Company forming part of the Demerged Liabilities existing as on the Effective Date(and including those that relate to the period prior to the Appointed Date)and shall make all necessary filings for such change of name such that the same may be continued, prosecuted, defended and enforced by the Resulting Company instead of the Demerged Company, to the exclusion of the Demerged Company, and the Demerged Company/Transferee Company shall extend all assistance in such transfer into the Resulting Company's name, if required by the Resulting Company. It is clarified that the cost and expenses incurred in continuing, prosecuting, defending and enforcing the aforesaid proceedings shall be to the account of the Resulting Company, provided however that this is without prejudice to any indemnity available to the Resulting Company for such costs and expenses.

10. CONTRACTS, DEEDS, ETC.

10.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, upon the coming into effect of the Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Business Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall continue in full force and effect against or in favour of the Resulting Company, and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto from inception. For the avoidance of doubt it is clarified that the Framework Agreement and the following Contracts between Geometric, Geometric Subsidiary and DS do not form part of the Demerged Business Undertaking: (a) amended and restated shareholders' agreement dated March 4, 2015; (b) amended and restated escrow agreement; (c) umbrella agreement dated September 16, 2008; (d) frame services agreement dated February 9, 2004; and (e) umbrella agreement for the 3DGS arrangement dated March 4, 2015.

10.2. The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if it considers necessary, enter into, or issue or execute deeds, writings, tripartite arrangements, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company. The Demerged Company shall execute such writings as may be reasonably required by the Resulting Company in this regard.

10.3. It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Business Undertaking to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company/Transferee Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible to do so, till such time as the transfer is effected; and (ii) save and except for (a) the agreement dated September 2, 2003 with Paysquare Consultancy Ltd. for payroll processing services, (b) SAP Software End-User Value License Agreement dated September 29, 2005 (c) eBorn dated November 1, 2014SOW for SAP Application Management Services (SAP Support);and (d) Atlassian End User License Agreement (JIRA licenses) (accepted online),there are no contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature that relate to the Demerged Business Undertaking as well as the Remaining Undertaking. Such contracts are for the common benefit of the Demerged Company and the Transferee Company and will continue until the Effective Date. On the Effective Date, such contracts shall be transferred to the Resulting Company pursuant to this Scheme and the continued use of the services thereunder by the Transferee Company shall be subject to receipt of consents from the respective vendors thereof, failing which the Transferee Company will make alternate arrangements in this regard.

10.4. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold/licensed properties in relation to the Demerged Business Undertaking shall, pursuant to Section 394(2) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without requirement of any further act or deed.

11. CONDUCT OF BUSINESSES TILL THIS SCHEME COMES INTO EFFECT

11.1. With effect from the Appointed Date and upto and including the Effective Date, the Demerged Company:

11.1.1. shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Business Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Business Undertaking for and on account of, and in trust for, the Resulting Company;

11.1.2. all profits or income arising or accruing in favour of the Demerged Company in relation to the Demerged Business Undertaking and all Taxes paid thereon or losses, expenditures arising or incurred by the Demerged Company in relation to the Demerged Business Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, expenditures as the case may be, of the Resulting Company, except those specifically forming part of the Remaining Undertaking;

11.1.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Business Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Business Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

11.1.4. shall cause the business of the Demerged Business Undertaking (including making applications to any Appropriate Authority for the renewal of permits which have expired) to be conducted as a going concern in trust for the Resulting Company and in the ordinary course of business;

11.1.5. shall not, except as may be expressly required or permitted under this Scheme pursuant to exercise of stock options granted as of April 1, 2016, make any change in its capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Entitlement Ratio, except with the prior approval of the Board of Directors of the Resulting Company.

11.1.6. shall conduct its business in accordance with and not take any actions prohibited by the Framework Agreement.

12. REMAINING UNDERTAKING

12.1. The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations relating thereto shall continue to belong to and be vested in the Demerged Company and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Undertaking.

12.2. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted at any time thereafter, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company/Transferee Company after the Effective Date.

12.3. With effect from the Appointed Date and up to, including and beyond the Effective Date, the Demerged Company:

(a) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Remaining Undertaking for and on behalf of the Transferee Company; and

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Transferee Company.

12.4. It is hereby clarified for the avoidance of doubt that the intellectual property listed in Schedule 4 shall be the exclusive property of GSL.

13. SAVINGS OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Business Undertaking as above and the continuance of proceedings by or against the Demerged Company in relation to the Demerged Business Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date or till the Effective Date in accordance with this Scheme.

PART 3

14. CONSIDERATION

14.1. Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Demerged Business Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares, credited as fully paid up, to all the equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date to be fixed in that behalf for the purpose of reckoning names of equity shareholders of the Demerged Company, in the following ratio:

"10 (ten) equity share of the Resulting Company of Rs. 2 (Rupees Two only) each, fully paid up to be issued for every 43 (forty three) Equity share of Rs. 2 (Rupees Two only) each held by equity shareholders of the Demerged Company" (the **"Share Entitlement Ratio")**

14.2. In case any equity shareholder of the Demerged Company owns shares in the Demerged Company, such that it becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:

(a) consolidate such fractions and issue consolidated shares to a trustee nominated by the Resulting Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;

(b) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders;

(c) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Demerged Company and the Resulting Company.

14.3. SSPA & Co. have issued the valuation report on the Share Entitlement Ratio adopted under the Scheme. JM Financial Institutional Securities Limited, a Category-1 Merchant Banker, has provided its fairness opinion on the Share Entitlement Ratio to GL and SBI Capital Markets Limited, a Category-1 Merchant Banker, has provided its fairness opinion on the Share Entitlement Ratio to the Board of Directors of HL.

14.4. Equity shares to be issued by the Resulting Company to the respective shareholders of the Demerged Company as above shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank *passu* with the existing equity shares of the Resulting Company in all respects including dividends.

14.5. Equity shares in the Resulting Company shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, in to the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Resulting Company and / or its Registrar. All those shareholders who hold equity shares of the Demerged Company in physical form shall also have the option to receive the equity shares in the Resulting Company, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Resulting Company and / or its Registrar. If not so notified, they would be issued equity shares in physical form.

14.6. The Board of Directors of the Resulting Company and the Demerged Company shall, if and to the extent required, apply for and obtain any approvals from Appropriate Authorities for the issue and allotment of equity shares to the shareholders of the Demerged Company pursuant to Clause 14.1of the Scheme.

14.7. Equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 14.1 of this Scheme shall, subject to the receipt of necessary approvals, be listed and/or admitted to trading on the Stock Exchanges, where the shares of the Demerged Company are listed and/or admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the said Stock Exchanges. 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.

14.8. The equity shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the board of directors of the Resulting Company shall be empowered to take such actions as may be necessary in order to remove any difficulties arising to the transferor of the share in the Resulting Company and in relation to the shares issued by the Resulting Company pursuant to the Scheme.

14.9. Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

14.10. The equity shares of the Resulting Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the **"Securities Act")** and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Resulting Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

15. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY AND THE DEMERGED COMPANY

15.1 In the books of the Resulting Company

As on the Appointed Date and the Scheme becoming effective:

(i) The Resulting Company shall record all the assets and liabilities, pertaining to the Demerged Business Undertaking, at fair values.

(ii) The Resulting Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 14.1 of this Scheme.

(iii) The difference between the fair value and face value of shares pursuant to clause 14.1 of this Scheme shall be credited to securities premium account.

(iv) The Fair value of the share issued by the Resulting Company pursuant to Clause 14.1 of this Scheme as reduced by the net assets of Demerged Business Undertaking acquired and recorded by the Resulting Company if surplus, shall be debited to Goodwill Account. In case of a deficit, the same shall be credited to Capital Reserve Account.

15.2 In the books of the Demerged Company

(i) Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets and liabilities pertaining to the Demerged Business Undertaking as set out below.

(ii) The book values, as on the Appointed Date, of net assets (assets minus liabilities) comprised in the Demerged Business Undertaking transferred to the Resulting Company shall be adjusted first against the entire securities premium account, then against the investment re-organization reserve account and then against the general reserve account. The remaining balance of the net assets shall be adjusted against the accumulated credit balance in the profit and loss account of the Demerged Business Undertaking to the extent available. Any residual balance of net assets shall be reflected as a debit balance in the profit and loss account.

The adjustment/utilisation of the securities premium account, if any, as stated above, and reduction thereof will be effected as a part of this Scheme, in accordance with provisions of Section 52 of the 2013 Act and Section 100 to 103 of the 1956 Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under the applicable provisions of the 1956 Act and 2013 Act, as applicable, for confirming the utilization/reduction of the securities premium account.

CHAPTER 3

MERGER OF REMAINING UNDERTAKING OR THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

Upon the occurrence of the Demerger pursuant to Chapter 2 of this Scheme, the Demerged Company, comprising the Remaining Undertaking, shall be referred to as the “Transferor Company” for the purposes of this Chapter 3.

Part 1

16. DEFINITIONS:

In addition to the terms defined in Chapter 1, in this Chapter 3 of the Scheme, concerning the merger of the Remaining Undertaking into GSL, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

“Transferor Company” shall for the purpose of Chapter 3 of the Scheme, means the Demerged Company after giving effect to the Demerger of the Demerged Business Undertaking to the Resulting Company and comprising only the Remaining Undertaking;

“Transferee Company” means GSL, a company incorporated under the Companies Act, 1956, and having its registered office at Plant 11, 3rd Floor, Pirojshanagar, Vikhroli (West), Mumbai -400079, Mumbai, Maharashtra.

17. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Transferor Company as on April 1, 2016 is as under:

Particulars	Rupees
Authorized Capital	
80,000,000 equity shares of Rs. 2 each	160,000,000
Total	**160,000,000**
Issued, Subscribed and Paid-up*	
65,030,414 equity Shares of Rs. 2 each fully paid up	130,060,828
Total	**130,060,828**

*After considering the outstanding ESOPs the issued share capital on a fully diluted basis is 67,254,346 equity shares of Rs. 2 each. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on April 1, 2016 is as under:

Particulars	Rupees
Authorised Capital	
2,700,000 equity shares of Rs. 10 each	27,000,000
300,000 Class ‘A’ and Class ‘B’ Equity Shares of Rs.10 each with differential voting rights	3,000,000
Total	**30,000,000**
Issued, Subscribed and Paid-up	
1,373,246 equity shares of Rs 10 each fully paid	13,732,460

Particulars	Rupees
72,965 Class 'A' Equity Shares of Rs 10 each fully paid	729,650
105,989 Class 'B' Equity Shares of Rs 10 each fully paid	1,059,890
Total	**15,522,000**

Part 2

18. TRANSFER AND VESTING OF THE REMAINING UNDERTAKING

18.1. With effect from the Appointed Date, the Transferor Company (after Demerger of the Demerged Business Undertaking) comprising the Remaining Undertaking including its properties and assets (whether movable tangible or intangible) of whatsoever nature including investments, shares, debentures, securities, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives if any, benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, credit for Minimum Alternate Tax, taxes deducted at source and all other rights, title, interest, contracts, consent, approvals or powers and liabilities, duties and obligations of every kind, nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the Encumbrances(if any) affecting the same as on the Effective Date shall stand transferred and/ or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets and liabilities, duties and obligations of the Transferee Company.

18.2. It is clarified that the Transferee Company shall continue to be entitled to the benefits of the Trade Logo License Agreement dated January 23, 2002 with respect to the use of the logo referred to therein for such term and on such terms as agreed to between the Demerged Company and the Resulting Company under the Framework Agreement without any payment of consideration.

18.3. With respect to the liabilities so transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company, 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 liabilities have arisen, in order to give effect to the provisions of this Clause.

18.4. All the existing Encumbrances, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date, over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such Encumbrances shall not relate or attach or extend to any of the other assets of the Transferee Company.

19. STAFF, WORKMEN & EMPLOYEES

19.1. Existing employees, if any, who are in service on the date immediately preceding the Effective Date shall, on and from 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 all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

20. LEGAL PROCEEDINGS AND INDEMNITY

20.1. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date and relating to the Remaining Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective Date incurred by the Transferor Company shall be to the account of the Transferee Company.

20.2. Other Liabilities are the responsibility of Godrej & Boyce Ltd. and Godrej Investments Pvt. Ltd. alone in terms of any indemnity given by Godrej & Boyce Ltd. and Godrej Investments Pvt. Ltd. to DS and GSL.

21. CONTRACTS, DEEDS, ETC.

21.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date, including the Framework Agreement, and to which the Transferor Company is a party, shall continue in full force and effect against or in favour of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

21.2. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

21.3. Subject to Closing (as defined in the Framework Agreement) having occurred, and with effect from the Effective Date, each of the parties to the DS Support Undertaking confirms that it irrevocably and unconditionally waives any rights or claims it has, or may at any time in the future have (and undertakes not to bring or assist in the bringing of any claim of any nature whatsoever (including in respect of any breach)) in respect of the contracts listed in Schedule 5;

22. It is expressly clarified that upon the Scheme becoming effective all Taxes in relation to the Remaining Undertaking payable by the Transferor Company shall be treated as the tax liability of Transferee Company; similarly all credits for tax deduction at source, credit of MAT paid and advance tax paid on the income of the Remaining Undertaking shall be available to Transferee Company. Any obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with as if so made by the Transferee Company.

Part 3

23. CONSIDERATION

23.1. Upon the Scheme becoming effective, the entire share capital of the Transferee Company held by the Transferor Company itself or through its nominees shall stand cancelled.

23.2. In consideration of the Amalgamation, the Transferee Company shall issue and allot to each resident shareholder (including the ESOP Trust)of the Transferor Company and subject to approval by the Reserve Bank of India, to all non-resident shareholders of the Transferor Company, 1 (one) fully paid up redeemable preference shares of Rs. 68 each (the terms of which are provided in Clause 23.6 below in the Transferee Company **("Redeemable Preference Share")** for every 1 (one) fully paid up equity shares each of the Transferor Company.

23.3. If the approval of the Reserve Bank of India as contemplated under Clause 23.2 above is not received prior to the Effective Date, such non-resident shareholders of the Transferor Company **("GL NR Equity Shareholders")** shall be issued and allotted 24 fully paid unlisted equity share of Rs. 10 each of the Transferee Company for every 1793 fully paid up equity shares of Rs. 2 each of the Transferor Company held by such shareholder as set out in the valuation report issued by Walker Chandiok & Co LLP **("GSL NR Equity Shares")** on the Record Date which shall be compulsory purchased by DS and/or their affiliates or any other Person and/ or entity identified by them **("Purchasers"),** immediately on issuance of GSL NR Equity Shares.

23.4. In the event GSL NR Equity Shares are required to be issued pursuant to Clause 23.3 above, on or before the Record Date, GSL, subject to the approval of the Reserve Bank of India, shall appoint category -1 merchant bankers **("Merchant Banker(s)")** to act on behalf of and as an agent and trustee of the GSL NR Equity Shareholders for the sale and purchase of the GSL Equity Shares as stated in Clause 23.3 above in the manner provided hereunder:

23.4.1. GSL shall issue and allot GSL NR Equity Shares to the Merchant Banker(s) and the Merchant Banker(s) shall, for and on behalf of GL NR Equity Shareholders receive the GSL NR Equity Shares in an on-shore escrow account opened by it with a scheduled commercial bank in India upon terms and conditions acceptable to the Board of Directors of GSL, for this purpose **("Escrow Account").**

23.4.2. The Merchant Banker(s),shall for and on behalf of the GL NR Equity Shareholders sell the GSL Equity Shares to the Purchasers, within 30 (thirty) days from the date of allotment of the GSL NR Equity Shares by the Transferee Company and the Purchaser shall purchase at a price of Rs. 5080.3 which includes a premium of Rs. 5070.3 per GSL Equity Share as set out in the valuation report issued by Walker Chandiok & Co LLP.

23.4.3. Upon receipt of the sale proceeds on sale of the GSL NR Equity Shares pursuant to Clause 23.4.2 above, the Merchant Banker(s) shall distribute such proceeds (net of expenses) to the GL NR Equity Shareholders within 7 (seven) business days from the date of receipt of such proceeds, after deducting or withholding taxes or duties as may be applicable, in the proportion to their entitlements as per instructions of the Purchasers and their Tax advisors.

23.4.4. If the bank details of the GL NR Equity Shareholders are notified with the registrar and transfer agent of the Transferor Company, the Merchant Banker may cause the credit of the sale proceeds to such banks.

23.4.5. Notwithstanding anything to the contrary contained in any Applicable Law, the allotment of the GSL NR Equity Shares to the Merchant Banker for and on behalf of the GL NR Shareholders under this Scheme, shall be deemed to be allotment of equity shares to the GL NR Equity Shareholders under the provisions of Applicable Law.

23.4.6. All the expenses including the appointment of the Merchant Banker, opening of the Escrow Account, the stamp duty for the said transfer of the GSL NR Equity Shares shall be borne by the Purchaser.

23.5. Walker Chandiok & Co LLP have issued the report on the share entitlement ratio adopted under Clause 23 of the Scheme.

23.6. Terms of issue of Redeemable Preference Shares:

(a) Face value

The Redeemable Preference Shares issued shall have a face value of Rs. 68 per Redeemable Preference Share

(a) Coupon

The Redeemable Preference Share shall subject to the provisions of the Articles of Association of the Transferee Company and the Act confer the holders thereof a right to fixed preferential dividend of 7% per annum in priority to the equity shares subject to deduction of taxes at source if applicable. Dividend to be paid at each quarterly period i.e. 1.75% per quarter.

(b) Voting Rights

The holder of the Redeemable Preference Share shall have the right to vote in general meeting of the Transferee Company in accordance with Section 47 of the Companies Act 2013.

(c) Redemption

The Redeemable Preference Shares are redeemable on the expiry of 15 (fifteen) months from the date of allotment. Each Redeemable Preference Share shall be redeemable at par. Provided however, up to a period of 15 (fifteen) days prior to the end of every successive period of 3 (three) months from the date of allotment of the Redeemable Preference Shares **("Quarterly Redemption Period"),** any holder of the Redeemable Preference Share shall have the right but not an obligation to request the Transferee Company for redemption of the Redeemable Preference Shares held by such Person. Within a period of 15 (fifteen) days after the end of the Quarterly Redemption Period, the Transferee Company shall redeem the Redeemable Preference Shares that have been validly tendered for redemption during the Quarterly Redemption Period. In the event any holder of the Redeemable Preference Share does not request the Transferee Company to redeem the Redeemable Preference Shares held by such a Person during the Quarterly Redemption Period, the Redeemable Preference Shares held by such Person shall be redeemed within 30 (thirty) days from the expiry of the said tenure of 15 (fifteen) months.

(d) Taxation

All payments in respect of the redemption of the Redeemable Preference Shares shall be made less any deductions or withholding for or on account of any present or future taxes or duties as required under Applicable Laws.

(e) Listing

The Redeemable Preference Shares shall be listed on a recognized stock exchange.

(f) Winding-up

In the event of winding up of the Transferee Company, the holders of the Redeemable Preference Shares shall have a right to receive of the paid up capital and arrears of dividend, whether declared or not, upto the commencement of winding up, in priority to any paid up capital on the equity shares out of the surplus but shall not have any further rights to participate in the profits of the assets of the Transferee Company.

23.7. The shares of the Transferee Company shall be issued in dematerialized form to those shareholders who hold shares of the Transferor Company in dematerialized form, in to the account in which the Transferor Company shares are held or such other account as is intimated by the shareholders to the Transferor Company and / or its Registrar. All those shareholders who hold shares of the Transferor Company in physical form shall also have the option to receive the Redeemable Preference Shares /equity shares (in case of non-resident shareholders of Transferor Company) in the Transferee Company, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferor Company and / or its Registrar. If not so notified, they would be issued equity shares in physical form.

23.8. In case any equity shareholder of the Transferor Company has shareholding such that it becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:

(a) consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall, sell such shares to the Purchasers and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;

(b) round oft all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders;

(c) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Transferor Company.

23.9. In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.

23.10. The Redeemable Preference Shares/ equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Transferee Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the board of directors of the Transferee Company shall be empowered to take such actions as may be necessary in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the shares issued by the Transferee Company pursuant to the Scheme.

23.11. Approval of this Scheme by the shareholders of the Transferor Company shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme. Further the issue and allotment of the Redeemable Preference Shares shall be deemed to be on a private placement basis.

23.12. The Transferee Company shall after the merger of authorized share capital pursuant to Clause 30 shall to the extent necessary increase its authorized share capital to facilitate the issue of shares pursuant to Clause 24 before the Record Date.

23.13. The Redeemable Preference Shares shall be listed on a recognized stock exchange. However, the equity shares of the Transferee Company shall not be listed and/or admitted on any stock exchanges in India. The Scheme therefore envisages an exit mechanism by way of compulsory purchase of such equity shares by the Purchasers as per this Clause 23. The Transferee Company shall apply for listing of its Redeemable Preference Shares in accordance with Applicable Law.

23.14. The exit options provided in the Scheme are fair just, equitable and reasonable. In view of options and exit options provided under this Clause 23, the non-listing of equity shares of the Transferee Company will not adversely affect the rights of the shareholders of the Transferor Company regarding sale and disposal of the shares issued pursuant to this Clause.

23.15. Subject to the provisions of this Scheme, the Redeemable Preference Shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

24. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

24.1. All assets and liabilities of the Transferor Company shall be recorded in the books of the Transferee Company at their respective fair values.

24.2. Intercompany investments between Transferor Company and Transferee Company, balances and transactions, if any, shall stand cancelled.

24.3. The difference being the excess of the value of the assets over the value of liabilities of the Transferor Company after making the adjustment as mentioned above and also after adjusting for issuance of Redeemable Preference Shares, shall be credited to capital reserve account of the Transferee Company. In case there being a deficit, the same would be recorded as goodwill in the books of Transferee Company.

24.4. The Transferee Company shall credit to its share capital account, the aggregate face value of the Redeemable Preference Shares issued by it pursuant to Clause 23 of this Scheme. The difference between the fair value and face value of Redeemable Preference Shares, if any, issued pursuant to Clause 23 of this Scheme shall be credited to securities premium account.

24.5. The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 23 of this Scheme.

24.6. The difference between the fair value and face value of equity shares issued pursuant to Clause 23 of this Scheme shall be credited to securities premium account.

24.7. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Profit and Loss Account mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

24.8. The Board of directors of the Transferee Company may account for any of the balances in accordance with the prescribed Accounting Standards and applicable Generally Accepted Accounting Principles.

25. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

25.1. With effect from the Appointed Date and upto and including the Effective Date all the income or profits accruing or arising to the Transferor Company in relation to the Remaining Undertaking and all costs, charges, expenses or losses incurred by the Transferor Company in relation to the Remaining Undertaking shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.

26. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

27. SAVING OF CONCLUDED TRANSACTIONS

27.1. The transfer of properties and liabilities under Clause 18 above and the continuance of proceedings by or against the Transferor Company under Clause 20 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after April 1, 2016 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 respect thereto as done and executed on behalf of the Transferee Company.

28. WINDING UP

28.1. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

29. Compliance with Section 2(1B) of the Income Tax Act 1961

The provisions of this Scheme as they relate to the amalgamation of the Transferor Company into and with the Transferee Company have been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) 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 of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the provisions of this Chapter 3 of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

30. Reduction of Share Capital and Combination of Authorised Share Capital

30.1. Upon this Scheme becoming effective, the existing shareholding of the Transferor Company in the Transferee Company, shall, without any consideration and without any further act or deed, be cancelled as an integral part of this Scheme, in accordance with provisions of Sections 100 to 103 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the 1956 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Transferee Company, the Transferee Company shall not be required to add “And Reduced” as suffix to its name.

30.2. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Transferor Company shall (after consolidation of share to the face value of Rs. 10/- each) stand transferred to and be added with the authorised share capital of the Transferee Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13,14, 61 and other applicable provisions of the Companies Act, 2013 and Section 394 of the Act and no resolutions or consent and approvals would be required to be passed by the Transferee Company.

30.3. Consequently, Clause V(a) of the Memorandum of Association of the Transferee Company upon the coming into effect of this Scheme and without any further act or deed, be replaced by the clause set out below:

"V. (a) The Authorised Share Capital of the Company is Rs. 19,00,00,000/- (Rupees Nineteen Crores only) divided into 1,87,00,000 Equity Shares of Rs. 10/- each and 3,00,000 Class A and Class B Equity Shares ofRs 10/- each with differential rights as to voting."

31. Books and Record of the Transferor Company

The Transferee Company acknowledges that all books and records of GL pertaining to the Demerged Business Undertaking shall be transferred to HL on the Effective Date and GL or its successor the Transferee Company shall be entitled to keep a copy of the same, provided that it: (i) shall not use such information for any commercial purpose or in any manner detrimental to the Business Undertaking; (ii) shall only use such information, for defense of Third Party Claims in relation to the Demerged Business Undertaking, if required, and such usage shall not be deemed to be a breach of Clause 31(i). In relation to such books and records not pertaining to the Demerged Business Undertaking or which pertain to GL in general and cannot be specifically segregated or detached for handing over purposes, GL or its successor the Transferee Company shall provide to HL on the Effective Date, a certified extract of such books and records containing information relating to the Demerged Business Undertaking. GL or its successor the Transferee Company shall retain and preserve for the purpose of meeting its obligations under this paragraph copies of such books and records for at least 2 (two) years following the Effective Date. The Transferee Company and HL agree that for a period of two (2) years from the Effective Date, the Transferee Company being GL's successor, shall co-operate with and provide to HL all requisite information as may be available with it and reasonably required by it for the purposes of carrying on the business activities of the Demerged Business Undertaking by HL after the Effective Date including in relation to any customers, vendors or suppliers of GL, defending any claims or liabilities of whatsoever nature as may arise in relation to the activities of the Demerged Business Undertaking prior to the Effective Date; provided however that in the event any information is required pursuant to Applicable Law or Appropriate Authority, the time period of two (2) years shall be extended accordingly.

CHAPTER 4

GENERAL TERMS AND CONDITIONS

32. APPLICATION TO HIGH COURT

32.1. The Demerged Company / the Transferor Company, the Resulting Company and the Transferee Company shall make applications /petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act to their respective jurisdictional High Courts for sanction of this Scheme under the provisions of law.

32.2. The Resulting Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company may require to effect the transactions contemplated under the Scheme, in any case subject to the terms of the Framework Agreement.

33. DECLARATION OF DIVIDEND, BONUS, ETC.

33.1. During the period between the date of approval of this Scheme by its Board of Directors and upto and including the Effective Date, the Demerged Company shall not declare or pay any dividends.

33.2. 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 Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of the Companies and subject, wherever necessary, to the approval of the shareholders of the concerned Company.

34. MODIFICATION OR AMENDMENTS TO THE SCHEME

34.1. GL and HL agree that if, at any time, either of the High Courts or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of GL or HL, be binding on GL or HL, as the case may be, except where the prior written consent of the affected party i.e. GL or HL, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by GL or HL, as the case may be.

34.2. In the event a modification or amendment to the Scheme as required by the High Courts or any Appropriate Authority is not approved in accordance with this Clause 35, GL and HL shall, without prejudice to the binding nature of the Framework Agreement and without jeopardising the objectives of the Framework Agreement, enter into good faith discussions on the manner in which they shall proceed in relation to consummation of the transactions contemplated under the Agreement and the Scheme. HL acknowledges and agrees that the Demerger and Amalgamation are integral parts of the Scheme for GL such that the implementation of either the Demerger or the Amalgamation cannot be severed or undertaken independently of the other except with the written consent of GL. Provided however that if GSL or DS are in material breach of their obligations under the DS Support Undertaking, GL and GSL agree and shall procure that the Scheme shall be modified (and withdrawn and refiled if required by Applicable Law) such that the Demerger of the Demerged Business Undertaking shall be severed from the Amalgamation and the Demerger consummated independently of the Amalgamation of the Remaining Undertaking on the same terms and conditions applicable to the Demerger as set out herein. It is clarified that upon such modification withdrawal and severance of the Demerger as an independent transaction, DS or GSL shall not have any obligation or liability towards the Resulting Company, except as specified in the DS Support Undertaking.

34.3. GL and HL acknowledge that in terms of the DS Support Undertaking, any modification or amendment to the Scheme shall be subject to the prior written consent of DS (not to be unreasonably withheld), to the extent that such amendment adversely affects the interest of DS. HL acknowledges that for such amendment or modification to the Scheme, GL will be required to obtain prior written consent of GSL and DS (which shall not be unreasonably withheld).

34.4. Notwithstanding anything contained in Clause 34.1 to 34.3, any modification to the Scheme by the any of the Companies, after receipt of sanction by the High Courts, shall be made only with the prior approval of the High Courts.

35. CONDITIONALITY OF THE SCHEME

35.1. This Scheme is conditional upon and subject to:

(a) The requisite consent, approval or permission of the Reserve Bank of India for the transfer of the overseas subsidiaries forming part of the Demerged Business Undertaking to the Resulting Company and the transfer of all loans/guarantees provided by GL to its overseas subsidiaries forming part of the Demerged Business Undertaking to the Resulting Company;

(b) If required, the Competition Commission of India (or any appellate authority in India having appropriate jurisdiction) having either: (a) granted approval to this Scheme in form and substance acceptable to the Demerged Company (only to the extent it does not impose any onerous conditions on the Demerged Company or the Transferee Company or alters the terms and conditions of the ancillary documents (as such term is defined in the Framework Agreement) and the Resulting Company; or (b) been deemed to have granted approval to the Scheme through the expiration of time periods available for their investigation and any period of limitation for filing an appeal therefrom having elapsed.

(c) any waiting period (and any extension thereof) applicable to the consummation of the transactions contemplated in the Framework Agreement the Hart-Scott-Rodino Antitrust Improvements Act of 1976 shall have expired or been terminated;

(d) The Scheme being approved by the written consents or requisite majorities in number and value of such classes of Persons including the respective members and/or creditors of the Companies as may be directed by the relevant High Courts or any other competent authority, as may be applicable.

(e) The Scheme being sanctioned by the concerned High Court under Sections 391 to 394 of the Act.

(f) The fulfilment, satisfaction or waiver (as the case may be) of the conditions precedent under the Framework Agreement by HL and GL, in accordance with the terms thereof.

(g) Certified copy of the Order of the High Courts sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Companies.

35.2. The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date. It is clarified that sequentially the Scheme shall come into effect Chapter-wise i.e. Chapter 2 (the Demerger) shall be given effect to first, followed by Chapter 3 (Amalgamation).

36. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

36.1. In the event the Scheme does not come into effect by April 1,2017, or such other date as mutually agreed by the Demerged Company and the Resulting Company **("Long Stop Date"),** either of the Demerged Company or the Resulting Company may opt to terminate this Scheme and if required may file appropriate proceedings before the concerned High Court in this respect. Provided however, that Demerged Company or the Resulting Company shall have the right to extend the Long Stop Date, once, by three (3) months if the Scheme does not come into effect on or prior to the Long Stop Date as a result of delays in receipt of any approvals required by the Resulting Company or the Demerged Company from the High Court, the Competition Commission of India, SEBI, the Reserve Bank of India or under the Hart- Scott-Rodino Antitrust Improvements Act, 1976 for the transactions contemplated under the Scheme and such approval(s) are reasonably likely to be received within such further three (3) month period; and provided, further, that the right to terminate this Scheme shall not be available to the Demerged Company or the Resulting Company if its failure to fulfill any obligation under this Scheme or the Framework Agreement shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

37. EXPENSES CONNECTED WITH THE SCHEME

37.1. Except as stated in Clauses 37.2, 37.4 and 37.5 below, each Company shall bear its own costs, charges and expenses in relation to the transactions contemplated herein.

37.2. All costs, charges and expenses including registration expenses in respect of the Demerger of the Demerged Business Undertaking from the Demerged Company to the Resulting Company in terms of or pursuant to this Scheme shall be borne by the Resulting Company.

37.3. The Resulting Company shall not be liable for capital gains tax, if any, arising out of demerger of the Demerged Business Undertaking by the Demerged Company to the Resulting Company or the amalgamation of the Transferor Company with the Transferee Company pursuant to the Scheme.

37.4. Stamp duty on the Scheme shall be borne by the Resulting Company and Transferee Company in the proportion of 75% (Resulting Company): 25% (Transferee Company). Notwithstanding the foregoing, if pursuant to any adjudication order of any competent Appropriate Authority (which order has not been set aside as a result of challenge by either Party in a court of law): (i) stamp duty, if any, payable exclusively on the Sanction Order and relatable only to the Demerger, shall be paid by the Resulting Company alone; and (ii) stamp duty, if any, payable exclusively on the Sanction Order and relatable only to the Amalgamation, shall be paid by Transferee Company alone. Stamp duty on issuance of shares pursuant to the Demerger shall be borne by Resulting Company and stamp duty on issuance of shares pursuant to the Amalgamation shall be borne by the Transferee Company.

37.5. All costs, charges and expenses in respect of the Amalgamation of the Remaining Undertaking from the Transferor Company to the Transferee Company in terms of or pursuant to this Scheme shall be borne by the Transferee Company.

38. POWER TO REMOVE DIFFICULTIES

The Board of Directors of the Companies, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:

38.1. give such directions (acting jointly) as may be mutually agreed in writing by the Companies as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those.

38.2. do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

39. WRONG POCKET ASSETS

39.1. If any part of the Demerged Business is not transferred to the Resulting Company on the Effective date pursuant to the Demerger, the Transferee Company shall take such actions as may be reasonably required to ensure that such part of the Demerged Business is transferred to the Resulting Company promptly and for no further consideration. The Resulting Company shall bear all costs and expenses as may be incurred by the Transferee Company, subject to the prior written consent of the Resulting Company, for giving effect to this Clause.

39.2. If the Demerged Company or the Transferee Company realizes any amounts after the Effective Date that pertain to the Demerged Business, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Business, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Business Undertaking and shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Transferee Company, it shall immediately pay such amounts to the Transferee Company.

SCHEDULE 1

Immovable Property

Name of the Company	Address	Comments
Geometric Limited	Geometric Limited Unit No. 703-A, 7th floor, B Wing, Reliable Tech Park, Airoli, Navi Mumbai 400708 India	Leased
	Geometric Limited Plot No. 6&8, Rajiv Gandhi Infotech Park, M.I.D.C., Phase-1, Hiniewadi, Pune 411 057 India	Land leased from MIDC - Building owned by Geometric
	Geometric Limited Neopro Technologies Pvt Ltd (SEZ), Block IT-2, 3rd floor, S. No. 154/6 Rajiv Gandhi InfoTech Park Phase-1, Hinjewadi, Pune 411 057 India	Leased
	Geometric Limited Neopro Technologies Pvt Ltd (SEZ), Block IT-5, 5th & 6th floor, S. No. 154/6, Raiiv Gandhi InfoTech Park Phase-1, Hinjewadi, Pune 411 057 India	Leased
	Geometric Limited EmbassyTech Village Ground Floor, Tower 3 of 2B, Survey No. 12/3 & 12/4 of Devarabeesanhalli Village, Varthur Hobli, Bangalore East Taluka, Bengaluru 560 037 India	Leased
	Geometric Limited SP Info City, Block A, 1st Floor, Module 4, No.40, MGR Salai, Perungudi, Kandanchavadi, Chennai 600 096 India	Leased
	Geometric Limited S.P. Info city Plot No. 40, Module No. 2 ,1st Floor Block A, MGR Road South (Veeranam Road South), Perungudi Village, Chennai - 600 096	Leased
	Office Level 1, H-08 Building, HITEC City-2, Phoenix Infocity Pvt Ltd SEZ, Gachibowli (V) Serilingampallv (M), R.R Dist.,Village, Hyderabad- 500032	Leased
	Flat no. 703, Sai Raj CHS, Plot No. 22, Sector -6, Airoli, Navi Mumbai	Leased - Guest House
Geometric Ltd.- UK	Geometric (India) Limited Ground Floor Office 210, 2430 / 2440 The Quadrant, Aztec West, Almondsbury, Bristol, BS32 4AQ, United Kingdom	Leased
Geometric Ltd.- Germany	Dachauer Strasse 15a 85764 OberschleiBheim, Germany	Leased
Geometric China, Inc.	Geometric China, Inc. 23B, The World Square, 855 South Pudong Rd, Pudong New Area, Shanghai, PRC	Leased
Geometric Asia Pacific Pte Ltd. - Japan	Geometric Asia Pacific Pte. Ltd. Hikari Bldg 9F, 1-43-7 Yoyogi, Shibuya-Ku, Tokyo 151-0053 Japan	Leased
Geometric Americas Inc.	Geometric Americas, Inc. 50 Kirts Blvd., Suite A, Troy, MI 48084 USA	Leased
	Geometric Americas, Inc. 2001 52nd Avenue, Suite 2, Moline, IL 61265 USA	Leased
	Geometric Americas, Inc. 412 SW Washington Street, Suite A, Peoria, IL 61602 USA	Leased
	Geometric Americas, Inc. 15974 N 77th St, Suite 103, Scottsdale, AZ 85260-1790 USA	Leased
Geometric Americas Inc. - Canada	Geometric Americas, Inc. Regus HQ, 2001 University Street, Suite 1700, Montreal, Quebec, H3A 2A6 Canada	Leased
Geometric, SAS	Geometric SAS 17, Avenue Didier Daurat, Batiment Socrate, First Floor 31702 Blagnac Cedex, Toulouse, France	Leased

Name of the Company	Address	Comments
Geometric SRL	Geometric SRL Parcul Mic 19-21, bl.2 sc.A Mezzanine, Brasov, 500386, Romania	Leased
Geometric Europe GmbH	Geometric Europe GmbH Dachauer Strasse 15a 85764, OberschleiBheim, Germany	Leased
Geometric Europe GmbH	Geometric Europe GmbH Prostep AG , 3rd floor Object TaunusstraBe 42, Munich 80807	Leased for BMW project
Geometric GmbH	Geometric GmbH Dachauer Strasse 15a 85764, OberschleiBheim, Germany	Leased
Geometric GmbH	Geometric GmbH businessPARK - Osterhofener Str. 12, 93055, Regensburg, Germany	Leased
Geometric Europe GmbH - Netherlands	Geometric Europe GmbH Flight Forum 40, Ground Floor, 5657 DB Eindhoven	Leased
Geometric Europe GmbH	Leopoldstrasse Business-Center, Room No. 144, Leopoldstrasse 244, Munchen 80807	Leased

SCHEDULE 2

List of branches and subsidiaries

Geometric Limited

List of subsidiaries and branches

Sl. No.	Countries	Subsidiaries	Branches
1.	France	NIL	Geometric Limited France Branch
2.	Germany	Geometric Europe GmbH	Geometric Limited Germany Branch
3.	UK	NIL	Geometric (India) Ltd. - UK Branch
4.	USA	Geometric Americas Inc.	NIL
5.	Singapore	Geometric Asia Pacific Pte. Ltd.	NIL
6.	Sweden	NIL	Geometric Limited-Sweden Branch (Deemed PE)

Geometric Americas Inc.

List of subsidiaries and branches

Sl. No.	Countries	Subsidiaries	Branches
1.	Canada	NIL	Geometric Americas Inc. Branch in Canada

Geometric Asia Pacific Pte. Ltd.

List of subsidiaries and branches

Sl. No.	Countries	Subsidiaries	Branches
1.	Australia	NIL	Geometric Asia Pacific Pte. Ltd. Branch in Australia
2.	China	Geometric China Inc.	NIL
3.	Korea	NIL	Geometric Asia Pacific Pte. Ltd. Branch in Korea
4.	Japan	NIL	Geometric Asia Pacific Pte. Ltd. Branch in Japan

Geometric Europe GmbH

List of subsidiaries and branches

Sl. No.	Countries	Subsidiaries	Branches
1.	Germany	Geometric GmbH	NIL
2.	France	Geometric SAS	NIL
3.	Romania	Geometric SRL	NIL
4.	Netherlands	NIL	Geometric Europe GmbH Netherlands Branch
5.	Sweden	NIL	Geometric Europe GmbH - Sweden Filial branch

SCHEDULE 3

DETAILS OF EMPLOYEE STOCK OPTIONS

S. No.	Name of scheme	Status as of March 25, 2016					
		Granted	Vested and unexercised	Unvested	Exercised	Cancelled	Lapsed
1	ESOP Scheme 2009	1,116,950	-	-	6,06,500	5,10,450	-
2	ESOP Scheme 2009 - Employees	600,000	-	-	362,645	193,555	43,800
3	ESOP Scheme 2009 - Directors	250000	-	-	250000	-	-
4	ESOP Scheme 2011	2,004,350	277,692	5,000	1,124,279	597,379	-
5	ESOP Scheme 2013 - Employees	3,304,600	398,990	1,292,250	572,640	1,040,720	-
6	ESOP Scheme 2013 - Directors	250,000	125,000	125,000	-	-	-

SCHEDULE 4

All intellectual property rights in relation to the following:

1. 3D PLM; and
2. 3dPLM Software
   A Joint Venture of Geometric & Dassault Systemes

SCHEDULE 5

I. List of vendor contracts:

Sl. No.	Agreement	Parties	Agreement Name	Agreement Effective Date
1	00901A2000DS	Dassault Systemes France and Geometric Limited	Code Test Loan Agreement	28-Jul-2000
2	00065A2001DS	Dassault Systemes France and Geometric Limited	Preindustrial Code Test Loan Agreement	29-Jan-2001
3	00746A2002DS and 00658A2004DS, 00167-2009DS	Dassault Systemes France and Geometric Limited	Cooperation Agreement for services related to DS Group Products + Amendment No. 1 and 2	01-Jul-2002
4	00744A2002DS and 00100A2004DS, 03970-2008DS, 10232-2012DS, 07560-2013DS	Dassault Systemes France and Geometric Limited	Version 5 Development Service Provider Agreement + Amendment No. 1 and 2 + 3 + 4	01-Jul-2002
5	00132A2004DS	Dassault Systemes France and Geometric Limited	License Agreement for Development & Engineering Services	16-Feb-2004
6	00751A2005GRUP and 02140-2009GRUP	Dassault Systemes France and Geometric Limited	Software Partner Agreement (related to xPDM Gateway and GEOMCALIPER ON CATIA V5 ADVANCED) + Amendment 1	22-Jul-2005
7	01900-2009DS	Dassault Systemes France and Geometric Limited	Industry Solution Partner Agreement	30-Jun-2009
8	Geometric DSGRUP SPPA 2010 Nov 05	Dassault Systemes France and Geometric Limited	Service Provider Partner Agreement + Amendment No.1	9-Nov-2010
9	05220-2010DS	Dassault Systemes France and Geometric Limited	DS V6APS Community Partner Agreement	11-Jun-2012
10	00811-2011DS	Dassault Systemes France and Geometric Limited	Limited Use Software License Agreement # LEGL-4155	19-May-2011

II. List of Customer Contracts:

Sl. No.	Parties	Name of the Agreement	Contract Start Date
1	Dassault Systemes and Geometric Limited	Frame Agreement for Transfer of Software Programs	26-Mar-2002
2	Dassault Systemes and Geometric Limited	Option Agreement (for purchase of FR in the event of Geometric's Change of Control)	31-Mar-2002
3	Dassault Systemes and Geometric Limited	Software Component Provider Agreement	31-Mar-2002
4	Dassault Systemes and Geometric Limited	Global Bilateral Services Agreement # 01511A2002GRUP and all SOWs and Pos issued pursuant to this agreement	1-Oct-2002
5	Dassault Systemes and Geometric Limited	Software License Agreement for licensing VPM Nav-related components and the Gateway Core component	1-Aug-2006
6	DS Enovia Corp. (formerly MatrixOne Inc.) and Geometric Limited	Master Software Development Agreement	10-May-2001
7	DS Enovia Corp. (formerly MatrixOne Inc.) and Geometric Limited	Integrated Product Agreement	20-Dec-2001
8	Dassault Systemes and Geometric Limited	Software License Agreement # 01637-2008DS for licensing Components	1-Apr-2008

II. List of Customer Contracts:

Sl. No.	Parties	Name of the Agreement	Contract Start Date
1	Dassault Systemes and Geometric Limited	Frame Agreement for Transfer of Software Programs	26-Mar-2002
2	Dassault Systemes and Geometric Limited	Option Agreement (for purchase of FR in the event of Geometric's Change of Control)	31-Mar-2002
3	Dassault Systemes and Geometric Limited	Software Component Provider Agreement	31-Mar-2002
4	Dassault Systemes and Geometric Limited	Global Bilateral Services Agreement # 01511A2002GRUP and all SOWs and Pos issued pursuant to this agreement	1-Oct-2002
5	Dassault Systemes and Geometric Limited components and the Gateway Core component	Software License Agreement for licensing VPM Nav-related	1-Aug-2006
6	DS Enovia Corp. (formerly MatrixOne Inc.) and Geometric Limited	Master Software Development Agreement	10-May-2001
7	DS Enovia Corp. (formerly MatrixOne Inc.) and Geometric Limited	Integrated Product Agreement	20-Dec-2001
8	Dassault Systemes and Geometric Limited	Software License Agreement # 01637-2008DS for licensing Components	1-Apr-2008

III. List of other contracts:

Sr.No.	Parties	Agreement Name	Agreement Date
1.	3DPLM, Dassault Systemes And Geometric Limited	Amended And Restated Shareholders Agreement	4-Mar-15
2.	Dassault Systemes And Geometric Limited	Non Disclosure Agreement	23-Jan-02
3.	3DPLM, Dassault Systemes And Geometric Limited	Amended And Restated Escrow Agreement	Nil
4.	3DPLM, Dassault Systemes And Geometric Limited	Umbrella Agreement	16-Sep-08
5.	3DPLM, Dassault Systemes And Geometric Limited	Frame Services Agreement	9-Feb-04
6.	Geometric Limited and 3DPLM	Management And Shared Services Agreement	9-Feb-12
7.	Geometric Limited and 3DPLM	Management And Shared Services Agreement Amdnt No 1	1-Apr-12
8.	Geometric Limited and 3DPLM	Management And Shared Services Agreement Amdnt No 2	1-Apr-13
9.	Geometric Limited and 3DPLM	Management And Shared Services Agreement Amdnt No 3	1-Apr-14
10.	Geometric Limited and 3DPLM and 3DGS	Management And Shared Services Agreement Amdnt No 4	1-Apr-15
11.	Geometric Limited and 3DPLM	Trade logo License Agreement	23-Jan-02
12.	Geometric Limited and 3DPLM	Agreement (License Agreement learning tools)	18-Jan-13

Sr.No.	Parties	Agreement Name	Agreement Date
13.	Geometric Limited and 3DPLM	Subcontract Services Agreement	17-May-04
14.	3DPLM, Dassault Systemes And Geometric Limited	Umbrella Agreement for 3DGS arrangement	4-Mar-15
15.	Geometric Limited and 3DPLM	Leave and License (LEGL-10247) CUG Area	24-Sep-15
16.	Dassault Systemes And Geometric Limited	Global Bilateral Services Agreement # 01511A2002GRUP	1-Oct-02
17.	Dassault Systemes And Geometric Limited	All CUG SOWs (Pune 3DPLM premises)	
18.	Dassault Systemes Americas Corp. And Geometric Limited	All CUG SOWs (Pune 3DPLM premises)	
19.	DS Group and Geometric Group (onsite)	SOWs for onsite work	
20.	**3DPLM Global Services Pvt. Ltd. related agreements**		
21.	3DPLM Global Services Pvt. Ltd. and Geometric Americas Inc.	Master Services Agreement # LEGL-9458 for subcontracting work to 3DGS	4-Mar-15
22.	Geometric SAS	Affiliate Participation Agreement adopting the MSA # LEGL -9458	16-Apr-15
23.	Geometric Ltd.	Affiliate Participation Agreement adopting the MSA # LEGL -9458	16-Apr-15
24.	Geometric Asia Pacific Pte. Ltd.	Affiliate Participation Agreement adopting the MSA # LEGL -9458	16-Apr-15
25.	Geometric Europe GmbH	Affiliate Participation Agreement adopting the MSA # LEGL -9458	16-Apr-15
26.	3DPLM Global Services Pvt. Ltd. and Geometric Group	All SOWs for PSA and Honda projects	

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, DELHI
BENCH III

CAA- 138/ ND/ 2019
In
CA(CAA)-88/ND/2019

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation
Between

HCL Eagle Limited
(Transferor Company 1/ Petitioner Company 1)

HCL Comnet Limited
(Transferor Company 2/ Petitioner Company 2)

HCL Technologies Solutions Limited
(Transferor Company 3)

Concept2silicon Systems Pvt. Ltd.
(Transferor Company 4)

With

HCL Technologies Limited
Transferee Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order delivered on 12th December, 2019

CORAM

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

K.K. VOHRA, MEMBER (TECHNICAL)

for petitioner(s): Mr. NPS Chawla

HCL EAGLES LTD. & ORS.
CAA-138/ND/2019;

F*or Regional Director: Mr. B. Mishra*
For O.L. : Mr. D.K Singh
For I.T : Mr. Rajeev Kumar, Mr. Raghvendra Singh

ORDER

Per: **CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**

1. Under consideration is the CAA- 138/ ND/ 2019 filed under Sections 230 to 232 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The present petition has been filed by the Petitioner Companies named above for the purpose of the approval of the Scheme of Amalgamation, as contemplated between the Companies and its Shareholders by way of Amalgamation of Transferor Companies with the Transferee Company. As per the Scheme of Amalgamation (in short, ***'Scheme'***), *"Crest Creations Private Limited" "HCL Comnet Limited" "HCL Technologies Solutions Limited" and "Concept2Silicon Systems Private Ltd."* (hereinafter referred to as ***'Transferor Companies'***) are proposed to be merged with *"HCL Technologies Limited"* (hereinafter referred to as ***'Transferee Company'***) as a going concern.

2. The Transferor Company 1 being an unlisted public limited Company was incorporated on 14th September 2011, under the Companies Act, 1956. The Transferor Company's Corporate Identification Number (in short **"CIN"**) is U72200DL2011PLC225052.

3. The Transferor Company 2 being an unlisted public limited Company was incorporated on 8th August 2001, under the Companies Act, 1956. The Transferor Company's CIN is U74899DL2001PLC111951.

4. The Transferor Company 3 being an unlisted public limited Company was incorporated on 14th December 1999, under the Companies Act, 1956. The Transferor Company's CIN is U72900KA1999PLC026077.

5. The Transferor Company 4 being a private limited Company was incorporated on 24th June 2009, under the Companies Act, 1956. The Transferor Company's CIN is U72200KA2009PTC050240.

6. The Transferee being a public limited company was incorporated on 12th November 1991 under the Companies Act, 1956. Its **CIN** is L74140DL1991PLC046369.

7. The main object of the Transferee Company is to carry on the business of IT services that helps global enterprises re imagine and transform their businesses through digital technology transformation. The petitioner Company- III focuses on providing an integrated portfolio of services underlined by its mode 1-2-3 growth strategy.

8. The Board of Directors of the Transferor Companies have approved the present Scheme vide Resolution dated 10th May 2019. The other necessary requirements have also been fulfilled as per the Order dated 9th August, 2019 passed by this Bench in CA (CAA) - 88(ND)/2019.

9. The rationale of the scheme is stated under clause 2 of the Scheme, the business activities of the Transferor Companies are ancillary and incidental to the main business operations of the Transferee Company, amalgamation would result in the following benefits to the transferee Company, such as optimum and efficient utilisation of resources either in the form of assets and sharing of ancillary facilities, benefit of obtaining synchronisation of synergies, significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company etc.

10. The proposed scheme provides that, all properties, being movable or immovable, tangible or intangible, intellectual property rights belonging to the Transferor Companies and rights, titles and interest therein, if any, shall pursuant to provisions of Section 232(4) of the act be transferred to and stand vested in the transferee Company.

11. Clause 13 Scheme provides about Treatment Of Taxes, duties, cess payable by the Transferor Companies, accruing and relating to the Transferor Companies from the appointed date onwards, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any

refund and interest due thereon on any such credits, claims and exemption or refunds as the case may be of the Transferee Company. Upon scheme becoming effective the Transferee Company is permitted to file or revise returns of the Transferor Companies including but not limiting to TDS return, sales tax/ value added tax returns, service tax returns, GST returns and all other relevant returns filed with the governmental and registration authorities for the period either prior to the appointed date and period commencing on and from the appointed date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme.

12 Clause 11 of the scheme provides that all suits, actions and other proceedings including legal and taxation proceedings, if any, by or against the Transferor Companies pending and arising on or before the effective date shall be continued and or be enforced by or against the Transferee Company effectually and in the same manner and extent as if the same has been instituted and/ or pending and/or arising by or against the Transferee Company. It is further submitted by the Counsel for the Petitioners that no winding up petitions are initiated / pending against the Transferor Companies and there are no other investigations pending or proceedings initiated under the Companies Act, 2013 / 1956.

13. Further, the Regional Director, MCA (RD) in its affidavit has stated that no prosecution has been filed or investigation has been conducted in respect of the petitioner companies. The inspection of books of account and other records of the Transferee Company was conducted under Section 209A of the Companies Act, 1956 in the year 2008-09. The violations pointed out in the inspection report were later on compounded in terms of the provisions of section 621A of the Companies Act, 1956.

14. The Official Liquidator (In short, '**OL**') in his Report dated 22.11.2019, based on the information submitted by the Petitioner Companies is of the view that the affairs of the aforesaid Transferor Companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest as per the provisions of the Companies Act, 1956 the Companies Act, 2013 whichever is applicable.

15. The report of Income Tax was filed on 16.09.2019, the assessing officer of the HCL Technologies Solutions Limited has no objection regarding the proposed amalgamation.

16. Clause 20 of the Scheme provides with regard to accounting treatment, which states that the amalgamation of the Transferor Companies with and into the Transferee Company shall be accounted for as per "Pooling of Interest method" as provided under the "Indian Accounting Standard (Ind AS) 103 for Business Combination prescribed under Section 133 of the Act, as notified under the Companies Rules, 2015 as amended from time to time.

16. There is no additional requirement for any modification and the Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under Sections 230 to 232 of the Companies Act, 2013.

17. Taking into consideration the above, the Company Petition is **allowed** and the **Scheme** of Amalgamation annexed with the Petitions is hereby **Sanctioned.** The Scheme approved shall be binding on the Shareholders, Creditors and employees of the Companies involved in this Scheme. The Appointed date of the Scheme is 01.04.2019.

18. While approving the Scheme as above, it is further clarified that this Order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

19. The Companies to the said Scheme or other person interested shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.

20. A certified copy of this Order shall be filed with the concerned Registrar of Companies (ROC) within 30

days of the receipt of this Order.

21. The Transferor Companies shall be dissolved without winding up from the date of the filing of the certified copy of this Order with the concerned Registrar of Companies.

22. Upon receiving the certified copy of this Order, the RoC concerned is directed to place all documents relating to the Transferor Companies with that of the Transferee Company and the files relating to the Transferor Companies shall be consolidated with the files and records of the Transferee Company.

23. The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14.12.2016

24. Accordingly, the Scheme stands sanctioned and CAA - 138/ ND/ 2019 stands disposed of.

(K.K. VOHRA)	**(CH. MOHD SHARIEF TARIQ)**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH-III, NEW DELHI

CA-50/ ND/C-III/2020
In
CAA-/ 138/ND/C-III/2019
In
CA (CAA)-88/ND/2019

In the matter of Scheme of Amalgamation

HCL Eagle Limited

....Transferor Company -I

And

HCL Comnet Limited

....Transferor Company-II

And

HCL Technologies Solutions Limited

....Transferor Company -III

And

Concept2Silicon Systems Private Limited

....Transferor Company-IV

And

HCL Technologies Limited

....Transferee Company

And

Their respective shareholders and creditors

Order Delivered on 23rd January, 2020

CORAM

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

For Applicant: Vaish AdvocatesAdvocates

CORRIGENDUM

Under consideration is CA-50/ ND/C-III/2020in CA-/ 138/ND/C- III/2019, wherein it is prayed to rectify the errors crept in the order dated 12.12.2019.

Therefore, in exercise of the power conferred under Rule 154 of NCLT Rules, 2015 the Order dated 12.12.2019 stands rectified as follows:

1. In Para 1, line 7 the name "Crest Creations Private Limited" is substituted with ***"HCL Eagle Limited".***

2. In Para 15, line 1 the name "HCL Technologies Solutions Limited" is substituted with ***"HCL technologies Limited"***

In terms of the above, the CA-50/ ND/ C-III/2020 stands ***disposed of.***

CH. MOHD. SHARIEF TARIQ
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL

BENGALURU BENCH

CP (CAA) NO.01/BB/2020
Under Sections 230 to 232 and other applicable
Provisions of Companies Act. 2013
R/w Companies (CAA) Rules, 2016

IN THE MATTER OF SCHEME OF AMALGAMATION

AMONGST

HCL Eagle Limited
Regd. Off: 806, Siddharth 96, Nehru Place,
New Delhi - 110 019. - Transferor Company-I

AND

HCL Comnet Limited
Regd. Off: 806, Siddharth 96, Nehru Place,
New Delhi - 110 019. - Transferor Company-II

AND

HCL Technologies Solutions Limited
Regd. Off: 501-503, 4th Floor,
Oxford House No. 15, Rustam Bagh,
Behind Manipal Hospital, Main Road,
Bangalore - 560 017.

- **Transferor Company-III / Petitioner Company-I**

AND

Concept2Silicon Systems Private Limited
Regd. Off: 501-503, 4th Floor,
Oxford House No. 15, Rustam Bagh,
off. Airport Road, Behind Manipal House,
Bangalore - 560 017. - **Transferor Company-IV / Petitioner Company-II**

WITH

HCL Technologies Limited

Regd. Off: 806, Siddharth 96,
Nehru Place,
New Delhi - 110 019. - **Transferee Company**

Order Pronounced on: 24th June. 2020

Coram: 1. Hon'ble Shri Rajeswara RaoVittanaia, Member(Judicial)

2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present:

For the Petitioners	:	Mr. Satwinder Singh along with Mr. Raghuram Cadambi, Advocates
For the ROC	:	Smt. Prema Hatti a/w Mr K Nagaraj, Advocates
For the OL	:	Mr. J. Elangovan
For the IT Department	:	Mr. Ganesh R. Ghale, Advocate

ORDER

Per: Ashutosh Chandra, Member (Technical)

1. The present Petition has been jointly filed by the Petitioners namely M/s. HCL Technologies Solutions Limited ('Transferor Company-III / Petitioner Company-I') and M/s. Concept2Silicon Systems Private Limited ('Transferor Company-IV / Petitioner Company-II') (hereinafter referred to as 'Petitioner Companies') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 R/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 by *inter alia* seeking that the Scheme of Amalgamation be sanctioned by this Hon'ble Tribunal so as to be binding on the Petitioner Companies, their Shareholders, Secured Creditors, Unsecured Creditors, Employees, and all other relevant parties, etc.

2. Brief facts of the case, as mentioned in the Company Petition, are as follows:

    (1) M/s. **HCL Technologies Solutions Limited** (hereinafter referred to as 'Petitioner Company-I / Transferor Company-III') is an unlisted Public Limited Company incorporated on 14.12.1999 under the provisions of Companies Act, 1956 as a Private Limited Company in the name and style of 'Aalayance E-Com Services Private Limited'. Subsequently, its name was changed to 'HCL EAI Services Private Limited' in the year 2005. Further, it was converted into a Public Limited Company and its name was changed to 'HCL EAI Services Limited' in the year 2006. Thereafter, it was again changed to its present name i.e. *HCL Technologies Solutions Limited* and a fresh Certificate of Incorporation was issued by the ROC, Bengaluru on 17.09.2012 with CIN: U72900KA1999PLC026077. Its registered office is presently situated at 501-503, 4^{th} Floor, Oxford House No.15, Rustam Bagh, Behind Manipal Hospital, Main Road, Bengaluru - 560017. Its Authorised Share Capital as on the date of approval of the Scheme by its Board of Directors is Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each and its Issued, Subscribed & Paid-up Equity Share Capital is Rs.1,05,01,000/- divided into 10,50,100 Equity Shares of Rs.10/- each and subsequently there has been no change in the Share Capital. Its main objects inter alia are *to design, develop and market and to impart training in all areas of Information Technology viz., web design e-commerce, computer software/ hardware and peripherals and to undertake research and development activities in computer software/hardware/peripherals, etc.*

    (2) The Board of Directors of the Petitioner Company-I at its meeting held on 10.05.2019 have approved the Scheme of Amalgamation and *inter alia* resolved as under:

    "RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 (the 'Act') and other applicable provisions, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals of the shareholders and creditors of the Company, the approval of the Hon'ble National Company Law Tribunal, New Delhi and National Company Law Tribunal, Bengaluru (hereinafter referred as 'Tribunals') or any other relevant government or regulatory authority, body, institution (hereinafter collectively referred as 'Concerned Authority') of competent jurisdiction under

applicable laws for the time being in force empowered to approve the scheme of amalgamation, and subject to such conditions or guidelines, if any, as may be prescribed, imposed or stipulated in this regard by the shareholders and/or creditors of the Company, Tribunals or Concerned Authorities, from time to time, while granting such approvals, consents, permissions and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred as 'Board'), the consent of the Board be and is hereby accorded to the Scheme of Amalgamation (hereinafter referred as 'Scheme') amongst HCL Eagle Limited ('HCL Eagle'), HCL Comnet Limited ('HCL Comnet, HCL Technologies Solutions Limited ('HCL Tech Solutions'), Concept2Silicon Systems Private Limited ('C2SiS') (hereinafter referred to as 'Transferor Companies') and HCL Technologies Limited ('HCL Tech') (hereinafter referred to as 'Transferee Company') and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, with effect from Appointed Date i.e. April 1, 2019, as tabled before the Board."

(3) It is stated that the Petitioner Company-I is a wholly owned subsidiary of HCL America Inc. ('HCL America') (a Company incorporated under the applicable laws of United States of America). HCL America is a wholly owned subsidiary of HCL Bermuda Limited ('HCL Bermuda') (a Company incorporated under the applicable laws of Bermuda). HCL Bermuda is a wholly owned subsidiary of the Transferee Company. Therefore, the Petitioner Company-I is an indirectly wholly owned subsidiary of the Transferee Company.

(4) **M/s. Concept2Silicon Systems Private Limited** (hereinafter referred to as 'Petitioner Company-II / Transferor Company-IV') is a Private Limited Company incorporated on 24.06.2009 under the provisions of Companies Act, 1956 with CIN: U72200KA2009PTC050240 and presently having its -registered office at 501-503, 4th Floor, Oxford House No. 15, Rustam Bagh, Behind Manipal Hospital, Main Road, Bengaluru-560017. Its Authorised Share Capital as on the date of approval of the Scheme by its Board of Directors is Rs.20,00,000/- divided into 20,00,000 Equity Shares of Rs.1/- each and its Issued, Subscribed and Paid-up Equity Share Capital is Rs.1,50,000/- divided into 1,50,000 Equity Shares of Rs.1/- each and subsequently there has been no change in the Share Capital. Its main objects *inter alia* are *to carry on the business of design and manufacturing of Electronics and Semiconductor Systems, including chips, microprocessors, FPGA, analog & mixed signal, embedded software, etc.*

(5) The Board of Directors of the Petitioner Company-II at its meeting held on 10.05.2019 have approved the Scheme of Amalgamation and *inter alia* resolved as under:

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 (the 'Act') and other applicable provisions, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals of the shareholders and creditors of the Company, the approval of the Hon'ble National Company Law Tribunal, New Delhi and National Company Law Tribunal, Bengaluru (hereinafter referred as 'Tribunals') or any other relevant government or regulatory authority, body, institution (hereinafter collectively referred as 'Concerned Authority') of competent jurisdiction under applicable laws for the time being in force empowered to approve the scheme of amalgamation, and subject to such conditions or guidelines, if any, as may be prescribed, imposed or stipulated in this regard by the shareholders and/or creditors of the Company, Tribunals or Concerned Authorities, from time to time, while granting such approvals, consents, permissions and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred as 'Board'), the consent of the Board be and is hereby accorded to the Scheme of Amalgamation (hereinafter referred as 'Scheme') amongst HCL Eagle Limited ('HCL Eagle'), HCL Comnet Limited ('HCL Comnet'), HCL Technologies Solutions Limited ('HCL Tech Solutions'), Concept2Silicon Systems Private Limited ('C2SiS') (hereinafter- referred to as 'Transferor Companies') and HCL Technologies Limited ('HCL Tech') (hereinafter referred to as

‘Transferee Company’) and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, with effect from Appointed Date i.e. April 1, 2019, as tabled before the Board.”

(6) It is stated that the Petitioner Company-II is a wholly owned subsidiary of HCL Software Products Limited *(formerly known as HCL Global Processing Services Limited)* (‘HCL Software’) (a public limited company duly incorporated under the provisions of the 1956 Act). HCL Software is a wholly owned subsidiary of HCL Bermuda. HCL Bermuda is a wholly owned subsidiary of the Transferee Company. Therefore, the Petitioner Company-II is an indirect wholly owned subsidiary of the Transferee Company.

(7) Transferor Company-I is an unlisted public limited Company incorporated on 14.09.2011 under the provisions of the Companies Act, 1956 with CIN: U72200DL2011PLC225052 and having its registered office presently situated at 806, Siddharth 96, Nehru Place, New Delhi-110019. Its Authorised, Issued, Subscribed and Paid-up Equity Share Capital is Rs.10,00,000/- divided into 1,00,000 Equity Shares of Rs.10/- each. The Company is engaged in the business of providing a range of software engineering services and solutions to its client from its finance service verticals, designing and development of systems etc. It is stated that the Transferor Company-I is a wholly owned subsidiary of the Transferee Company.

(8) Transferor Company-II is an unlisted public limited Company incorporated on 08.08.2001 under the provisions of the Companies Act,1956 with CIN: U74899DL2001PLC111951 and having its registered office presently situated at 806, Siddharth 96, Nehru Place, New Delhi-110019. Its Authorised Share Capital is Rs. 1,10,00,000/- divided into 11,00,000 Equity Shares of Rs.10/- each and its Issued, Subscribed and Paid-up Equity Share Capital is Rs.94,99,000/- divided into 9,49,900 Equity Shares of Rs.10/- each. The Company is engaged in the business of rendering data communication services which includes trading of satellite and nonsatellite-based communication equipment such as VSAT, routers, etc. It is stated that the Transferor Company-II is a wholly owned subsidiary of the Transferee Company.

(9) Transferee Company is a listed public limited Company incorporated on 12.11.1991 under the provisions of the Companies Act, 1956 under the name of style of ‘HCL Overseas Limited’. Subsequently, its name was changed to ‘HCL Consulting Limited’ in the year 1994 and thereafter, to its present name, i.e. *HCL Technologies Limited* and a fresh Certificate of Incorporation was issued by the ROC, NCT of Delhi and Haryana on 06.10.1999. The CIN of the Company is L74140DL1991PLC046369 and its registered office is presently situated at 806, Siddharth 96, Nehru Place, New Delhi-110019. Its Authorised Capital as on the date of approval of the Scheme by its Board of Directors is Rs.3,00,00,00,000/- divided into 1,50,00,00,000 Equity Shares of Rs.2/- each and its Issued, Subscribed and Paid-up Equity Share Capital is Rs.2,71,25,57,736/- divided into 1,35,62,78,868 Equity Shares of Rs.2/- each and subsequently there has been no change in the Share Capital except issued and allotment of equity shares under the Employee Stock Option Scheme of the Company. The Transferee Company is a leading global IT services Company that helps global enterprises re-imagine and transform their businesses through Digital technology transformation.

(10) It is further stated that the draft Scheme was placed before the Board of Directors of other Transferor Companies and the Transferee Company and the same was unanimously approved in their respective meetings held on 10.05.2019 and 09.05.2019.

(11) It is stated that the business activities of the Transferor Companies are ancillary and incidental to the main business operations of the Transferee Company. Amalgamation would inter alia result in the following benefits to the Transferee Company:

(i) Optimum and efficient utilization of resources either in form of assets and sharing of ancillary facilities;

(ii) Synchronization of efforts to achieve uniform corporate policy and ease in decision making at the group level of the Transferee Company;

(iii) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company;

(iv) Concentrated effort and focus by the management to grow the business by eliminating duplicative communication and burdensome co-ordination of efforts across multiple entities.

(12) It is stated that M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Transferee Company, vide Certificate dated 09.05.2019, have opined that the accounting treatment contained in the aforesaid draft Scheme is in compliance with the Regulation 48 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all applicable Accounting Standards prescribed u/s 133 of the Act r/w Rules made together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

(13) It is also stated that all staff, workmen and employees who are in employment of Transferor Companies on Effective Date shall become staff, workmen and employees of Transferee Company with effect from Appointed Date. The Appointed Date of the Scheme is April 01, 2019.

(14) It is stated that the Scheme is in the best interests of the Transferor Companies and Transferee Company and their respective shareholders and creditors, and is not opposed to public policy.

(15) It is stated that under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor Companies or the Transferee Company, to reduce or extinguish their liability. Accordingly, no creditor or either of the Transferor Companies or the Transferee Company would, in any way be affected by the Scheme.

(16) It is further stated that no proceedings are pending under the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956 against the Petitioner Companies. No winding up proceedings have been filed or are pending against the Transferor Companies and the Transferee Company under Companies Act, 2013 or the corresponding provisions of the Companies Act, 1956, or under the IBC, 2016.

(17) It is further stated that there are no investigation proceedings have been instituted and/or is pending in relation to the Petitioner Companies under section 235 and 250A of the Companies Act, 1956 or Sections 210, 212, 213 and 216 of the Companies Act, 2013, and that there are no proceedings for winding up pending before this Tribunal or before the Hon'ble High Court of Karnataka against the Petitioner Companies.

3. It is stated that the Petitioners had filed CA (CAA) No.43/BB/2019 before this Tribunal seeking to dispense with the meetings of the Equity Shareholders and Creditors of the Petitioner Companies. The Tribunal vide its Order dated 12.09.2019 ordered for convening the meetings of the Equity Shareholders of Petitioner Companies and dispensed with the meeting of the Unsecured Creditors of Transferor Company-IV. The Tribunal vide another Order dated 27.09.2019 passed in I.A. No.492 of 2019 in CA (CAA) NO.43/BB/2019 permitted the Petitioners to convene the meetings of Equity Shareholders on 31.10.2019 instead of 07.10.2019 as originally directed. The said meetings were duly convened and the Reports of the Chairpersons and Scrutinizers were submitted, wherein, the resolutions were passed unanimously for the proposed Scheme.

4. The Tribunal vide its Order dated 06.01.2020 directed the Petitioners to issue Notice prepared by the Registry to the Regional Director (SER), Hyderabad, Registrar of Companies Karnataka, Official Liquidator, Deputy Commissioner of Income Tax- Circle 3(1)(2), Bangalore, the Commissioner of Income Tax, Bangalore, Principal Chief Commissioner of Income Tax, Karnataka & Goa, Secretary,

Competition Commission of India and also directed to cause paper publication in 'The Hindu', in English language and 'Kannada Prabha', in Kannada language and to file proof of the same. Pursuant thereto, Petitioners vide Affidavit dated 31.01.2020 affirmed compliance of the Order passed by the Tribunal dated 06.01.2020 and also furnished copies of paper publication for having taken advertisement in 'The Hindu', English daily and 'Kannada Prabha', Kannada daily on 18.01.2020, with regard to the notice of hearing of the Petition.

5. Pursuant to the notice issued, the Registrar of Companies, Karnataka vide its letter dated 20.02.2020 have furnished a report which *inter alia* observed as under:

(1) Transferor Companies No.1 and 2 and the Transferee Company are registered with ROC, Delhi.

(2) The Transferor Companies No.1 to 4 are the wholly owned subsidiaries of the Transferee Company.

(3) The Petition has stated that Transferor Company No. 3 is the wholly owned subsidiary of HCL America Inc. M/s. HCL America is a wholly owned subsidiary of HCL Bermuda Limited and HCL Bermuda is a wholly owned subsidiary of the Transferee Company. Hence the Transferor Company No.3 is the wholly owned subsidiary of the Transferee Company.

(4) The Petition has stated that Transferor Company No. 4 is the wholly owned subsidiary of HCL Global Processing Services Limited. HCL GPSL is a wholly owned subsidiary of HCL Bermuda Limited and HCL Bermuda is a wholly owned subsidiary of the Transferee Company. Hence the Transferor Company No. 4 is the wholly owned subsidiary of the Transferee Company.

(5) The Transferee Company Viz. M/s. HCL Technologies Limited is a listed public limited company and its equity shares are listed on BSE Limited and National Stock Exchange of India Ltd. Necessary Compliance of LODR is to be complied by the Petitioners.

(6) The Transferee Company shall comply with Section 232(3)(i) of Companies Act, 2013, and pay the difference fee, after setting of the fee already paid by the Transferor Company on their respective Capital. Transferee Company shall give an undertaking to that effect.

(7) Almost all shares of the Transferor Companies No. 3 and 4 are held directly or indirectly by foreign entities. Hence the Companies may be directed to comply with FEMA/RBI regulations.

(8) As per the Statutory Auditors report, there are certain income tax dues pending with regard to Transferor Company No. 3 and the matter is pending before the Hon'ble High Court.

(9) Transferor Companies 3 and 4 have related party transactions. Necessary compliance u/s 188 of the Act may be called for.

(10) There are no prosecutions, complaints, technical scrutiny/inspections pending against the Petitioner Companies.

6. The Regional Director (SER), MCA, Hyderabad vide its two Affidavits, the latest being of 19.06.2020, has *inter alia* observed the same as pointed out in the ROC report, and further submitted as follows:

(1) Almost all shares of the Transferor Companies No. 3 and 4 are held directly or indirectly by foreign entities. Hence the Companies may be directed to comply with FEMA/RBI regulations and also make a statement that no tax evasion has been made by the Petitioner Companies.

(2) As per the Statutory Auditors report, there are certain income tax dues pending with regard to Transferor Company No. 3 and the matter is pending before the Hon'ble High Court. NOC from the concerned IT Authorities may be obtained before approval of the Scheme.

(3) The compliance of sec. 188 of the Companies Act, 2013 has been examined by calling

information/documents from the company and it replied that the related party transactions had been carried out under arms' length basis and in ordinary course of business provided in 4^{th} Proviso to sec. 188(1) of Companies Act, 2013. In view of explanation given, no further comments to offer.

7. In response the ROC & RD observations, the Petitioner Companies vide reply Affidavit dated 02.06.2020 have *inter alia* stated as follows:

    (1) As regards the clubbing of authorised share capital, it is stated that in terms of clause 19 of the Scheme, the Transferee Company do hereby undertakes that it shall comply with the provisions of section 232(3)(i) of the Companies Act, 2013 and shall pay the requisite fees, as applicable, on the increased authorised share capital pursuant to the Scheme becoming effective. Further, the fees, if any, payable on the increased authorized share capital of the Transferee Company shall be paid after seeking set-off of the fee already paid by the Transferor Companies since their incorporation.

    (2) As regards the compliance of FEMA/RBI regulations, it is stated that the Petitioner Companies are direct/indirect wholly owned subsidiaries of foreign companies and ultimate indirect wholly owned subsidiaries of the Transferee Company. In terms of clause 18 of the Scheme, the Transferee Company is not required to issue any shares to the shareholders of the Transferor Companies. Further the activities of the Transferor Companies and the Transferee Company are permitted activities under the automatic route within the provisions of FEMA/RBI Guidelines. No permission is required from RBI in respect of the Scheme between the Transferor Companies with the Transferee Companies. Notwithstanding the same, as required by the ROC, the Petitioner Companies hereby undertake to comply with all FEMA/RBI Guidelines, if any, necessary to implement the Scheme.

    (3) As regards the income-tax dues pending with regard to Transferor Company No. 3, it is stated that in terms of the provisions of clause 11 of the Scheme, upon the Scheme becoming effective, all the pending proceedings including taxation proceedings pending on part of the Transferor Company shall continue to be enforced against the Transferee Company. Further, in terms of clause 13 of the Scheme, upon the Scheme becoming effective, all taxes and duties payable by the Transferor Companies shall be treated as taxes and duties of the Transferee Company. It is further submitted that the Scheme does not involve any tax evasion. Also, the Transferee Company hereby undertakes to pay the income tax dues of the Transferor Companies, subject to final outcome of the pending proceedings.

    (4) As regards the relation party transactions of Transferor Companies 3 and 4, it is stated that none of the Petitioner Companies have undertaken any related party transaction u/s 188 (including any statutory modification or re-enactment thereof for the time being in force) of the Companies Act, 2013. However, the details of related party transactions entered in the ordinary course of business on arm's length basis during last two financial years i.e., FY 2018-19 and FY 2017-18 by the Petitioner Companies have been provided in the financial statements in terms of the Accounting Standards. The relevant details of the related party transactions provided in the financial statements of the Petitioner Companies for the FY 2017-18 and FY 2018-19 have been placed on record.

8. The Official Liquidator has filed OLR No.22 of 2020 dated 03.03.2020 in C.P. (CAA) No.01/BB/2020 by *inter alia* stating that the Official Liquidator for scrutiny of the books of accounts and records of the Transferor Company-III has engaged M/s. N. Tatia & Associates, Chartered Accountants, which, after examining the affairs of the Transferor Company-III, in its report dated 25.02.2020, has *inter alia* observed as follows:

    a. The outstanding and disputed amount of Income Tax due is Rs. 1.02 Crore. An amount of Rs. 1.353 Crore have been adjudicated but necessary affects need to be incorporated by CPC.

b. *The Transferor Company has defaulted in deduction of TDS, Short payment, interest and late filing fee of TDS by Rs. 16,255.07/-.*

c. *An amount of Rs. 24.91 lakhs is due as Refund of Service Tax. The management is confident of the recoveries on this amount.*

d. *An amount of Rs. 17.85 lakhs are shown as GST receivable in the audited Financial Statements as on 31.03.2019. As on date the management has not applied for GST refund.*

Further, they have *inter alia* concluded in their report as under:

> *"5.17 On scrutiny of books of accounts, papers, statutory registers and other related records of the Company, we are of the opinion that the affairs of the Company have not been conducted in a manner prejudicial to the interest of the members of the Company or public interest as per section 232 of the Companies Act, 2013."*

9. Further, the Official Liquidator has filed OLR No.23 of 2020 dated 03.03.2020 in C.P. (CAA) No.01/BB/2020 by *inter alia* stating that the Official Liquidator for scrutiny of the books of accounts and records of the Transferor Company- IV has engaged M/s. N. Tatia & Associates, Chartered Accountants, which, after examining the affairs of the Transferor Company-III, in its report dated 25.02.2020, has *inter alia* concluded as under:

   > *"5.10 On scrutiny of books of accounts, papers, statutory registers and other related records of the Company, we are of the opinion that the affairs of the Company have not been conducted in a manner prejudicial to the interest of the members of the Company or public interest as per section 232 of the Companies Act, 2013.*
   >
   > *5.11 As employees of Transferor Company is transferred to transferee company there is no loss of interest to employees of Transferor Company. "*

   Therefore, the Official Liquidator prays to pass such order(s) on the merits of the case subjection to objection, if any, by other sectoral regulators.

10. Mr. Ganesh R. Ghale, learned Standing Counsel for Income-tax department has filed a Memo dated 27.01.2020 by inter alia stating that as per the report received from the Income Tax Department arrears of outstanding demand of Rs.1,15,63,274/- (Rupees One Crore Fifteen Lakh Sixty Three Thousand Two Hundred and Seventy Four only) for the Assessment Years 2007-08, 200910 and 2010-11 respectively, is due to the Income-tax department by M/s.HCL Technology Solutions Limited i.e. the Third Transferor Company herein. The Deputy Commissioner of Income Tax Circle 3(1)(2) vide his letter dated 21.10.2019 has inter alia stated that since the jurisdiction over the Transferor Company i.e. Concept2Silicon Systems Private Limited does not vest with this office, there is no record available for the same.

11. The Competition Commission of India vide its letter dated 30.01.2020 has stated that under the provisions of Competition Act, 2002, a notice for combination is to be mandatorily given to CCI subject to meeting of thresholds, in terms of combined assets or combined turnover. Further, there are certain exemptions available for which notice may not normally be given to the Commission. It is stated that the Scheme of Amalgamation has not been filed with the Commission under the provisions of the Act and thus an undertaking may be sought from the Companies involved that CCI approval is not required for the said Scheme.

12. The Authorised Signatory of the Petitioner Companies vide Affidavit dated 26.05.2020 has inter alia stated that in view of section 6 of the Competition Act, 2002 and also as per clause 9 of Schedule I of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, all the Transferor Companies belong to the same group and are direct / indirect wholly-owned subsidiaries of the Transferee Company. Therefore, the proposed

amalgamation is outside the purview of the Competition Act, 2002 and there is no requirement to obtain prior approval of the CCI to implement the Scheme.

13. Learned Counsel for the Petitioner Companies, while reiterating various averments already placed on record, as briefly stated supra, has further submitted that HCL Eagle Limited, the Transferor Company 1, HCL Comnet Limited, the Transferor Company 2 and HCL Technologies Limited, the Transferee Company have already approached the NCLT, Delhi Bench byway of filing CAA-138/ND/2019 in CA (CAA)-88/ND/2019 by inter alia seeking to sanction the Scheme in question. Accordingly, the Scheme was sanctioned by NCLT, Delhi Bench, by an Order dated 12.12.2019, and a copy of the same has been placed on record vide Memo dated 26.02.2020. Therefore, he has urged the Tribunal to sanction the Scheme in question, as it is required to be sanctioned by this Bench in respect of the Petitioner Companies.

14. Heard Mr. Satwinder Singh along with Mr. Raghuram Cadambi, learned Counsels for the Petitioner Companies, Smt. Prema Hatti, learned Standing Counsel for the ROC, Mr. Ganesh R. Ghale, learned Standing Counsel for the Income-tax Department and Mr. J. Elangovan representing Office of OL. We have carefully perused the pleadings of the Parties and the extant Provisions of the Companies Act, 2013 and various Rules made thereunder and the Law on the issue.

15. We have considered the facts of the case as mentioned in the Petition, the report of the Regional Director, Hyderabad and the ROC Karnataka, in which the para wise replies of the Petitioner Companies have been duly examined along with the comments offered by the Official Liquidator and the relevant provisions contained in the Companies Act, 2013 and other related Acts and Rules. In his report, the Regional Director, MCA has submitted that the Scheme appears to be fair, reasonable and is not detrimental against the Members or Creditors or contrary to public policy and the same can be approved. As per the Petition, the Scheme in question will help in optimum and efficient utilization of resources either in the form of assets and sharing of ancillary facilities, benefit by obtaining synchronization of synergies, etc. In view of the foregoing, we are satisfied that the procedure specified in subsections (1) & (2) of section 232 of the Companies Act, 2013 has been complied with, and that the Scheme of Amalgamation can be sanctioned, as prayed, and in view whereof, this Tribunal passes the following further Order:

(1) The Scheme of Amalgamation (as annexed with this Petition) is hereby sanctioned and the Appointed Date of the Scheme shall be **01st April, 2019;**

(2) Sanctioning the Scheme should not be construed as an order in any way granting exemption from payment of Stamp Duty, taxes or other charges, if any, and payment in accordance with law or in respect to any permission/compliance with any other requirement which may be specially required under any law, and the same shall be dealt with by the respective Authority in accordance with the extant Laws and Rules governing such Duty, taxes or other charges, as applicable; and

(3) The Petitioner Companies be transferred without further act or deed to the Transferee Company and accordingly, the same shall, pursuant to section 232 of the Companies Act, 2013, be transferred to and vest in the Transferee Company for all the state and interest of the Petitioners therein but subject, nevertheless, to all the charges now affecting the same; and

(4) All the liabilities including taxes, levies and charges, if any, and duties of the Petitioner Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and

(5) The tax implications, if any, specially under the Income tax Act, 1961, arising out of the Scheme are subject to final decision of Concerned Tax Authorities and the decision of the Concerned Tax Authorities shall be binding on the Transferee Company; and

(6) *All the proceedings now pending by or against the Petitioner Companies be continued by or against the Transferee Company, if any; and*

(7) *Liability, if any, arising from non-compliance to the provisions contained in section 135, shall stand transferred to and be the liability of the Transferee Company; and*

(8) *The Petitioner Companies shall ensure all requisite compliances under the FEMA /RBI guidelines, as may be applicable.*

(9) *The Petitioner Companies shall within thirty days of the date of the receipt of this Order cause a certified copy of this Order along with a copy of Scheme of Amalgamation to be delivered to the Registrar of Companies for registration in accordance with applicable rules and regulations; and*

(10) *Petitioner Companies shall file all the due Statutory Returns immediately, if any;*

(11) *The Petitioner Companies will ensure full compliance of their Affidavits and all provisions of the Companies Act, 2013, as may be applicable, and will submit Quarterly/Annual Status of compliances through an Affidavit by Managing Director/ Director of the Company along with CA/ICWA/CS Certificate till the compliance is ensured;*

(12) *Petitioner Companies or its Authorized Signatories are directed that after the completion of the process of Amalgamation, to handover the possession of the Books of Accounts and other relevant documents of the Petitioner Companies to the Transferee Company for the purpose of section 239 of the Companies Act, 2013;*

(13) *This Order is limited to the Scheme of Amalgamation, and it will not come in the way of Registrar of Companies or any other authority to take appropriate action(s) in accordance with law, for any other violations/offences, if any, committed by the Company or any of its personnel prior or during the approval of the Scheme;*

(14) *If any of the Companies party to this Scheme contravene any of the provisions of section 232, they shall be liable to be punished with fine as contemplated in section 232(8) of the Act;*

(15) *Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.*

(16) *Accordingly, CP (CAA) No.01/BB/2020 is disposed of as above along with pending IAs, if any.*

ASHUTOSH CHANDRA — **RAJESWARA RAO VITTANALA**

MEMBER, TECHNICAL — **MEMBER, JUDICIAL**

Scheme of Amalgamation
Amongst
HCL Eagle Limited
And
HCL Comnet Limited
And
HCL Technologies Solutions Limited
And
Concept2Silicon Systems Private Limited
And
HCL Technologies Limited
And
Their respective shareholders and creditors
(under Sections 230 to 232 of the Companies Act, 2013)

Preamble

This scheme of amalgamation (*hereinafter referred to as "**Scheme**" and more particularly defined hereinafter*) is presented under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (*hereinafter referred to as "Act" more particularly defined hereinafter*) as applicable, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the amalgamation of HCL Eagle Limited ("***Transferor Company - I***"), HCL Comnet Limited ("***Transferor Company - II***"), HCL Technologies Solutions Limited ("***Transferor Company - III***") and Concept2Silicon Systems Private Limited ("***Transferor Company - IV***") with and into HCL Technologies Limited ("***Transferee Company***") with effect from the Appointed Date (*more particular defined hereinafter*). In addition to this, this Scheme also provides for various other matter consequential or otherwise integrally connected herewith.

*(For the sake of brevity, the Transferor Company - I, Transferor Company - II, Transferor Company - III and Transferor Company – IV are hereinafter collectively referred to as the "**Transferor Companies**" and where the context so requires, the term 'Transferor Companies' shall include any two or more of the Transferor Companies. The Transferor Companies and Transferee Company are hereinafter collectively referred to as "**Companies**".)*

1. BACKGROUND AND DESCRIPTION OF COMPANIES

1.1 HCL Technologies Limited or the Transferee Company is a listed public limited company duly incorporated under the provisions of Companies Act, 1956 ("**1956 Act**") on November 12, 1991 bearing Corporate Identification Number ("**CIN**") L74140DL1991PLC046369 and having its registered office situated in the State of Delhi at 806, Siddharth, 96, Nehru Place, New Delhi-110019.

The Transferee Company was incorporated under the name and style of 'HCL Overseas Limited'. Subsequently, the name of the Transferee Company was changed to 'HCL Consulting Limited' in the year 1994 and thereafter, to its present name, i.e., HCL Technologies Limited and a fresh certificate of incorporation was issued by the RoC, Delhi (*as defined hereinafter*) on October 6, 1999.

The Transferee Company is a leading global IT services company that helps global enterprises re–imagine and transform their businesses through digital technology transformation. The Transferee Company focuses on providing an integrated portfolio of services underlined by its Mode 1–2–3 growth strategy. Mode 1 encompasses the core services in the areas of Applications, Infrastructure, BPO and Engineering and R&D services, leveraging DRYiCE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'. Mode 2 focuses on experience–centric and outcome–oriented integrated offerings of Digital & Analytics, IoT WoRKS™, Cloud Native Services and Cybersecurity & GRC services to drive business outcomes and enable enterprise digitalization. Mode 3 strategy is ecosystem–driven, creating innovative IP–partnerships to build products and platforms business.

The Transferee Company leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi–service delivery in key industry verticals including financial services, manufacturing, telecommunications, media, publishing, entertainment, retail & CPG, life sciences & healthcare, oil & gas, energy & utilities, travel, transportation & logistics and government.

The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Ltd. (*hereinafter collectively referred to as "**Stock Exchanges**"*).

1.2 HCL Eagle Limited or the Transferor Company – I is an unlisted public limited company duly incorporated under the provisions of the 1956 Act on September 14, 2011 bearing CIN: U72200DL2011PLC225052 and having its registered office situated in the State of Delhi at 806, Siddharth 96, Nehru Place, New Delhi-110019.

The Transferor Company - I is engaged in the business of providing a range of software engineering services and solutions to its client from its finance service verticals, designing and development of systems and applications software, developing and implementing business strategies and information technology products and acting as consultants in all aspects of electronic business and commerce.

The Transferor Company - I is the wholly owned subsidiary of the Transferee Company.

1.3 HCL Comnet Limited or the Transferor Company - II is an unlisted public limited company duly incorporated under the provisions of the 1956 Act on August 8, 2001 bearing CIN: U74899DL2001PLC111951 and having its registered office situated in the State of Delhi at 806, Siddharth 96, Nehru Place, New Delhi-110019. The Transferor Company - II is engaged in the business of rendering data communication services which includes trading of satellite and non-satellite based communication equipment such as VSAT, routers, switches, etc., application operation services and services related to installation and maintenance of networking equipment across defence, financial services, government, PSUs, telecom, energy and utilities.

The Transferor Company - II is the wholly owned subsidiary of the Transferee Company.

1.4 HCL Technologies Solutions Limited or the Transferor Company - III is an unlisted public limited company duly incorporated under the provisions of the 1956 Act on December 14, 1999 bearing CIN: U72900KA1999PLC026077 and having its registered office situated in the State of Karnataka at 501-503, 4th Floor, Oxford House No.15, Rustam Bagh, Behind Manipal Hospital, Main Road, Bengaluru - 560017. The Transferor Company - III was incorporated as a private limited company under the name and style of 'Aalayance E-Com Services Private Limited'. Subsequently, the name of the Transferor Company - III was changed to 'HCL EAI Services Private Limited' in the year 2005. Further, the Transferor Company - III was converted into a public limited company and its name was changed to 'HCL EAI Services Limited' in the year 2006. Thereafter, the name of the Transferor Company - III was again changed to its present name, i.e., HCL Technologies Solutions Limited and a fresh certificate of incorporation was issued by RoC, Bengaluru (*as defined hereinafter*) on September 17, 2012.

The Transferor Company – III, with effect from August 1, 2017, had shifted its registered office from No.- 6, A.S. Chambers, 80 Feet Road, VI Block, Kormangala, Bengaluru-560095 to its present address at 501-503, 4th Floor, Oxford House No. 15, Rustam Bagh, Behind Manipal Hospital, Main Road, Bengaluru - 560017.

The Transferor Company - III is engaged in the business of providing a range of software development deployment and consultancy services, deputing and providing manpower for providing consultancy, development, marketing, sales and delivery of software products, and imparting training in areas of Information Technology.

The Transferor Company - III is a wholly owned subsidiary of HCL America Inc. ("**HCL America**") (a company incorporated under the applicable laws of United States of America). HCL America is a wholly owned subsidiary of HCL Bermuda Limited ("**HCL Bermuda**") (a company incorporated under the applicable laws of Bermuda). HCL Bermuda is a wholly owned subsidiary of the Transferee Company. Therefore, the Transferor Company - III is also a wholly owned subsidiary of the Transferee Company.

1.5 Concept2Silicon Systems Private Limited or the Transferor Company - IV is a private limited company duly incorporated under the provisions of the 1956 Act on June 24, 2009 bearing CIN: U72200KA2009PTC050240 and having its registered office situated in the State of Karnataka at 501-503, 4th Floor, Oxford House No.15, Rustam Bagh, Behind Manipal Hospital, Main Road, Bengaluru - 560017.

The Transferor Company - IV is engaged in providing a range of software development services, designing and development of electronic system products, software programs, software data and software solutions.

The Transferor Company – IV is a wholly owned subsidiary of HCL Global Processing Services Limited ("**HCL GPSL**") (a public limited company duly incorporated under the provisions of the 1956 Act). HCL GPSL is a wholly owned subsidiary of HCL Bermuda. Therefore, the Transferor Company - IV is also a wholly owned subsidiary of the Transferee Company.

2. RATIONALE FOR THE SCHEME

2.1 The business activities of the Transferor Companies are ancillary and incidental to the main business operations of the Transferee Company. Amalgamation (*as defined hereinafter*) would result in the following benefits to the Transferee Company:

a) Optimum and efficient utilization of resources either in the form of assets and sharing of ancillary facilities;

b) Benefit of obtaining synchronisation of synergies;

c) Structured, sharper and better management focussing on holistic growth of the businesses;

d) Rationalizing multiple subsidiaries in the group to ensure optimised legal entity structure more aligned with the business by reducing the number of legal entities and re-organising the legal entities in the group structure;

e) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company;

f) Concentrated effort and focus by the management to grow the business by eliminating duplicative communication and burdensome co-ordination of efforts across multiple entities;

g) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency; and

h) Synchronization of efforts to achieve uniform corporate policy and ease in decision making at the group level of the Transferee Company.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter members, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

2.2 In view of the aforesaid, the Board of Directors (*as defined hereinafter*) of the Companies have considered and proposed the Aamalgamation (*as defined hereinafter*) of the Transferor Companies with and into the Transferee Company in order to benefit the stakeholders of all the Companies. Accordingly, the Board of Directors (*as defined hereinafter*) of the Companies have formulated this

Scheme pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act (*as defined hereinafter*).

3. PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

Part A deals with definitions used in the Scheme and sets out the share capital of the Transferor Companies and Transferee Company.

Part B, *inter-alia*, deals with the transfer and vesting of the assets, liabilities, profits or losses, legal proceedings, employees constituting business of Transferor Companies with and into the Transferee Company;

Part C deals with the consideration for the Amalgamation (*as defined hereinafter*), clubbing of the authorised share capital and accounting treatment for the Amalgamation; and

Part D deals with the miscellaneous provisions and conditionality of the Scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

4. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

4.1 **"Act"** means the Companies Act, 2013 and applicable rules made thereunder and includes any amendments, statutory re-enactments and modifications thereof for the time being in force;

4.2 **"Amalgamation"** means amalgamation of the Transferor Companies with and into the Transferee Company on a going concern basis in terms of the Scheme (*as defined hereinafter*) in its present form or with any modification(s) as approved by the Hon'ble Tribunals (*as defined hereinafter*);

4.3 **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority (*as defined hereinafter*), having the force of law and as applicable to the Companies;

4.4 "**Appointed Date**" for purposes of this Scheme means April 1, 2019 or such other date as the Hon'ble Tribunals (*as defined hereinafter*) may approve;

4.5 **"Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of the Transferor Companies and the Transferee Company or any committee constituted by such Board of Directors for the purposes of the Scheme;

4.6 **"Effective Date"** shall be last of the dates on which certified copies of the order of the Hon'ble Tribunals (*as defined hereinafter*), under Section 232 of the Act, sanctioning this Scheme, is filed by the Companies with Registrar of Companies (*as defined hereinafter*).

Provided that references in this Scheme to the date of "upon coming into effect of the Scheme" or "upon the scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

4.7 **"Governmental and Registration Authority"** means any relevant Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, quasi-judicial body, bureau or instrumentality thereof or arbitral body having jurisdiction over the Companies;

4.8 **“Intellectual Property Rights”** or **“IPR”** means, whether registered or not in the name of or recognized under Applicable Law(s) as being intellectual property of the Transferor Companies, or in the nature of common law rights of the Transferor Companies, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, trade dress and all applications and registration for the foregoing, and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship, and copyrights therein, and registrations and applications therefor, if any, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Law(s);

4.9 **“IT Act”** means the Income-Tax Act, 1961 and the rules made thereunder and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;

4.10 **“Registrar of Companies, Delhi” or “RoC, Delhi”** means the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi;

4.11 **“Registrar of Companies, Bengaluru” or “RoC, Bengaluru”** means the Registrar of Companies, Karnataka situated at Bengaluru;

4.12 **“Registrar of Companies” or “RoCs”** means the RoC, Delhi and RoC, Bengaluru;

4.13 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this scheme of amalgamation amongst the Companies and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act in its present form or with any modification(s) made pursuant to the provisions of this Scheme by the Board of Directors of the Companies and/ or as approved or directed by the Hon’ble Tribunals, as the case may be;

4.14 **“Transferee Company”** shall have the meaning as ascribed to it in Clause 1.1 of this Scheme;

4.15 **“Transferor Company - I”** shall have the meaning as ascribed to it in Clause 1.2 of this Scheme;

4.16 **“Transferor Company - II”** shall have the meaning as ascribed to it in Clause 1.3 of this Scheme;

4.17 **“Transferor Company - III”** shall have the meaning as ascribed to it in Clause 1.4 of this Scheme;

4.18 **“Transferor Company - IV”** shall have the meaning as ascribed to it in Clause 1.5 of this Scheme;

4.19 **“Tribunal, New Delhi”** means the National Company Law Tribunal, Bench at New Delhi;

4.20 **“Tribunal, Bengaluru”** means the National Company Law Tribunal, Bench at Bengaluru; and

4.21 **“Tribunals”** means the Tribunal, New Delhi and the Tribunal, Bengaluru.

4.22 “**Undertaking**” shall mean and include the whole of the industrial undertaking(s) of the Transferor Companies, as a going concern, including its businesses (more elaborately described as Transferor Businesses), all secured and unsecured debts, liabilities, losses, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to fixed assets, current assets, investments, funds, licenses, registrations, intangibles, leases, licenses, tenancy rights, premises, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, service connections, benefits of agreements, contracts and arrangements including but not limited to contracts entered into with vendors, customers and service providers, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, easements and all the rights, titles, interests, benefits and advantages, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, bank accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, etc.), software license(s), intellectual property(ies), domain/websites, etc. in connection with/relating to the Transferor Companies and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Companies, as on the Appointed Date.

5. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and if not defined therein then under the relevant Applicable Law(s). In this Scheme, unless the context otherwise requires:

i. references to “persons” shall include individuals, body corporates (wherever incorporated), unincorporated associations and partnerships;

ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;

iii. the term “Clause” refers to the specified clause of this Scheme;

iv. references to one gender includes all genders;

v. any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

vi. words in the singular shall include the plural and vice-versa; and

vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

6. CAPITAL STRUCTURE OF THE COMPANIES

6.1 The share capital of the Companies as at March 31, 2019 is as under:

Company	Authorized Share Capital	Issued, Subscribed and Paid up Share Capital
HCL Technologies Limited (Transferee Company)	Rs. 3,00,00,00,000/- (1,50,00,00,000 equity shares of Rs. 2/- each)	Rs. 2,71,25,57,736 (1,35,62,78,868 equity shares of Rs. 2/- each)
HCL Eagle Limited (Transferor Company – I)	Rs. 10,00,000/- (1,00,000 equity shares of Rs.10/- each)	Rs.10,00,000/- (1,00,000 equity shares of Rs.10/- each)

HCL Comnet Limited (Transferor Company – II)	Rs. 1,10,00,000/- (11,00,000 equity shares of Rs.10/- each)	Rs. 94,99,000/- (9,49,900 equity shares of Rs.10/- each)
HCL Technologies Solutions Limited (Transferor Company –III)	Rs. 2,00,00,000/- (20,00,000 equity shares of Rs. 10/- each)	Rs. 1,05,01,000/- (10,50,100 equity shares of Rs. 10/- each)
Concept2Silicon Systems Private Limited (Transferor Company – IV)	Rs. 20,00,000/- (20,00,000 equity shares of Rs. 1/- each)	Rs. 1,50,000/- (1,50,000 equity shares of Rs. 1/- each)

Subsequent to March 31, 2019 and till the date of approval of this Scheme by the respective Board of the Companies**,** there is no change in the authorized, issued, subscribed and paid up share capital of the Transferor and Transferee Companies.

6.2 It is expressly clarified that until this Scheme becomes effective, the Companies are free to alter their authorized, issued, subscribed or paid up share capital as may be required for their respective business requirements, subject to the necessary approvals from their respective Boards and shareholders, if required.

PART B

TRANSFER AND VESTING OF THE UNDERTAKINGS OF TRANSFEROR COMPANIES WITH AND INTO THE TRANSFEREE COMPANY

7. TRANSFER AND VESTING OF ASSETS

7.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer or vesting, the entire business and whole of the Undertaking(s), all property(ies), being movable or immovable, tangible or intangible, belonging to the Transferor Companies including but not limited to properties, plant and equipments, furniture and fixtures, land and building (*whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise*), softwares, bank balances, bank accounts in the name of the Transferor Companies, remittances in transit, bank deposits against bank guarantees, interest accrued on deposits, security deposits (*whether current or non-current*), capital advances, prepaid expenses, deferred costs (*whether current or non- current*), cash and cash equivalents, interest receivable, trade receivables (*including trade receivables from the related parties*), unbilled revenue (*including unbilled revenue from the related parties*), outstanding loans and advances (*short-term and long-term*)*,* if any, recoverable in cash or in kind or for the value to be received including but not limited to loans and advances to suppliers, vendors, customers, staff, employees, others, balances with Governmental and Registration Authorities, prepaid expenses (*current and non-current*), fixed assets, inventories including goods-in-transit, finished goods, advances, advance income-tax, income-tax receivables, service tax credit receivables and refunds, deferred tax assets (*whether current and non-current*), Goods and Service Tax ("**GST**") credits and refunds, receivables, including refunds from Governmental and Registration Authorities, capital advances, trade receivables, accrued interest, other current and non-current assets, permits, approvals, authorizations, telephone connections, telex, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements that are in force on the Effective Date and all other interests, benefits, any other permits, approvals or authorizations under the applicable provisions of the Applicable Law(s), all past and present investments, if any, including but not limited to investment in the equity or preference shares of the subsidiary companies, investment in quoted and unquoted shares and other securities of all descriptions of any corporate, mutual funds etc., other assets such as computer software and hardware, routers, all types of furniture and fixtures, vehicles (*whether freehold or encumbered*), office equipment, all types of lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, if any, and privileges of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Companies (*hereinafter referred to as "**Said Assets**"*) and all documents of titles, receipts and easements in relation thereto or improvement, all rights, covenants, continuing rights, titles and interest in connection with Said Assets shall, unless otherwise agreed between Transferor Companies and Transferee Company specifically, be transferred to and stand vested in and/ or be deemed to be transferred to and stand vested in Transferee Company in the mode and manner as prescribed in this Scheme on a going-concern basis pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act and pursuant to the orders of the Hon'ble Tribunals or any other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing so as to become on and from Appointed Date, the Said Assets of the Transferee Company.

7.2 Without prejudice to the above, in respect of the Said Assets of the Transferor Companies, including cash and bank balances, as are movable in nature or incorporeal property or are otherwise capable of being transferred by delivery or possession or by endorsement and/or delivery, the same shall stand transferred to the Transferee Company upon coming into effect of this Scheme and shall upon such transfer become the Said Assets of the Transferee Company with effect from the Appointed Date. In respect of any such assets, rights, titles and interests other than the Said Assets referred hereinabove, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company pursuant to an order being made thereof by the Hon'ble Tribunals under Section 232 of the Act.

7.3 Without prejudice to the above, the IPR and Said Assets of the Transferor Companies, if any, belonging to the Transferor Companies shall stand transferred to and vested in and be deemed to be transferred to and vested in the name of the Transferee Company without any further act, instrument or deed. The Transferee Company, however, shall after the effectiveness of this Scheme, file the relevant intimations with the concerned Governmental and Registration Authorities in relation to Amalgamation, if required, who shall take them on record pursuant to the order of the Hon'ble Tribunals.

7.4 Upon coming into effect of this Scheme and with effect from the Appointed Date, all statutory licenses including but not limited to permits, quotas, approvals, permissions, clearances, incentives, consents and authorization orders and all other business certifications and all other registration certificates issued to the Transferor Companies under the Applicable Law(s) including but not limited to Shops and Commercial Establishments Act of the respective states where the establishments of the Transferor Companies are situated, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Contract Labour (Regulations and Abolition) Act, 1970, Employees' State Insurance Corporation Act, 1948 and/or Gratuity Act, 1972 and pension and/or superannuation fund or benefits and any other funds or benefits created by the Transferor Companies for the employees, any subsidies, concessions, grants, special reservations, rights, claims, leases, tenancy rights, liberties, benefits under applicable provisions of the IT Act, no-objection certificates, permissions, approvals including but not limited to letters of permission related to bonded premises in software technology parks, expansion of STP operation facilities, PBWH licenses, approvals granted for setting up and operating units in special economic zones, software technology parks etc., registration-cum-membership certificates, consents, quotas, rights, entitlements, certificate of importer exporter codes, allotment letters for importer exporter codes, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and other benefits or privileges, if any (*hereinafter referred to as "**Said Rights and Interests**"*), enjoyed or conferred upon or held or availed of and all rights and benefits that have accrued or which may accrue to Transferor Companies, shall, pursuant to the provisions of Section 232(4) of the Act and other applicable provisions of the Applicable Law(s), for the time being in force, without any further act, instrument or deed, upon the Scheme becoming effective, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become on and from the Appointed Date, the Said Rights and Interests of the Transferor Companies, effective and enforceable on the same terms and conditions to the extent permissible under the Applicable Law(s) for the time being in force and shall be duly and appropriately mutated or endorsed by the concerned Governmental and Registration Authorities therewith in favour of the Transferee Company.

8. TRANSFER AND VESTING OF LIABILITIES

8.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all secured and unsecured liabilities, borrowings (*long-term and short-term*), including liabilities of every kind, nature and description, whatsoever and howsoever arising, whether present or future, including contractual liabilities, guarantees (*long-term and short term*), security deposits received, loans (i*ncluding loan from related parties which includes interest accrued*), contingent liabilities, non-trade payables, trade payables, retention money, payables for purchase of property, plant and equipments, creditors of other fixed assets, letters of credit, etc., if any, statutory liabilities/ dues (*whether disputed or undisputed*), any kind of commitment or any other advances received (*whether disclosed or undisclosed*), duties, term loans from banks and financial institutions, book overdrafts, loan and advances (*whether long-term or short-term*) from banks, customers, revenue received in advance, statutory dues payable, government dues for taxes, contribution to provident fund, labour welfare funds, trade payables (*including dues from related parties*), short term borrowings from the related parties, supplier credits, dues of micro and small enterprises, staff and other creditors, dues of creditors other than micro and small enterprises, employee benefit payables, others employees costs, long-term or short-term provisions, advance from customers, provisions (*whether current or non-current*) including provisions for tax, gratuity, leaves benefits, expenses payable, deferred tax liabilities, taxes, GST payables and obligations of Transferor Companies, other current and non-current liabilities, if any, along with any charge, encumbrance, lien or security thereon, if any, and those arising out of proceedings of any nature (*hereinafter referred to as "**Said Liabilities**"*) shall also be transferred to and vested in or be deemed to be transferred to and stand vested, without any further act, instrument or deed in the Transferee Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Act and other Applicable Law(s) so as to become Said Liabilities of Transferee Company and further, it shall not be necessary to obtain separate consent of any third party or any person who is a party to any contract or arrangement by virtue of which such the Said Liabilities may have arisen and are to be transferred to the Transferee Company.

a) All loans raised and utilized or incurred as part of the Said Liabilities, if any, by the Transferor Companies anytime after the Appointed Date, but prior to the Effective Date, shall be deemed to be transferred to and vested with the Transferee Company without any further act or deed.

b) The borrowing limits, if any, of the Transferee Company shall, without any further act or deed, stand enhanced by an amount being the aggregate of Said Liabilities of the Transferor Companies which are being transferred to the Transferee Company pursuant to this Scheme and the Transferee Company shall not be required to pass any separate resolutions or comply with any provisions of the Act, in this regard.

c) It is clarified that so far the Said Assets of the Transferor Companies are concerned which have the security or charge, encumbrance or lien, if any, relating to securing the Said Liabilities or any other obligations of the Transferor Companies, shall, without any further act or deed continue to relate to such Said Assets after the Effective Date in the name of the Transferee Company and shall not extend to any other assets of the Transferee Company. However, it is expressly clarified that any such security or charge or encumbrance or lien shall not be entered to as security in relation to any assets of the Transferee Company, save to the extent as may be guaranteed or warranted by the terms of the existing security arrangements to which any of the Transferor Companies is a party and consistent with the joint obligations assumed by them under such arrangement or otherwise as may be agreed to by Board of the Transferee

Company.

d) Transferee Company, at its own cost, shall take all steps as may reasonably be necessary to enter into new or amended loan or security agreements or instruments and the like as may be necessary with the lender, such that the Transferee Company shall assume sole responsibility for repayment of borrowings.

8.2 With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Companies, insofar as may be necessary. The banks shall also allow and honour cheques or other bills issued in the name of the Transferor Companies on and from the Effective Date.

8.3 Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of movable and immovable properties of the Transferor Companies with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company, at any time upon coming into effect of this Scheme, may execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement or memorandum of understanding to which the Transferor Companies are parties, on the Effective Date, as may be necessary to be executed in order to give formal effect to the above provisions.

The Transferee Company shall under the provisions of this Scheme and/or subject to necessary approvals required under the Applicable Law(s) be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to carry out or perform all such formalities or compliance, referred to above.

9. TRANSFER OF PROFITS, INCOMES, LOSSES AND EXPENDITURE

9.1 All profits or incomes including interest on deposits with banks, interest income etc., accruing or arising to the Transferor Companies or loss or expenditure (*including the effect of taxes, if any*) to the Transferor Companies on and any time after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or loss or expenditure as the case may be of the Transferee Company.

9.2 Upon coming into effect of this Scheme and as per the provisions of Section 72A and other applicable provisions of the IT Act, all accumulated business and tax losses and unabsorbed depreciation of the Transferor Company - III and Transferor Company - IV shall be transferred to the Transferee Company. It is expressly clarified that all the accumulated business and tax losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Transferee Company in terms of the applicable provisions of the IT Act.

10. COMPLIANCE WITH IT ACT

10.1 This Scheme complies with the conditions relating to “amalgamation” as specified under Section 2(1B) of the IT Act. If any terms and provisions of this Scheme are found or interpreted to be inconsistent with the said provisions at a later date, including resulting from an amendment of Applicable Law(s) or for any other reason whatsoever, then the provisions of such amended Section(s) of the IT Act or any other Applicable Law(s) shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(1B) of the IT Act or any other Applicable Law, as may be amended from time to time. Such modification shall, however, not affect other parts of this Scheme.

11. LEGAL PROCEEDINGS

11.1 Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings (*before any statutory or quasi-judicial authority or tribunal or any court or arbitral* *body*), if any, by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and/or be enforced by or against the Transferee Company as effectually and in the same manner and extent as if the same has been instituted and/or pending and/or arising by or against the Transferee Company.

11.2 It is expressly specified that the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies as referred above, be transferred to its name and shall have the same continued, prosecuted and enforced in its name.

12. INTER COMPANY TRANSACTIONS

Without prejudice to the above provisions, upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company transactions, inter-se between the Transferor Companies and the Transferee Company and between the Transferor Companies, including but not limited to:

a) any loans, advances, investments and other obligations (*including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form*) which are due or outstanding or which may become due at any time in future; or

b) any agreement/memorandum of understanding, executed amongst the aforesaid Companies which are due or outstanding or which may become due at any time in future, shall stand cancelled as on the Effective Date and shall be of no effect and the Transferor Companies and the Transferee Company shall have no further obligation outstanding in that behalf.

13. TREATMENT OF TAXES

13.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes, duties, cess payable by the Transferor Companies (*including under the IT Act, Customs Act, 1962 or any other Applicable Laws*), accruing and relating to the Transferor Companies from the Appointed Date onwards, including but not limited to advance tax payments, tax deducted at source ("**TDS**"), minimum alternate tax ("**MAT**"), any refund and interest due thereon on any credits, claims and exemptions shall, for all purposes be treated as advance tax payments, TDS, MAT, any refund and interest due on any such credits, claims and exemptions or refunds, as the case may be, of the Transferee Company.

13.2 Upon the Scheme becoming effective, the Transferee Company is permitted to file or revise returns of the Transferor Companies including but not limiting to TDS return, sales tax/value added tax returns, service tax returns, GST returns and all other relevant returns filed with the Governmental and Registration Authorities for the period either prior to the Appointed Date and/or period commencing on and from the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.

13.3 Upon this Scheme becoming effective, all unavailed credits, claims and exemptions, any refunds, interest due thereon, benefit of carried forward losses and other statutory benefits, if any, in respect of income-tax (*including but not limited to TDS, tax collected at source, advance tax, book and tax losses etc.*), cenvat, customs, value added tax, sales tax, service tax, GST etc. to which the Transferor Companies are entitled to, prior to the period of the Appointed Date, shall be available to and vest in the Transferee Company, without any further act or deed.

13.4 TDS, service tax, GST, if any, deducted by and/or charged to the Transferee Company under the IT Act or any other statute for the time being in force, in respect of the payments made by the Transferee Company to the Transferor Companies on account of inter-company transactions, assessable for the period commencing from the Appointed Date shall be deemed to be the advance tax/ service tax/ GST etc. paid by the Transferee Company and credit for such advance tax/ service tax/ GST etc. shall be allowed to the Transferee Company notwithstanding that certificates or challans for advance tax/

service tax/ GST etc. being in the name of the Transferor Companies and not in the name of the Transferee Company. Upon this Scheme becoming effective, the Transferee Company is permitted to file and/ or revise tax returns of the Transferor Companies (*including but not limited to income-tax returns, withholding tax returns, TDS certificates, sales tax returns, value added tax returns, service tax returns, GST returns and other tax returns*) for the period commencing on and from the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.

13.5 Without prejudice to the generality of aforesaid, any concessional or statutory forms under applicable tax laws, or local levies issued or received by the Transferor Companies, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowed to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Companies.

13.6 The Transferee Company shall file the relevant intimations, if required, under the Applicable Law(s), at its own cost, for the record of concerned Governmental and Registration Authorities who shall take them on file. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Companies in order to carry out or perform all such formalities or compliances referred to above on part of the Transferor Companies.

13.7 All the expenses incurred by the Companies in relation to the Amalgamation as per the terms and conditions of this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective.

13.8 Any refund under the tax laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The concerned Governmental and Registration Authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the orders on this Scheme by the Hon’ble Tribunals upon relevant proof and documents being provided to the said authorities.

14. EMPLOYEES

14.1 Upon coming into effect of this Scheme:

a) All staff, workmen and employees who are in employment of the Transferor Companies on the Effective Date shall become the staff, workmen and employees of the Transferee Company with effect from the Appointed Date on the basis that:

(i) their employment shall be deemed to have been continuous and not interrupted by reasons of the said transfer; and

(ii) the terms and conditions of their employment after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the said transfer.

b) It is expressly provided that as far as provident fund, employee state insurance plan scheme, gratuity scheme/trusts, leave encashment, superannuation scheme, compensated absences, unavailed leave scheme or any other special scheme(s) or fund(s) or trust(s), provisions for benefits created or existing, if any, for benefit of staff / workmen / employees of the Transferor Companies are concerned, upon coming into effect of the Scheme, the Transferee Company shall stand substituted for all the Transferor Companies for all purposes whatsoever, related to the administration or operation of such scheme(s) or fund(s) or trust(s) to the intent that all rights, duties, powers and obligation(s) of the Transferor Companies in relation to such scheme(s) or fund(s) or trust(s) shall become those of the Transferee Company. It is clarified that the employment of employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid scheme(s) or fund(s) or trust(s) including for the purposes of payment of any retrenchment compensation and other terminal benefits. The Transferee Company shall file relevant intimations with the concerned Governmental and Registration Authorities who shall take the same on record and endorse the name of the Transferee Company for the Transferor Companies. Upon this Scheme becoming effective, all contributions to such scheme(s) or fund(s) or trust(s) created or existing for the benefit of such employees of the Transferor Companies shall be made by the Transferee Company in accordance with the provisions of such scheme(s) or fund(s) or trust(s) and Applicable Law(s).

15. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

15.1 Subject to other provisions contained in this Scheme, all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which any of the Transferor Companies is a party and are subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto or beneficiary or oblige thereto or thereunder.

15.2 Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Companies or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed or availed by any of the Transferor Companies, granted by any Governmental and Registration Authority, or by any other person, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

15.3 All resolutions of the Transferor Companies which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any upper monetary or any other limits imposed under provisions of the Act, then the said limits shall apply mutatis mutandis to such resolutions and shall constitute the aggregate of the said limits in the Transferee Company.

16. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

16.1 With effect from the Appointed Date and upto and including the Effective Date, the Transferor Companies shall be deemed to carrying on all their businesses and other incidental matters for and on account of and in trust for the Transferee Company with reasonable diligence and due business prudence in the same manner as carried before but the Transferor Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, commitment either for themselves or on behalf of their affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, in any of their Said Assets or Said Rights and Interests or IPR, or change the composition of their Board, or substantially alter or expand or alienate or dispose off any of their business undertaking(s) or any other policy decision, except when the foregoing is:

i. in the ordinary course of business; or

ii. written consent of the Transferee Company has been obtained in relation to such action.

16.2 All profits and cash accruing to or losses arising or incurred (*including the effect of taxes, if any thereon*), by the Transferor Companies shall for all purposes, be treated as the profits/ cash, taxes or losses of the Transferee Company.

16.3 The Transferor Companies shall not vary or alter, except in the ordinary course of their businesses or pursuant to any pre-existing obligations undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Companies, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or their employees except with the written consent of the Transferee Company.

17. SAVING OF CONCLUDED TRANSACTION

17.1 Where any of the Said Liabilities of the Transferor Companies, as on the Appointed Date, transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

17.2 Without prejudice to anything mentioned above or anything contained in this Scheme, transfer and vesting of all business Undertakings of the Transferor Companies as per this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things made, done and executed by the Transferor Companies as acts, deeds, matters and things made, done and executed by or on behalf of the Transferee Company.

17.3 All the Said Liabilities, incurred or undertaken by the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and pursuant to provisions of Section 232 and any other applicable provisions of the Act, shall without any further act, instrument or deed be and stand transferred to and/or vested in and/ or be deemed to have been transferred to and vested in the Transferee Company and shall become Said Liabilities of the Transferee Company.

PART C

CONSIDERATION FOR THE AMALGAMATION (*AS DEFINED HEREINAFTER*), CLUBBING OF THE AUTHORISED SHARE CAPITAL AND ACCOUNTING TREATMENT FOR THE AMALGAMATION

18. CONSIDERATION

18.1 Since, the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Transferee Company in the Transferor Companies either by itself or through its subsidiaries / nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Transferee Company to the shareholders of the Transferor Companies upon coming into effect of the Scheme.

The investments in the shares of the Transferor Companies, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled.

19. CLUBBING OF AUTHORIZED SHARE CAPITAL

19.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Companies as on the Effective Date shall stand transferred to and be added with the authorized share capital of the Transferee Company.

The Transferee Company shall file necessary application with the RoC, Delhi along with the Scheme as sanctioned by the Hon'ble Tribunals, indicating the revised authorized share capital and pay the prescribed fee due on such increase in authorized share capital after claiming set off of fee already paid by the Transferor Companies on their authorized share capital as per Section 232(3)(i) read with Section 233(11) and 233(12) of the Act. It is further clarified that the Transferee Company shall not be required to pay any other additional fees (*including fee payable to RoC, Delhi except as may be required as per the applicable provisions of the Act*) or stamp duty or any other charges under any Applicable Law(s) for time being in force.

19.2 Consequent to transfer of the existing authorized share capital of the Transferor Companies on the Effective Date in accordance with the aforementioned, Clause V of the memorandum of association of the Transferee Company shall be substituted as necessary.

19.3 It is hereby clarified that the consent of shareholders of the Transferee Company to the Scheme shall be sufficient for the purpose of effecting the amendment in the memorandum of association and articles of association of the Transferee Company and that no further resolution under Sections 13, 14 and 61 of the Act and any other applicable provisions of the Act would be required to be separately passed nor any additional registration fee etc. be payable by the Transferee Company. However, the Transferee Company shall file the amended copy of its memorandum of association and articles of association with the RoC, Delhi within a period of 30 (*Thirty*) days from Effective Date and the RoC, Delhi shall take the same on record.

20. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the Amalgamation of the Transferor Companies with and into the Transferee Company shall be accounted for as per 'Pooling of Interest Method' provided under the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.

PART D

MISCELLANEOUS PROVISIONS AND CONDITIONALITY OF THE SCHEME

21. DISSOLUTION OF TRANSFEROR COMPANIES

Pursuant to the Scheme becoming effective, all the Transferor Companies shall, without any further act or deed, stand dissolved without following the process of winding up.

22. APPLICATION TO THE HON'BLE TRIBUNALS

22.1 The Companies shall, with all reasonable documents/ annexures, make necessary applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Hon'ble Tribunals for seeking sanction of this Scheme.

22.2 The Companies may also file application(s) before the President of the Hon'ble Tribunals for transfer of the applications/petitions from the Hon'ble Tribunal, Bengaluru to the Hon'ble Tribunal, New Delhi under Rule 16(d) of the National Company Law Tribunal Rules, 2016. In such case, Hon'ble Tribunal, New Delhi shall have jurisdiction to sanction this Scheme.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

23.1 Subject to approval by the Hon'ble Tribunals, the Board of each of the Companies may assent to any modifications/ amendments including withdrawal/ termination of the Scheme or to any other conditions or limitations that the Hon'ble Tribunals or any Governmental and Registration Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by their respective Boards. Each of the Companies shall authorize their respective Boards to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of the Hon'ble Tribunals or any Governmental and Registration Authority of any other competent authority or otherwise howsoever arising out of or by virtue of the Scheme and/or to give effect to and to implement the Scheme, in part or in whole, and/or any matter concerned or connected therewith.

23.2 Further, it is clarified that the initial consent of the shareholders and creditors (*both secured and unsecured*) of the Companies to this Scheme shall in itself be deemed to be sufficient to authorize the operation of the abovementioned clause of this Scheme and any subsequent alteration would not require a fresh note of consent from such shareholders and creditors.

24. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

24.1 The approval of the Scheme by the respective requisite majorities in number and value of the shareholders and/or creditors (wherever applicable) of the Companies in accordance with Sections 230 to 232 of the Act;

24.2 The Scheme being sanctioned by the Hon'ble Tribunals (*or by Hon'ble Tribunal, New Delhi, pursuant to clause 22.2 of this Scheme*) in terms of Sections 230 to 232 and other relevant provisions of the Act and the requisite orders of the Hon'ble Tribunals; and

24.3 Certified copies of the respective orders of the Hon'ble Tribunals (*or by Hon'ble Tribunal, New Delhi, pursuant to clause 22.2 of this Scheme*) sanctioning this Scheme being filed with the RoCs by the Transferor Companies and the Transferee Company as per the provisions of the Act.

25. EFFECT OF NON-RECEIPT OF APPROVALS

25.1 In the event of any of the said sanctions and approvals referred in the Scheme not being obtained and/or complied with and/or satisfied, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

25.2 In the event of revocation of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se to the Transferor Companies 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 Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

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

26. COSTS, CHARGES AND EXPENSES

26.1 All costs, charges, taxes including duties, levies and all other expenses, if any (*save as expressly provided*) of the Transferor Companies and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.