



## Tech Mahindra Limited

CIN No.: L64200MH1986PLC041370

Registered Office : Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India

Website: [www.techmahindra.com](http://www.techmahindra.com) Email: [investor.relations@techmahindra.com](mailto:investor.relations@techmahindra.com)

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### NOTICE OF POSTAL BALLOT

**NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 (“THE ACT”) READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (“THE RULES”) (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), AND CLAUSE 35B OF THE LISTING AGREEMENT EXECUTED BY THE COMPANY WITH THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND SEBI CIRCULARS BEARING NO. CIR/CFD/DIL/5/2013 DATED 4<sup>TH</sup> FEBRUARY, 2013 AND CIR/CFD/DIL/8/2013 DATED 21<sup>ST</sup> MAY, 2013**

Dear Public Shareholder(s),

**Notice** is hereby given to the public shareholders of Tech Mahindra Limited (“the **Company**”) pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the **Act**”) read with the Companies (Management and Administration) Rules, 2014 (“the **Rules**”) (including any statutory modification or re-enactment thereof for the time being in force), and Clause 35B of the Listing Agreement executed by the Company with the BSE Limited and the National Stock Exchange of India Limited, and Securities Exchange Board of India (“**SEBI**”) Circulars bearing nos. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 and CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 (“**SEBI Circulars**”) to consider, and if thought fit, to pass the resolutions set out below through postal ballot and e-voting.

In terms of Section 110 and other applicable provisions, if any, of the Act read with the Rules, the resolutions appended below are proposed to be passed by Postal Ballot and accordingly your approval is sought in respect of the aforesaid matters. The Resolutions and Explanatory Statement pertaining to the said Resolutions, pursuant to Section 102 of the Act, setting out the relevant material facts and the reasons for which such resolutions proposed, are appended herewith for your consideration along with a ‘Postal Ballot Form’ and self-addressed postage pre-paid Business Reply Envelope (“**BRE**”).

**If you are voting through Postal Ballot Form (i.e. physical Ballot), you are requested to carefully read the instructions printed on the Form enclosed herewith and return it, duly completed and signed along with your assent (FOR) or dissent (AGAINST) in the attached self-addressed postage pre-paid BRE, so as to reach the Scrutinizer on or before 24<sup>th</sup> June, 2014 by 6:00 p.m. Please note that any Postal Ballot Form(s) received thereafter will be treated as not having been received.**

**For e-voting, please read carefully the “Procedure/Instructions for e-voting” enumerated in the notes to this Notice.**

The Board of Directors of the Company (“the **Board**”), in compliance with Rule 22 (5) of the Rules, has appointed **Mr. Jayavant B. Bhave**, Practising Company Secretary, as Scrutinizer, for conducting the said Postal Ballot process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman or any Director or the Company Secretary of the Company, after completion of scrutiny, on or before **27<sup>th</sup> June, 2014**. The result of the Postal Ballot will be announced by the Chairman or any Director of the Company on **27<sup>th</sup> June, 2014** at the Company’s registered office situated at Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India and the corporate office of the

Company situated at Plot No.1, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune Special Economic Zone, Pune - 411 057, Maharashtra, India. In addition to the results being communicated to BSE Limited and National Stock Exchange of India Limited, it shall also be displayed at the Company's registered office and on its website i.e. www.techmahindra.com. It will subsequently be published in at least 1(one) English and 1 (one) vernacular newspaper circulating in Maharashtra. The resolution(s) will become effective on and from the date of announcement of result of the Postal Ballot by the Chairman or any Director of the Company.

In the event the resolution relating to the proposed Scheme of Amalgamation as set out below, is assented to by the majority of public shareholders by means of a postal ballot and e-voting, i.e. the votes cast in favour of the resolution by the public shareholders of the Company are more than the votes cast against the resolution by the public shareholders, in accordance with the SEBI Circulars, it shall be deemed to have been passed and the date of announcement of the result of the postal ballot and e-voting shall be considered as the date of passing of the said Resolution.

**TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION:**

**“RESOLVED THAT** pursuant to the SEBI Circulars bearing No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 and CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 (together referred to as **“SEBI Circulars”**), the Observation Letter dated 7<sup>th</sup> March, 2014 issued by the BSE Limited, the Amalgamation and Arrangement as embodied in the Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Section 52 of the Companies Act 2013 (corresponding provision being Section 78 of the Companies Act, 1956) and Sections 100 to 104 of the Companies Act, 1956, of Mahindra Engineering Services Limited with the Company and their respective shareholders and creditors (**“Scheme of Amalgamation”**) be and is hereby approved subject to any conditions as may be imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme of Amalgamation;

**RESOLVED FURTHER THAT** the Board of Directors (which includes any Committee thereof) of the Applicant Company, be and is hereby authorised to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Amalgamation and Arrangement embodied in the Scheme of Amalgamation and to accept such modification and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme of Amalgamation or by any authority under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the Scheme of Amalgamation.”

By Order of the Board  
**For Tech Mahindra Limited**

Date : 17<sup>th</sup> May, 2014  
Place : Mumbai

**G. Jayaraman**  
Company Secretary

**NOTES:**

1. The Company has engaged Central Depository Services (India) Limited (**“CDSL”**) to provide e-voting facility to the shareholders of the Company as an alternate to dispatch the Postal Ballot Form. If a shareholder has voted through e-voting facility, he/she/it is not required to send the Postal Ballot Form.
2. **E-voting:** In compliance with the provisions of Section 110 of Companies Act, 2013 read with the Rules and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility for all its shareholders to enable them to cast their votes electronically as an alternative to dispatch the postal ballot forms. Please note that e-voting is entirely optional for the shareholder(s) and that the shareholder(s) can opt only for one mode of voting. If a shareholder has opted for e-voting, then he/she/it should not vote by postal ballot and vice-versa. However, in case shareholder(s) cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid, notwithstanding whichever option is exercised first.

3. The procedure and instructions for e-voting are as follows:
- a) In case a Member receives an email from our Registrar, Link Intime [for members whose email IDs are registered with the Company/Depository Participants(s)]
    - i. Enter the unique user ID / password mentioned in the e-mail vide which the Postal Ballot notice and other documents have been e-mailed to you. Please note that the password is an initial password.
    - ii. Launch internet browser by typing the **URL:<https://www.evotingindia.com/>**
    - iii. Click on Shareholder-Login
    - iv. Put user ID and Password as initial password/PIN noted in step (i) above. Click Login.
    - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - vi. Home page of e-voting opens. Click on e-Voting: **Active Voting Cycles**.
    - vii. Select **“EVEN”** of Tech Mahindra Limited
    - viii. Now you are ready for e-voting as Cast Vote page opens.
    - ix. Cast your vote by selecting appropriate option and click on **“Submit”** and also **“Confirm”** when prompted.
    - x. Upon confirmation, the message **“vote cast successfully”** will be displayed.
    - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jbbhave@gmail.com](mailto:jbbhave@gmail.com) or [investor.relations@techmahindra.com](mailto:investor.relations@techmahindra.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 24<sup>th</sup> June, 2014.
  - b) In case a Member receives physical copy of the Postal Ballot Notice [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
    - i. Initial password is provided as below/at the bottom of the physical Postal Ballot Form:
 

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
    - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of URL:<https://www.evotingindia.com/>
  5. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
  6. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  7. The e-voting period commences on 25<sup>th</sup> May, 2014 (00.00 a.m.) and ends on 24<sup>th</sup> June, 2014 (06.00 p.m.). During this period shareholders’ of the Company, holding share either in physical form or in dematerialized form, as on the cut-off date 9<sup>th</sup> May, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

8. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 9<sup>th</sup> May, 2014.
9. **Mr. Jayavant B. Bhave**, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
10. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
11. Shareholders who have received this notice by email and who do not want to avail of the electronic voting facility organised by CDSL, may send a request for obtaining this notice and Postal Ballot Form in physical form from the Registrar and Share Transfer Agent viz., M/s. Link Intime India Pvt. Ltd, Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001 ("**RTA**"). On receipt of such request, the RTA will dispatch the same in physical form so that the shareholder can send back the duly signed Postal Ballot Form within the time mentioned hereinabove.
12. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballot voting. The results will be announced by the Chairman or the Managing Director or the Company Secretary of the Company on or before 27<sup>th</sup> June, 2014 at the above-mentioned registered office and the corporate office of the Company and the resolution will be taken as passed effectively on the date of such declaration, if assented by requisite majority.
13. The result of the postal ballot will be communicated to the BSE Limited and the National Stock Exchange of India Limited, where the Company's shares are listed and shall be published through a public notice in newspapers. The results of the postal ballot will also be published on the website of the Company, [www.techmahindra.com](http://www.techmahindra.com) .

By Order of the Board  
**For Tech Mahindra Limited**

Date : 17<sup>th</sup> May, 2014  
Place : Mumbai

**G. Jayaraman**  
Company Secretary

Note: An Explanatory Statement pursuant to Section 393 of the Companies Act, 1956, read with Section 102 of the Companies Act, 2013 is appended hereto.

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH  
SECTION 102 OF THE COMPANIES ACT, 2013**

**For the purpose of this explanatory statement, the following terms shall have the meaning set out below:**

- “**Act**” means the Companies Act, 1956 and all the modifications and/or re-enactment thereof and the rules thereunder;
  - “**Company**” means Tech Mahindra Limited, a public limited company incorporated under the Act, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India;
  - “**Mahindra & Mahindra Limited**” means Mahindra & Mahindra Limited, a public limited company incorporated under the Act, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India;
  - “**MESL**” means Mahindra Engineering Services Limited, a public limited company incorporated under the Act, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India;
  - “**Public**” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957;
  - “**Scheme of Amalgamation**” means the Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Section 52 of the Companies Act, 2013 (corresponding provision being Section 78 of the Companies Act, 1956) and Sections 100 to 104 of the Companies Act, 1956 of Mahindra Engineering Services Limited with the Company and their respective shareholders and creditors;
  - “**SEBI Circulars**” mean Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013, each issued by the SEBI;
  - “**Stock Exchanges**” means the National Stock Exchange of India Limited and the BSE Limited.
1. The Company is proposing to enter into a Scheme of Amalgamation with MESL, which was approved by the board of directors of the Company on 29<sup>th</sup> November, 2013.
  2. Pursuant to the Order dated 9<sup>th</sup> May, 2014 (“**Order**”) passed by the Hon’ble High Court of Judicature at Bombay, in the Company Summons for Direction No. 405 of 2014, a meeting of the shareholders of the Company is being convened and held at Y B Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai - 400 021, Maharashtra on Friday, the 20<sup>th</sup> day of June 2014 at 4.00 p.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the resolutions set out in the notice convening the meeting of shareholders (“**Notice**”).
  3. Accordingly, the Company is approaching all its equity shareholders for approving: (a) the Scheme of Amalgamation under Section 391 of the Act; and (b) application and reduction of the securities premium account of the Company in accordance with the Scheme of Amalgamation.
  4. The voting for approving the Scheme of Amalgamation shall be undertaken in accordance with Section 391 of the Act, wherein the proposed Scheme of Amalgamation would be deemed to have been approved by the equity shareholders if the Scheme of Amalgamation is approved by a majority in number representing three-fourths in value of the equity shareholders present and voting either in person or by proxy at the meeting.
  5. Also the resolution as passed above would be deemed to be a special resolution passed by shareholders under Section 100 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 (corresponding provision being Section 78 of the Companies Act, 1956) and in case the votes cast in favor of the resolution are more than three times the votes cast against the resolution by the shareholders of the Company.
  6. A copy of the Scheme of Amalgamation is enclosed to this explanatory statement as **Annexure I** and forms part of this explanatory statement.
  7. The background of the companies involved in the Scheme of Amalgamation is as under:
    - a. **MESL or Transferor Company:**
      - (i) MESL is a public limited company incorporated on 7<sup>th</sup> August 1995 under the Act and has its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India.

- (ii) MESL is engaged in the business of rendering engineering services in relation to designing and developing parts, components, systems and aggregates relating to the automotive sector.
- (iii) The main objects of MESL are as follows:
- “1. To undertake the business of scientific research and development in the area of product development for the manufacture of all types of industrial products and in particular for products of the automotive industry by providing designing, engineering, reengineering and reverse engineering, prototyping, testing, packaging, certification, validation, product data management, and allied services including in the areas of style, quality, functional deployment, development of aggregates, supplier selection and development, quality assurance, self-certification, and the like in relation to or in connection with all aspects of manufacturing of industrial products and in particular for manufacturing of industrial products and in particular for products of the automotive industry including providing scientific research and development, evaluating full range of activities from market research leading up to final product launch.
- 1A. To provide, promote, undertake, engage, conceptualize, develop, create, maintain, assist, establish, inspect, dismantle, manage, market, import, export, overhaul, design, assemble, either on its own or in collaboration or association with any third party, aero-engine and aero-structure components, communication and navigation equipments, advanced communication technologies, accessories and all other aviation components and deliver a complete suite of services pertaining to research and development, design and tooling, fabricating, assembling, testing and manufacturing, distributing and dealing in all types of aircrafts, helicopters, commercial aeroplanes, jets, other aviation vehicles, spacecrafts, satellite systems, spares and associated products of all types and description by integration of innovative technologies, three-dimensional modeling techniques, state-of-art fabrication and setting up of quality assurance laboratories, to establish and employ agencies, master franchisees, franchisees and branches and to appoint agents to carry on the business of the Company whether in India or elsewhere on such terms and conditions as may be necessary or expedient, to render staff and management recruitment training, to provide technical advice, guidance and supervision in the setting up and operation of franchisee units and branches in India and abroad.
- 1B. To carry on the business of providing an array of aviation consultancy solutions and services, to offer, design, market, import, export, promote, operate, develop and deliver software solutions, development and services to each and every type of organization in India and abroad in all its forms including operation of technical services, networking services on-site and off-shore consultancy services and allied services like programming, design, development, hosting, licensing, installation, servicing, maintenance, research and development, integration, solutions, sale, export, import, distribution, marketing or to work upon or to generally deal in software including software for the purpose of avionics, aviation technology, space systems, & technology, satellite systems, communications, internet, intranets, networks, systems software, management, systems management, interoperability products, visual graphics, internet/intranet security products, e-business, electronic commerce, mobile commerce, embedded software development, VLSI design and development, CRM, Electronic CRM and solutions thereof, either on its own or in collaboration or association with any third party.”
- (iv) The share capital structure of MESL as on 31<sup>st</sup> March, 2014 is set out below:

Particulars	Rs.
<b>AUTHORISED SHARE CAPITAL</b>	
1,50,00,000 equity shares of Rs. 10 each.	15,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
102,21,602 equity shares of Rs. 10 each fully paid up.	10,22,16,020

Post 31<sup>st</sup> March, 2014, MESL has not issued any new equity shares.

**b. Company or Transferee Company:**

- (i) The Company is a public limited company incorporated on 24<sup>th</sup> October, 1986 under the Act and has its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India.
- (ii) The Company is engaged in the business of providing information technology and information technology enabled services. Further the Company also provides engineering services to customers across aerospace, automotive and telecom sector.
- (iii) The main objects of the Company are as follows:
  - “1. To carry on the businesses of running (whether under licence or otherwise), operating, managing, advising on and supplying telecommunication systems and systems of all kinds for the conveyance by any means of sounds, visual images and signals of all kinds.
  - 2. To carry on the businesses of supplying, operating, managing, advising on and dealing in services and facilities for or in relation to communications of all kinds (including, without prejudice to the generality of the foregoing, telecommunication services) and services and facilities which incorporate, use, or are used in conjunction with, in connection with or ancillary to, telecommunication systems or telecommunication apparatus and equipment.
  - 3. To carry on the businesses of manufacturing, running, operating, managing, advising on and supplying data processing and information retrieval systems (whether or not remotely located and including but not limited to videotext, teletex and teletext systems) and systems utilising the capture, storage, processing, transmission or receipt of messages and signals (including but not limited to data, sounds and visual images) by, with the aid of, in conjunction with, or in any way utilising, computers, or similar equipment, and computer programs and databases and to carry on the businesses of operating, managing, advising on, supplying and dealing in services and facilities of all kinds which incorporate, use or are used in conjunction with, in connection with or ancillary to, systems of such descriptions as aforesaid or any of the apparatus and equipment comprised therein.
  - 4. To manufacture, design, develop either for its own use or for sale in India or for export outside India computer systems, computer software, computer peripherals and accessories, computer consumables like floppy disks/diskettes, hard disks, ribbons, continuous and non-continuous stationery etc., and such other products or things which may be considered either as an Integral part of a computer system or as an optional attachment or supplement thereto.
  - 5. To issue, implement, undertake, assist, facilitate, offer, distribute, or otherwise promote, undertake telecom value added services schemes and projects including but not limited to issue a mobile pre-paid cash wallet, prepaid card and/or cash card to consumers and setting up a payment and settlement system, support a bank in issuing “card present”, credit and debit cards on phone, or direct debit facility on mobile phone, to provide informational and transactional facilities and solutions to consumers for making payment for all goods and services, carry on any services related to International inward remittances by entering directly or through bilateral agreements and or by joining various money transfers hubs or to join companies, establishments or other entities carrying out similar businesses or may assist in achieving its objectives by merging, acquiring or amalgamating with such companies or entities.”
- (iv) The equity shares of the Company are listed on the Stock Exchanges.

- (v) The share capital structure of the Company as on 31<sup>st</sup> March, 2014 is set out below:

Particulars	Rs.
<b>AUTHORISED SHARE CAPITAL</b> 619,100,000 equity shares of Rs. 10 each.	6,191,000,000
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b> 233,472,886 equity shares of Rs. 10 each fully paid up.	2,334,728,860

Post 31<sup>st</sup> March, 2014, 73,441 equity shares were allotted to the employees of the company pursuant to the exercise of stock options.

8. Rationale and salient features of the Scheme:

- a. As a measure of consolidation of the engineering services business across various sectors in a single entity which will provide synergy benefits, attain efficiencies and reduce overall costs, the boards of directors of the MESL and the Company have proposed the Scheme of Amalgamation. The amalgamation of MESL with the Company would *inter alia* have the following benefits:
- Creation of a single 'go-to-market' strategy, benefit of scale, enhanced depth and breadth of capabilities translating into increased business opportunities and reduced expenses;
  - Improved organizational capability and leadership, arising from the combination of human capital who collectively have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
  - The combination of the business would increase the long term value for shareholders and investors;
  - Benefits of operational synergies in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalization, standardization and simplification of business processes and productivity improvements.
- b. The Scheme of Amalgamation provides for the amalgamation of MESL with the Company with effect from 1<sup>st</sup> April, 2013 and the consequent issue of equity shares of the Company to shareholders of MESL as well as utilisation of the securities premium account of the Company pursuant to Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 (corresponding provision being Section 78 of the Companies Act, 1956) and Sections 100 to 104 of the Companies Act, 1956.
- c. Upon the Scheme of Amalgamation becoming effective:
- All assets and liabilities of MESL shall transfer to and vest in the Company;
  - Each member of MESL, whose name is registered in the register of members of MESL on the record date or his/her/its legal heirs, executors or successors as the case may be, will receive equity shares of the Company in the ratio of 5 (five) equity shares of the face value of Rs. 10 (ten) each (credited as fully paid up) of the Company for every 12 (twelve) equity shares of the face value of Rs. 10 (ten) each fully paid-up, held by such member in MESL. No fractional shares shall be issued by the Company and all fractional entitlements will be rounded off to the nearest integer;
  - MESL shall stand dissolved without winding-up.
- d. In the event the Scheme of Amalgamation fails to take effect by 31<sup>st</sup> October, 2014 or such later date as may be agreed by the respective board of directors of MESL and the Company, the Scheme of Amalgamation shall stand cancelled and be of no effect and become null and void. In such an event, no rights and liabilities shall accrue to or be incurred *inter-se* MESL and the Company or their shareholders or creditors or employees or any other person.

9. Only the salient features of the Scheme of Amalgamation have been set out above. The shareholders are requested to read the entire text of the Scheme of Amalgamation annexed to this Notice to get fully acquainted with the provisions thereof.

10. The board of directors of the Company, at its meeting held on 29<sup>th</sup> November, 2013, has taken into account the independent recommendation of the Audit Committee, the Joint Valuation Report dated 29<sup>th</sup> November, 2013 (“**Joint Valuation Report**”) issued by M/s. S.R. Batliboi & Co. LLP and M/s. BSR & Associates and the Fairness Opinion dated 29<sup>th</sup> November, 2013 (“**Fairness Opinion**”) issued by ICICI Securities Limited. In terms of Clause 24(h) of the Listing Agreement, a copy of the Fairness Opinion is enclosed as **Annexure II** to this Notice.
11. As required by the SEBI Circulars, the Company has filed the Complaints Report with the Stock Exchanges on 9<sup>th</sup> January, 2014 and a copy of same is enclosed as **Annexure III** to this Notice. After filing the Complaints Report, the Company has not received any complaints.
12. The Company has received, in terms of Clause 24(f) of the Listing Agreement, Observation Letter dated 7<sup>th</sup> March, 2014 from the designated Stock Exchange viz. BSE Limited conveying its ‘no objection’ for filing of the Scheme of Amalgamation with the Hon’ble High Court of Judicature at Bombay. A copy of the Observation Letter is enclosed as **Annexure IV** to this Notice.
13. In term of Clause 24(h) of the Listing Agreement, the pre and post amalgamation (expected) capital structure and shareholding pattern of the Company is provided in the **Annexure V** to this Notice.
14. Disclosure of interest:

None of the directors and the key managerial personnel of the Company (as defined under the Companies Act, 2013) and their relatives have any interest in the Scheme of Amalgamation, except as shareholders of the respective companies, the extent of which is stated below:

Sr. No.	Names	Number of shares held in the Company	Number of employee stock options (“ESOPs”) held in the Company	Number of shares held in MESL	Number of ESOPs held in MESL
<b>Directors of the Company</b>					
1.	Mr. Anand G. Mahindra	47,138	0	0	0
2.	Mr. Vineet Nayyar	5,00,000	23,92,567	0	0
3.	Mr. C. P. Gurnani	4,58,245	24,81,926	0	0
4.	Mr. Anupam Puri	0	15,000	0	0
5.	Mr. Bharat N. Doshi	17,831	15,000	1 (held jointly)	0
6.	Mr. M. Damodaran	20,000	15,000	0	0
7.	Mrs. M. Rajyalakshmi Rao	0	15,000	0	0
8.	Mr. Ravindra Kulkarni	1,037	15,000	0	0
9.	Mr. T. N. Manoharan	0	15,000	0	0
10.	Mr. Ulhas N. Yargop	38,340	15,000	1 (held jointly)	77,833
<b>Key Managerial Personnel (KMP) of the Company</b>					
1.	Mr. Milind Kulkarni, Chief Financial Officer	3,958	6,667	0	0
2.	Mr. G. Jayaraman, Company Secretary	8,500	10,812	0	0

15. Copies of the following documents are available for inspection at the registered office of the Company situated at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India on any working day except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m, up to 24 hours prior to the date of the meeting:
  - a. Copy of the order dated 9<sup>th</sup> May, 2014 passed by the Hon’ble High Court of Judicature at Bombay in Company Summons for Direction No. 405 of 2014 for the Applicant Company;
  - b. Scheme of Amalgamation;

- c. Copy of the resolutions passed by the respective Boards of Directors of the Company and MESL approving the Scheme;
  - d. Report of Audit Committee of the Company dated 29<sup>th</sup> November, 2013;
  - e. Memorandum and Articles of Association of the Company and MESL;
  - f. Observation Letter dated 7<sup>th</sup> March, 2014 received from the designated Stock Exchange viz BSE Limited conveying its 'no objection' for filing of the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay;
  - g. Complaints report dated 9<sup>th</sup> January, 2014 submitted by the Company to the BSE Limited;
  - h. The un-audited accounts of MESL for the period ended 31<sup>st</sup> December, 2013;
  - i. The audited accounts of the Company for the period ended 31<sup>st</sup> December, 2013;
  - j. Joint Valuation Report dated 29<sup>th</sup> November, 2013 issued by M/s. S.R. Batliboi & Co. LLP and M/s. BSR & Associates;
  - k. Fairness Opinion dated 29<sup>th</sup> November, 2013 issued by ICICI Securities Limited.
16. This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013 and rules made thereunder. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Company or at the Corporate Office of the Company situated at Plot No.1, Rajiv Gandhi Infotech Park, Phase III, Hinjewadi, Pune Special Economic Zone, Pune - 411 057, Maharashtra, India.

By the Order of the Board  
**For Tech Mahindra Limited**

Date : 17<sup>th</sup> May, 2014

Place : Mumbai

**G. Jayaraman**  
Company Secretary

## SCHEME OF AMALGAMATION AND ARRANGEMENT

### UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78, 100 to 104 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

OF

**Mahindra Engineering Services Limited**

Transferor Company

WITH

**Tech Mahindra Limited**

Transferee Company

**And their respective shareholders and creditors**

#### A. Description of the Companies

- a) **Mahindra Engineering Services Limited** is a public limited company incorporated under the Act with its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra (“**Transferor Company**”). The Transferor Company is engaged in the business of rendering engineering services in relation to designing and developing parts, components, systems and aggregates relating to the automotive sector.
- b) **Tech Mahindra Limited** is a public limited company incorporated under the Act with its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India (“**Transferee Company**”). The Transferee Company is engaged in the business of providing information technology and information technology enabled services. The Transferee Company also provides engineering services to customers across aerospace, automotive and telecom sector. The equity shares of the Transferee Company are listed on the BSE and the NSE.

#### B. Rationale and purpose of the Scheme

- a) Given the commonality of providing engineering services across various sectors and the synergistic linkages between the Transferor Company and the Transferee Company, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme.
- b) The said amalgamation will lead to the following benefits:
  - (i) Creation of a single ‘go-to-market’ strategy, benefit of scale, enhanced depth and breadth of capabilities, translating into increased business opportunities and reduced expenses;
  - (ii) Improved organizational capability and leadership, arising from the combination of human capital who collectively have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
  - (iii) The combination of the businesses would increase the long term value for shareholders and investors;
  - (iv) Benefits of operational synergies in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalization, standardization and simplification of business processes and productivity improvements.

C. Accordingly, this Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent issue of equity shares of the Transferee Company to the shareholders of the Transferor Company as well as utilization of Securities Premium pursuant to Sections 391 to 394 read with Sections 78, 100 to 104 and other relevant provisions of the Act, and various other matters consequential to or otherwise connected with the above in the manner provided for in this Scheme.

D. The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

E. This Scheme is divided into the following parts:

- (a) **Part I**, which deals with the introduction and definitions, and sets out the share capital of the Transferor Company and the Transferee Company;

- (b) **Part II**, which deals with the amalgamation of the Transferor Company with the Transferee Company; and
- (c) **Part III**, which deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme.

## PART I - GENERAL

### 1. **Definitions And Interpretation**

- (a) In this Scheme, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

**“Act”** means the Companies Act, 1956 or any statutory modification or reenactment thereof or amendments thereto for the time being in force;

**“Applicable Law”** or **“Law”** means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval from the concerned authority, directive, guideline, press note, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority in effect in the Republic of India;

**“Appointed Date”** means 1<sup>st</sup> April, 2013 or such other date directed by or imposed by the High Court or any other appropriate authority, as may be applicable;

**“Board of Directors”** or **“Board”** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;

**“BSE”** means the BSE Limited formerly known as Bombay Stock Exchange Limited;

**“Competition Commission of India”** means the Competition Commission of India established under Section 7 of the Competition Act, 2002;

**“Effective Date”** or “coming into effect of this Scheme” or “upon the Scheme becoming effective” means the last of the dates, if applicable, on which the certified or authenticated copy(ies) of the order(s) sanctioning the Scheme passed by the High Court or any other appropriate authority, as may be applicable, is/are filed with the Registrar of Companies, Mumbai;

**“Eligible Employees”** means the Employees of the Transferor Company or its Subsidiaries, who are entitled to employee stock options under the Existing Stock Option Schemes, and to whom, options of the Transferor Company have been granted and vested and are valid as on the Effective Date;

**“Employees”** mean all the permanent employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;

**“Encumbrance”** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term **“Encumbered”** shall be construed accordingly;

**“ESOS 2”** means the Employees Stock Option Scheme – 2 formulated by the Transferor Company;

**“ESOS 3”** means the Employees Stock Option Scheme – 3 formulated by the Transferor Company;

**“ESOS 4”** means the Employees Stock Option Scheme – 4 of the Transferor Company;

**“Existing Employee Stock Option Schemes”** means ESOS 2, ESOS 3 and ESOS 4 collectively;

**“Funds”** shall have the meaning assigned to it in Clause 13(b);

**“Governmental Authority”** means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above,

however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;

“**High Court**” means the High Court of Judicature at Mumbai and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under Sections 391 to 394 of the Act;

“**INR**” or “**Rupees**” means the lawful currency of Republic of India;

“**Liabilities**” shall have the meaning assigned to it in Clause 6(a);

“**Mahindra Engineering GmbH**” means a company incorporated under the laws of Germany, having its office at Leonardo-da-Vinci- Allee 3, 60486 Frankfurt am Main, Germany;

“**Mahindra Engineering Services (Europe) Limited**” means a company incorporated under the laws of United Kingdom, having its registered office at Atrium Court, The Ring Bracknell, Berkshire, RG12 1BW, United Kingdom;

“**Mahindra Group**” means the companies under the control and ownership of Mahindra & Mahindra Limited;

“**Mahindra & Mahindra Limited**” means a public limited company incorporated under the Act, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra and is the holding company of the Transferor Company;

“**Mahindra Technologies Services Inc.**” means a company incorporated under the laws of United States of America, having its registered office at 101 W Big Beaver 14th Floor, Troy, Michigan 48084, United States of America;

“**NSE**” means the National Stock Exchange of India Limited;

“**Record Date**” means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the equity shareholders of the Transferor Company, to whom shares of the Transferee Company will be allotted pursuant to this Scheme;

“**Registrar of Companies**” means the Registrar of Companies, Maharashtra, Mumbai;

“**Scheme**” means this scheme of amalgamation and arrangement, as amended or modified in accordance with the provisions hereof;

“**SEBI**” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

“**SEBI Circulars**” mean Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013, each issued by the SEBI;

“**SEBI ESOP Guidelines**” means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

“**Stock Exchanges**” mean each of the BSE and the NSE;

“**Subsidiaries**” means Mahindra Engineering GmbH, Mahindra Engineering Services (Europe) Limited and Mahindra Technologies Services Inc.;

“**Transferor Company Undertaking**” means all the undertakings and entire business of the Transferor Company as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies

in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties 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 Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertakings of the Transferor Company for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, (including MAT credit entitlement, right to admissibility of claim under section 43B of the Income Tax Act 1961 or such provisions becoming admissible in the period after the Appointed Date on discharging liabilities pertaining to Transferor Company, in the same manner and to the same extent as the Transferor Company would have been entitled to deduction but for the amalgamation) under Income Tax Act, 1961 or taxation laws of any other country all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.

“Trust” means Mahindra Engineering Services Employees Stock Option Trust;

- (b) All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modification or re-enactment thereof for the time being in force or any legislation which replaces the Act.
- (c) References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- (d) The headings herein shall not affect the construction of this Scheme.
- (e) Unless the context otherwise requires:
  - (i) the singular shall include the plural and *vice versa*, and references to one gender include all genders.
  - (ii) references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2. **Date of Taking Effect**

The Scheme, though operative from the Appointed Date, shall come into effect on the Effective Date.

3. **Share Capital**

(a) Transferor Company

The share capital structure of the Transferor Company as on 29<sup>th</sup> November, 2013 is as under:

<b>A. Authorised Share Capital</b>	<b>Amount in INR</b>
1,50,00,000 equity shares of INR 10 per equity share	15,00,00,000
<b>Total</b>	15,00,00,000

<b>B. Issued and Subscribed Share Capital</b>	<b>Amount in INR</b>
1,02,21,602 equity shares of INR 10 per equity share	10,22,16,020
<b>Total</b>	10,22,16,020

<b>C. Paid-up Share Capital</b>	<b>Amount in INR</b>
1,02,21,602 equity shares of INR 10 per equity share fully paid up	10,22,16,020
<b>Total</b>	10,22,16,020

(b) Transferee Company

The share capital structure of Transferee Company as on 29<sup>th</sup> November, 2013 is as under:

<b>A. Authorised Share Capital</b>	<b>Amount in INR</b>
61,91,00,000 equity shares of INR 10 per equity share	619,10,00,000
<b>Total</b>	619,10,00,000

<b>B. Issued and Subscribed Share Capital</b>	<b>Amount in INR</b>
23,30,38,195 equity shares of INR 10 per equity share	233,03,81,950
<b>Total</b>	233,03,81,950

<b>C. Paid-up Share Capital</b>	<b>Amount in INR</b>
23,30,38,195 equity shares of INR 10 per equity share fully paid up	233,03,81,950
<b>Total</b>	233,03,81,950

The equity shares of the Transferee Company are listed on the Stock Exchanges.

**PART II – AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

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

5. **Vesting of Assets**

- (a) Without prejudice to the generality of Clause 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Transferor Company Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- (b) Without prejudice to the provisions of Clause 5(a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- (c) In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause 5(b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (d) All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (e) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

## **6. Transfer of Liabilities**

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the “**Liabilities**”) shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 6.
- (b) Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date

and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

- (c) All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or 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 and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (d) Loans, advances 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), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

## **7. Encumbrances**

- (a) The transfer and vesting of the assets comprised in the Transferor Company Undertaking to the Transferee Company under Clause 5 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. 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.
- (c) The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- (d) Any reference in any security documents or arrangements (to which any of the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (e) Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (f) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- (g) The provisions of this Clause 7 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 or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

## **8. Consideration**

- (a) Upon the coming into effect of this Scheme and subject to Clause 12A(b) and in consideration of the transfer and vesting of the Transferor Company Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed,

issue and allot to each member of the Transferor Company, whose name is registered in the Register of Members of the Transferor Company on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 5 (five) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 12 (twelve) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company. No fractional shares shall be issued by the Transferee Company and all fractional entitlements shall be rounded off to the nearest integer.

- (b) Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 8 (a) above. It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Transferor Company in accordance with Clause 8 (a) above.
- (c) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company. It is clarified that no resolution under Section 94(1)(a) of the Act shall be required to be passed by the Transferee Company separately in a general meeting for increase in authorised share capital of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the increase in authorised share capital of the Transferee Company.
- (d) The capital clause of the Memorandum of Association and the Articles of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

#### **MEMORANDUM OF ASSOCIATION**

Clause V (a) of the Memorandum of Association of Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

*Clause V (a) of the Memorandum of Association:*

*“The Authorized Share Capital of the Company is Rs. 6,341,000,000/- (Rupees Six Thousand Three Hundred Forty One Million Only) divided into 634,100,000 (Six Hundred Thirty Four Million and One Hundred Thousand Only) equity shares of Rs. 10/- (Rupees Ten) each.”*

#### **ARTICLES OF ASSOCIATION**

Article 3 of the Articles of Association of Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

*“3. The Authorised Share Capital of the Company is Rs. 6,341,000,000/- (Rupees Six Thousand Three Hundred Forty One Million Only) divided into 634,100,000 (Six Hundred Thirty Four Million and One Hundred Thousand Only) equity shares of Rs. 10/- (Rupees Ten) each.”*

- (e) It is clarified that for the purposes of Clause 8 (d) above, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment or increase in the authorised share capital of the Transferee Company, and no further resolution under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. The stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent.
- (f) The shares issued to the members of the Transferor Company by the Transferee Company pursuant to Clause 8 (a) above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company

in respect of any of the members of any Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.

- (g) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor/transferee of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.
- (h) The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- (i) The equity shares of the Transferee Company issued in terms of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the Stock Exchanges.

#### **8A Alterations in the Object Clause in the Memorandum of Association**

- (a) Upon coming into effect of the Scheme, the Memorandum of Association of the Transferee Company shall stand altered and amended so as to insert the following sub-clauses after the existing Clause 5 in the objects clause of the Memorandum of Association of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company:

*“5A. To undertake the business of scientific research and development in the area of product development for the manufacture of all types of industrial products and in particular for products of the automotive industry by providing designing, engineering, reengineering and reverse engineering, prototyping, testing, packaging, certification, validation, product data management, and allied services including in the areas of style, quality, functional deployment, development of aggregates, supplier selection and development, quality assurance, self-certification, and the like in relation to or in connection with all aspects of manufacturing of industrial products and in particular for manufacturing of industrial products and in particular for products of the automotive industry including providing scientific research and development, evaluating full range of activities from market research leading up to final product launch.*

*5B. To provide, promote, undertake, engage, conceptualize, develop, create, maintain, assist, establish, inspect, dismantle, manage, market, import, export, overhaul, design, assemble, either on its own or in collaboration or association with any third party, aero-engine and aero-structure components, communication and navigation equipments, advanced communication technologies, accessories and all other aviation components and deliver a complete suite of services pertaining to research and development, design and tooling, fabricating, assembling, testing and manufacturing, distributing and dealing in all types of aircrafts, helicopters, commercial aeroplanes, jets, other aviation vehicles, spacecrafts, satellite systems, spares and associated products of all types and description by integration of innovative technologies, three-dimensional modeling techniques, state-of-art fabrication and setting up of quality assurance laboratories, to establish and employ agencies, master franchisees, franchisees and branches and to appoint agents to carry on the business of the Company whether in India or elsewhere on such terms and conditions as may be necessary or expedient, to render staff and management recruitment training, to provide technical advice, guidance and supervision in the setting up and operation of franchisee units and branches in India and abroad.*

5C. *To carry on the business of providing an array of aviation consultancy solutions and services, to offer, design, market, import, export, promote, operate, develop and deliver software solutions, development and services to each and every type of organization in India and abroad in all its forms including operation of technical services, networking services on-site and off-shore consultancy services and allied services like programming, design, development, hosting, licensing, installation, servicing, maintenance, research and development, integration, solutions, sale, export, import, distribution, marketing or to work upon or to generally deal in software including software for the purpose of avionics, aviation technology, space systems, & technology, satellite systems, communications, internet, intranets, networks, systems software, management, systems management, interoperability products, visual graphics, internet/intranet security products, e-business, electronic commerce, mobile commerce, embedded software development, VLSI design and development, CRM, Electronic CRM and solutions thereof, either on its own or in collaboration or association with any third party.”*

- (b) It is clarified that for the purposes of Clause 8 A (a) above, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment to the object clause in the Memorandum of Association of the Transferee Company, and no further resolution under Section 17 or any other applicable provisions of the Act, would be required to be separately passed.

## **9. Accounting Treatment**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of Transferor Company in its books of account in accordance with pooling of interests method under Accounting Standard 14 (Accounting for Amalgamations) notified under the Companies Act, 1956 (“the Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs), as under:

- (a) The Transferee Company shall record the assets, liabilities and reserves, including the surplus/deficit in statement of Profit and Loss, of the Transferor Company pursuant to this Scheme at their respective carrying amounts and in the same form as appearing in the books of the Transferor Company.
- (b) The Transferee Company shall credit its issued and paid up share capital account with the aggregate face value of the shares issued pursuant to Clause 8 of this Scheme;
- (c) All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the statement of profit & loss account of the Transferee Company and/ or the Transferor Company; with the exception of the following costs and expenses, which will be accounted in the books of Transferee Company as under:
- (i) Expenses incurred in the nature of share issue expenses such as stamp duty on issue of additional shares, re-registration expenses, shareholders/creditors meeting expenses (including stamp duty payable on the High Court orders determined on the value of shares to be issued) on account of merger, shall be written-off against Securities Premium account.
- (ii) Stamp duty payable on the High Court orders determined on the basis of value of immovable properties transferred to Transferee Company, if any, in pursuance to this Scheme being the cost incurred in acquiring the said immovable properties shall be capitalized in the books of Transferee Company with the respective fixed assets in accordance with Accounting Standard 10-“Accounting of Fixed Assets”.
- (d) The difference between the amount recorded as share capital issued i.e. face value of equity shares issued by Transferee Company and the amount of share capital of the Transferor Company shall be adjusted in the reserves in the financial statements of the Transferee Company.

- 9A The application and reduction of the securities premium account, as per Clause 9(c)(i), shall be effected as an integral part of the Scheme without having to follow the process under Section 78 and Sections 100, 102 and 103 of the Act separately and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid up share capital and provisions of Section 101 of the Act will not be applicable.

### **PART III – DISSOLUTION OF TRANSFEROR COMPANY AND OTHER GENERAL TERMS AND CONDITIONS**

#### **10. Tax**

- (a) Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and VAT, service tax shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, MAT Credit, and service tax/VAT credit and rights to claim credit or refund etc, of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, service tax returns, other statutory returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- (b) The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 10(a) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- (c) The withholding tax/ advance tax/ minimum alternate tax, if any, paid by or paid on behalf of the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- (d) The service tax paid by the Transferor Company under the Finance Act, 1994 in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax paid by the Transferee Company and credit for such service tax shall be allowed to the Transferee Company notwithstanding that challans for service tax payments are in the name of the Transferor Company and not in the name of the Transferee Company.

#### **11. Contracts, Deeds etc.**

- (a) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, 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 have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Transferor Company Undertaking occurs by virtue of 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, 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 referred to above on the part of the Transferor Company to be carried out or performed.
- (c) Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company 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.

## **12. Legal, Taxation and other Proceedings**

Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

Without prejudice to the provisions of Clauses above, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

### **12A Employee Stock Option Schemes**

- (a) The Transferor Company has formulated the Existing Employee Stock Option Schemes, the details of which are set out in Schedule 1. The Existing Employee Stock Option Schemes as formulated are in accordance with law. The Existing Employee Stock Option Schemes are administered by the Trust. Under the Existing Employee Stock Option Schemes, no further options are proposed to be granted and the vesting of the options granted to date have been currently completed. Post the effectiveness of the merger, (i) the Existing Employee Stock Option Schemes will continue to be administered by the Trust and will be in compliance with the provisions of the SEBI ESOP Guidelines to the extent of the option holders who are Eligible Employees; (ii) the Trust would only be dealing with options which are to be exercised by the Eligible Employees of the Transferor Company and the options shall be exercised as per the Existing Employee Stock Option Scheme. In respect of all the options granted by the Transferor Company and which have since been vested the underlying shares have already been issued to the Trust and as such there would be no outstanding options which would require issuance of shares by the Transferee Company post the Effective Date.
- (b) As far the option holders who are employees of Mahindra Group, such option holders would have exercised their options and the transfer of equity shares of the Transferor Company by the Trust to such option holders will be completed prior to the Effective Date. In the event such option holders would have not exercised their options prior to the Effective Date, their options shall stand lapsed and as far as Clause 8 is concerned, no equity shares of the Transferee Company will be issued to the Trust in exchange of the equity shares of the Transferor Company held by the Trust in relation to such lapsed options.
- (c) The Existing Employee Stock Option Schemes pursuant to the effectiveness of the Scheme shall be effected as a stock option scheme of the Transferee Company and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Existing Employee Stock Option Scheme. No further approval of the shareholders of the Transferee Company would be required in this connection under Section 81(1A) of the Act and/or any other applicable Law. Provided that, in respect of any of the Existing Employee Stock Option Schemes, wherein all options are vested and exercised by the option holders prior to the Effective Date, such Existing Employee Stock Option Scheme shall cease to operate and shall not be effected as a stock option scheme of the Transferee Company.
- (d) The Boards of Directors of the Transferor Company and the Transferee Company or duly authorized committees thereof 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 12A.

### **13. Employees**

- (a) Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall, become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of all retirement benefits, the past services of such Employees with the Transferor Company which shall be taken into account from the date of their appointment with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.

- (b) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the “Funds”) are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.
- (c) In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

#### **14. Conduct of business**

With effect from the Appointed Date and up to and including the Effective Date, and thereafter, if applicable:

- (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- (d) all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

#### **15. Dividends**

- (a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice or in the ordinary course.
- (b) The shareholders of the Transferor 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) For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective Date.
- (d) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor 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 Transferor Company and the Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Company and the Transferee Company respectively.

#### **16. Resolutions**

- (a) Upon the coming into effect of this Scheme, the resolutions, if any, 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 and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- (b) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 (1) (c) of the Companies Act of 2013 shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

#### **17. Conditions Precedent**

- (a) The Scheme is conditional upon and subject to:
  - (i) receipt of approval from the Competition Commission of India and the statutory authority under the anti-trust laws in any other jurisdiction for this Scheme in form and substance reasonably satisfactory to the Transferor Company and the Transferee Company or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
  - (ii) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court being obtained;
  - (iii) this Scheme being approved by the shareholders of the Transferee Company through a special resolution passed through postal ballot and e-voting and the votes cast by the public shareholders in favour of the Scheme being in accordance with the terms of the SEBI Circulars;
  - (iv) receipt of pre-filing and post sanction approvals of the relevant Stock Exchange and the SEBI in terms of the SEBI Circulars, as applicable; and
  - (v) the certified copies of the court orders approving the Scheme being filed with the Registrar of Companies;
- (b) On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.
- (c) In the event of the Scheme failing to take effect by 31<sup>st</sup> October, 2014 or such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter-se the Transferor Company and the Transferee Company or their shareholders or creditors or employees or any other person. In such case, the Transferor Company and the Transferee Company shall bear its own costs and expenses or as may be mutually agreed.

#### **18. Applications**

The Transferor Company and the Transferee Company shall with all reasonable dispatch make application(s) under Sections 391 and 394 read with Sections 78, Sections 100 to 104 and other applicable provisions

of the Act to the High Court for sanctioning this Scheme and for dissolution of the Transferor Company without winding up, as applicable.

**19. Dissolution of the Transferor Company**

Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

**20. Modifications to the Scheme**

(a) the Transferor Company and the Transferee Company by their respective Board of Directors, or such other person or persons, committee or sub-committee which the respective Board of Directors may authorize, may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the respective Boards of Directors of the Transferor Company and the Transferee Company or any other person or persons, committee or sub-committee which the respective Board of Directors may authorize, as the case may be, deem fit, or which the High Court and/or any other Governmental Authority may deem fit to approve or impose.

(b) the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may give such directions 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 hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent security holders of the respective companies), or to review the position relating to the satisfaction of various conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law).

**21.** The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

**22. Severability**

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 or implementation of the other parts and/or provisions of this Scheme.

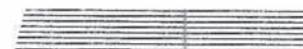
**23. Costs**

Subject to the provisions of Clause 17(c) of this Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferor Company and the Transferee Company, as the case may be, unless otherwise mutually agreed.

**SCHEDULE 1 – EXISTING EMPLOYEE STOCK OPTION SCHEMES**

The objective of ESOS 2 was to encourage employees of the Transferor Company to contribute their best, to attract capable people, to enhance employees' wealth and to give co-ownership to employees. ESOS 3 and ESOS 4 were formulated with the purpose of rewarding the directors of the Transferor Company, directors and employees of the holding company of the Transferor Company or of the subsidiary company (ies) of the Transferor Company or of the subsidiaries of its holding company in the form of options to receive the equity shares of the Transferor Company at a future date. The aim of ESOS 3 and ESOS 4 were to reward those persons, who have particularly contributed to the success of the Transferor Company and likely to continue to contribute to the success of the Transferor Company in its strategic and business endeavours in future. Therefore, currently under the Existing Employee Stock Option Schemes, the option holders include the Eligible Employees as well as employees of Mahindra Group.

The Existing Employee Stock Option Schemes are administered by the Trust by a Deed of Trust dated 9<sup>th</sup> April, 2010 ("**Trust Deed**"). The current trustees of the Trust are Mr Hemant Luthra, Mr Prashant Kamat, Mr. Manoj Nabar, Mr. Rajiv Salkar and Mr. Ratnam Krishnan ("**Trustees**"). Equity shares of the Transferor Company in relation to Existing Employee Stock Option Schemes have been issued to the Trust.



Date: November 29, 2013

The Board of Directors  
 Tech Mahindra Limited  
 Gateway Building,  
 Apollo Bunder,  
 Mumbai - 400 001

Sub: Fairness opinion on the Merger Equity Share Entitlement Ratio for the proposed merger of Mahindra Engineering Services Ltd into Tech Mahindra Limited (the "Transaction")

Dear Sirs,

This has reference to our engagement letter dated November 11, 2013 and the discussions that we have had with the senior executives and representatives of Tech Mahindra Limited ("TML") and Mahindra Engineering Services Ltd ("MES") (hereinafter collectively referred to as the "Companies") from time to time in the above matter.

#### BACKGROUND, PURPOSE AND USE OF THIS REPORT

TML is a provider of solutions and services in the Information, Communications & Technology (ICT) industry serving over 500 global customers, including Fortune 500 companies. It is listed on both Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and has a market capitalization of INR 393,070 million as at 28<sup>th</sup> November 2013. It reported a consolidated revenue of INR 143,320 million with profit after tax of INR 19,556 million for the year ended 31 March 2013. For the 6 months ended 30 September 2013, TML reported a net turnover of INR 88,747 million and net profit (after adjustment for minority interest) of INR 14,047 million. The paid up equity share capital of TML as at 30<sup>th</sup> September, 2013 comprises 232,391,037 equity shares of face value INR 10 each.

#### Shareholding pattern (as at 30<sup>th</sup> September 2013)

Promoters	26.43%
TML Benefit Trust	10.33%
Total Promoters	36.46%
FII	32.59%
DII	15.13%
Others	15.82%

Source: BSE

ICICI Securities Limited  
 Registered Office & Institutional Service : ICICI Centre, H. T. Parekh Marg, Churchgate,  
 Mumbai 400 020, India. Tel (91 22) 2288 2460/70 - Fax (91 22) 2282 6580

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Member of National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.  
 Capital Market : NSE Regn. No. INB 230773037, BSE Regn. No. INB 011286854  
 Futures & Options : NSE Regn. No. INF 230773037, BSE Regn. No. INF 010773035



MES is an engineering consultant and service provider catering to automotive, aerospace, defense & manufacturing industries. It reported a net turnover of INR 1,963 million with a net profit of INR 335 million for the year ended 31 March 2013. For the 6 months ended 30 September 2013, MES reported a net turnover of INR 1,035 million and net profit INR 200 million. The paid up equity share capital of MES as at 30 September 2013 consists of 8,312,623 equity shares of face value of INR10 each. The company has also issued 989,074 equity shares of face value of INR 10 which are issued to ESOP Trust but not allotted to employees.

**Shareholding pattern (as at 30<sup>th</sup> September 2013)**

Mahindra and Mahindra Limited	87.36%
Mahindra Holdings Limited	1.30%
Mahindra Engineering Services ESOP Trust A/c	11.28%
Others	0.06%

Source: MES

We understand that the Managements of TML and MES are proposing to merge MES into TML, with effect from the Appointed Date of 1 April 2013. This is proposed to be achieved by a separate Scheme of Amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956. (hereinafter referred to as the "Scheme of Amalgamation"). As part of the proposed merger, MES would be merged into TML and cease to exist. We understand from the managements that the shareholders of MES will be issued shares of TML as consideration for the proposed merger of MES into TML.

For the aforesaid purpose, the Managements of TML and MES have appointed S. R. Batliboi & Co. ("SRBC") and B S R and Associates ("BSR") respectively (hereinafter jointly referred to as "Valuers") to prepare a joint valuation report on the fair exchange ratio for distribution of TML shares to the shareholders of MES, to be placed before the audit committees of the Companies, as per the requirement of SEBI Circular CIR/CFD/DIL/5/2013 dated February 5, 2013.

In this connection we have been requested by TML to render our professional services by way of a fairness opinion to the Board of Directors of TML as to whether the Merger Equity Share Entitlement Ratio ("Share Exchange Ratio") as recommended by the Valuers, is fair and reasonable. This is as per the requirement in Clause 24 (h) of the Stock Exchange Listing Agreement.

The Valuers in their draft report dated 28th November, 2013 have recommended the Share Exchange Ratio as 5 [Five] fully paid up equity shares of TML with the face value of INR Ten (10) each for 12 [Twelve] fully paid up equity shares of MES with the face value of INR Ten (10) each.

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

- (a) Information received including the draft valuation report from Valuers
- (b) Public market information including Annual reports, Quarterly reports, market share prices, website etc.
- (c) Financial statements of TML for the period 1 April 2012 to 31 March 2013 and for the period 1 April 2013 to 30 September 2013
- (d) Financial statements of MES for the period 1 April 2011 to 31 March 2013 and for 6 months ended 30 September 2013
- (e) Consolidated financial projections of MES from 1 October 2013 to 31 March 2019
- (f) Other information received through emails and discussions (including orally) with managements of Companies and Valuers

This report is intended only for the sole use and information of the Board of Directors of TML, and only in connection with the Merger including for the purpose of obtaining judicial and regulatory approvals for the Merger. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Merger as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Scheme, as well as with the statutory authorities.

#### **SCOPE LIMITATIONS**

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies or their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Equity Share Exchange Ratio for the Proposed Merger. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion, on the Equity Share Exchange Ratio for the Proposed Merger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Proposed Merger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Company without detailed inquiry. With respect to the financial forecasts relating to the MES we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of the MES as to the future financial performance of the MES. Also, we have been given to understand by the management of the Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Companies and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to TML and MES's underlying decision to effect the Proposed Merger or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Merger. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Merger. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of TML will trade following the announcement of the Proposed Merger or as to the financial performance of TML following the consummation of the Proposed Merger.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed merger.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

It is understood that this letter is for the benefit of and confidential use by the Board of Directors of TML for the purpose of this Proposed Merger and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent.

## CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the proposed Equity Share Exchange Ratio as recommended by Valuers which forms the basis for the Proposed Merger, is fair and reasonable.

Yours faithfully,  
**For ICICI Securities Limited,**



Sanjiv Saraff  
Senior Vice President  
29th November, 2013  
Mumbai

**Tech  
Mahindra**

**Tech Mahindra Limited**  
Plot No. 1, Rajiv Gandhi Infotech Park  
Phase III, Hinjewadi,  
Pune Special Economic Zone  
Pune - 411 057, Maharashtra, India

Tel: +91 20 4225 0000  
Fax: +91 20 4225 1001

[techmahindra.com](http://techmahindra.com)

Registered Office:  
Gateway Building, Apollo Bunder  
Mumbai 400 001, India

January 9, 2014

To  
**The Manager,**  
**Listing Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI – 400 001.  
FAX NO. : 022 2272 2037/39/41/61  
Scrip Code : 532755

**The Manager,**  
**Listing Department**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5th floor,  
Plot No. – C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400051.  
FAX NO. : 022 26598237/38  
NSE Symbol : **TECHM**

Dear Sir(s)

**Sub:** Application under Clause 24(f) of the listing agreement dated 9<sup>th</sup> December 2013 for the proposed Scheme of Amalgamation and Arrangement of Mahindra Engineering Services Limited (“MESL”) with Tech Mahindra Limited (“the Company”) pursuant to the provisions of Sections 391 to 394 read with Section 78, 100 to 104 and other applicable provisions of the Companies Act, 1956

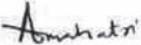
**Re.:** Submission of Investors Complaints Report in accordance with the SEBI circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with CIR/CFD/DIL/8/2013 dt. 21 May 2013 (“SEBI Circulars”).

This is with reference to our Application under Clause 24(f) of the Listing Agreement submitted to you on 12th December 2013. In accordance with clause paragraph 5.15 of the SEBI Circulars, we are enclosing herewith the Complaints Report as per prescribed format.

The Complaints Report has also been uploaded on the website of the Company on link given below in accordance with paragraph 5.15 of the SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013.

[http://www.techmahindra.com/en-US/www/investors/Pages/acquisition\\_transcript.aspx](http://www.techmahindra.com/en-US/www/investors/Pages/acquisition_transcript.aspx)

Thanking you,  
For Tech Mahindra Limited

  
Anil Khatri  
Joint Company Secretary



Encl.: As above

## Complaints Report for the period 12<sup>th</sup> December 2013 to 8<sup>th</sup> January 2014

(In connection with the proposed Scheme of Amalgamation and Arrangement of Mahindra Engineering Services Limited with Tech Mahindra Limited under Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act 1956)

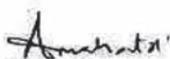
### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NIL	NIL	NIL
2.	NIL	NIL	NIL
3.	NIL	NIL	NIL

For Tech Mahindra Limited

  
 Anil Khatri  
 Joint Company Secretary



January 9, 2014

BSE Limited Registered Office : Floor 25, P J Towers, Datal Street, Mumbai 400 001 India  
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com



DCS/AMAL/PS/24(f)/401/2013-14

March 7, 2014

The Company Secretary  
Tech Mahindra Limited  
Gateway Building, Apollo Bunder,  
Mumbai, Maharashtra - 400001

Dear Sir / Madam,

**Sub: Observation letter regarding the Scheme of Amalgamation/Arrangement between Mahindra Engineering Services Ltd and Tech Mahindra Ltd.**

We are in receipt of draft Scheme of Amalgamation/Arrangement involving merger of Mahindra Engineering Services Ltd (MESL) with the company.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 7, 2014 given the following comment(s) on the draft scheme of arrangement:

- a) *Fairness Opinion submitted by the company is displayed from the date of receipt of this letter on the website of the company along with various documents submitted pursuant to the said Circulars.*
- b) *The company shall duly comply with various provisions of the Circulars.*

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,

  
Bhuvana Sriram  
Dy. Manager

  
Pooja Sanghvi  
Asst. Manager

Ref:NSE/LIST/232504-B

March 07, 2014

The Joint Company Secretary  
Tech Mahindra Limited  
Plot No.1, Phase III,  
Rajiv Gandhi Infotech Park  
Hinjewadi,  
Pune - 411057

**Kind Attn.: Mr. Anil Khatri**

Dear Sir,

**Sub.: Observation letter for Scheme of Amalgamation and Arrangement of Mahindra Engineering Services Limited with Tech Mahindra Limited and their respective shareholders and creditors**

We are in receipt of the draft Scheme of Amalgamation and Arrangement under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956 of Mahindra Engineering Services Limited with Tech Mahindra Limited and their respective shareholders and creditors.

We have perused the draft Scheme of Amalgamation and Arrangement and the related documents /details submitted by Tech Mahindra Limited including the confirmation of the Joint Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated March 07, 2014, has given following comments on the draft scheme of amalgamation:

"a) Company to ensure that "fairness opinion" submitted by the Company Tech Mahindra Limited is displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the Circulars.

b) The company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble High Court.

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.



Ref:NSE/LIST/232504-B

March 07, 2014

The validity of the “Observation Letter” shall be six months from March 07, 2014, within which the scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,  
For National Stock Exchange of India Limited

Kamlesh Patel  
Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed

Signer : Patel Kamlesh  
Date: Fri, Mar 7, 2014 13:24:08 IST  
Location: NSE



## PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

Category code	Category of shareholder	Pre-Amalgamation			Post-Amalgamation		
		Number of shareholders	Total number of shares	Percentage of total number of shares	Number of shareholders	Total number of shares	Percentage of total number of shares
(I)							
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>1</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	-	-	-			
(b)	Central Government/ State Government(s)	-	-	-			
(c)	Bodies Corporate	1	60,676,252	25.988	9	64,062,176	26.947
(d)	Financial Institutions/ Banks	-		-			
(e)	Any Other (specify)	-		-			
	TML Benefit Trust (Through Mr. Ulhas Narayan Yargop, Trustee)	1	24,000,000	10.280	1	24,000,000	10.095
	Mahindra Holdings Limited	-	-	-	1	50,476	0.021
	<b>Sub-Total (A)(1)</b>	<b>2</b>	<b>84,676,252</b>	<b>36.268</b>	<b>10</b>	<b>88,112,652</b>	<b>37.064</b>
<b>2</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-			
(b)	Bodies Corporate	1	60,726.00	0.026	1	60,726.00	0.026
(c)	Institutions	-	-	-			
(d)	Qualified Foreign Investor	-	-	-			
(e)	Any Other (specify)	-	-	-			
	<b>Sub-Total (A)(2)</b>	<b>1</b>	<b>60,726.00</b>	<b>0.026</b>	<b>1</b>	<b>60,726.00</b>	<b>0.026</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3</b>	<b>84,736,978</b>	<b>36.294</b>	<b>11</b>	<b>88,173,378</b>	<b>37.089</b>
<b>(B)</b>	<b>Public shareholding</b>						
<b>1</b>	<b>Institutions</b>						
(a)	Mutual Funds/UTI	237	10,151,441	4.348	237	10,151,441	4.270
(b)	Financial Institutions/ Banks	35	683,912	0.293	35	683,912	0.288
(c)	Central Government/ State Government(s)	4	419,930	0.180	4	419,930	0.177
(d)	Venture Capital Funds	-	-	-	-	-	0.000
(e)	Insurance Companies	82	11,390,685	4.879	82	11,390,685	4.791
(f)	Foreign Institutional Investors	626	91,282,243	39.098	626	91,282,243	38.397
(g)	Foreign Venture Capital Investors	-	-	-	-	-	0.000
(h)	Qualified Foreign Investor	-	-	-	-	-	0.000
(i)	Any Other (specify)	-	-	-	-	-	0.000
	<b>Sub-Total (B)(1)</b>	<b>984</b>	<b>113,928,211</b>	<b>48.798</b>	<b>984</b>	<b>113,928,211</b>	<b>47.923</b>

Category code	Category of shareholder	Pre-Amalgamation			Post-Amalgamation		
		Number of shareholders	Total number of shares	Percentage of total number of shares	Number of shareholders	Total number of shares	Percentage of total number of shares
<b>2</b>	<b>Non-institutions</b>						
(a)	Bodies Corporate	2,922	3,226,746	1.382	2,922	3,226,746	1.357
(b)	Individuals	488,555	26,524,141	11.361	488,565	26,528,703	11.159
(c)	Qualified Foreign Investor	1	100	0.000	1	100	0.000
(d)	Any Other (specify)	-	-	-	0	0	0.000
	i. Non Resident Indians	8,569	2,316,619	0.992	8,569	2,316,619	0.974
	ii. Foreign Nationals	12	290,282	0.124	12	290,282	0.122
	iii. Trusts	39	593,382	0.254	40	1,411,422	0.594
	iv. Clearing Members	688	1,855,840	0.795	688	1,855,840	0.781
	v. Overseas Bodies Corporates	2	587	0.000	2	587	0.000
	<b>Sub-Total (B)(2)</b>	<b>500,788</b>	<b>34,807,697</b>	<b>14.908</b>	<b>500,799</b>	<b>35,630,299</b>	<b>14.988</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>501,772</b>	<b>148,735,908</b>	<b>63.706</b>	<b>501,783</b>	<b>149,558,510</b>	<b>62.911</b>
	<b>TOTAL (A)+(B)</b>	<b>501,775</b>	<b>233,472,886</b>	<b>100.000</b>	<b>501,794</b>	<b>237,731,888</b>	<b>100.000</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-	-	-	-	<b>0.000</b>
1	Promoter and Promoter Group	-	-	-	-	-	0.000
2	Public	-	-	-	-	-	0.000
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>501,775</b>	<b>233,472,886</b>	<b>100.00</b>	<b>501,794</b>	<b>237,731,888</b>	<b>100.000</b>

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