



GLODYNE TECHNOSSERVE LIMITED

Registered Office: 801, Balarama Building, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051, Maharashtra, India.

MEETING OF THE EQUITY SHAREHOLDERS

Day & Date : Tuesday, August 24, 2010
Time : 11.00 A.M.
Venue : Exchange Plaza, NSE Auditorium,
Ground Floor, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051,
Maharashtra, India.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 512 OF 2010**

IN THE MATTER of Sections 391 to 394 of the Companies Act, 1956;

AND

IN THE MATTER of Glodyne Technoserve Limited;

AND

IN THE MATTER of Scheme of Arrangement and Amalgamation of
Broadlyne Technologies Limited with Glodyne Technoserve Limited and
their respective Shareholders and Creditors.

Glodyne Technoserve Limited, a Company	)	
incorporated under the Companies Act, 1956	)	
having its Registered Office at 801,	)	
Balarama Building, Bandra Kurla Complex,	)	
Bandra (East), Mumbai - 400051,	)	
Maharashtra, India.	)	.. Applicant / Transferee Company

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF
GLODYNE TECHNOSERVE LIMITED, THE APPLICANT COMPANY**

To,

The Equity Shareholders of Glodyne Technoserve Limited ("the Applicant Company"):

TAKE NOTICE that by an Order pronounced on the 30th day of July, 2010, in the above Company Application, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India on Tuesday, August 24, 2010 at 11.00 a.m., for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement and Amalgamation of Broadlyne Technologies Limited ("**Transferor Company**") with the Applicant Company, Glodyne Technoserve Limited ("**Transferee Company**") and their respective Shareholders and Creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order, the meeting of the Equity Shareholders of the Applicant Company will be held at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India on Tuesday, August 24, 2010 at 11.00 a.m., at which time and place you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting either in person or by proxy provided that a proxy in the prescribed form duly signed by you or your authorised representative is deposited at the Registered Office of the Applicant Company at 801, Balarama Building, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India not later than 48 hours before the meeting.

TAKE FURTHER NOTICE that your authorised representative can attend the meeting with a supporting resolution / power of attorney authorising him to attend the meeting and deposit the same at the Registered Office of the Applicant Company at 801, Balarama Building, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India at least 48 hours before the meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Annand Sarnaik, Chairman & Managing Director, and in his absence Mr. Sanjay Buch, Advocate, Solicitor and Partner of Crawford Bayley & Co. and in his absence, Mr. Marco Wadia, Advocate and Partner of Crawford Bayley & Co., to be the Chairman of the said Meeting.

A copy of the Scheme of Arrangement and Amalgamation, the Statement under Section 393 of the Companies Act, 1956 alongwith a Form of Proxy and Attendance Slip are enclosed.

Sd/-

Annand Sarnaik

Chairman appointed for the meeting

Dated this 31st day of July, 2010

Registered Office:
801, Balarama Building,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051,
Maharashtra, India.

Note: All alterations made in the Form of Proxy should be initialed.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 512 OF 2010**

IN THE MATTER of Sections 391 to 394 of the Companies Act, 1956;

AND

IN THE MATTER of Glodyne Technoserve Limited;

AND

IN THE MATTER of Scheme of Arrangement and Amalgamation of
Broadlyne Technologies Limited with Glodyne Technoserve Limited and
their respective Shareholders and Creditors.

Glodyne Technoserve Limited, a Company	)	
incorporated under the Companies Act, 1956	)	
having its Registered Office at 801,	)	
Balarama Building, Bandra Kurla Complex,	)	
Bandra (East), Mumbai - 400051,	)	
Maharashtra, India.	)	.. Applicant / Transferee Company

PART A

STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 30th day of July, 2010, passed by the Hon'ble High Court of Judicature at Bombay in respect of the aforesaid Company Application, a meeting of the Equity Shareholders of Glodyne Technoserve Limited, the Applicant Company will be held on Tuesday, August 24, 2010 at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India at 11.00 a.m. for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement and Amalgamation (**"the Scheme"**) under Sections 391 to 394 of the Companies Act, 1956 of Broadlyne Technologies Limited (**"Transferor Company" or "BTL"**) with the Applicant Company, Glodyne Technoserve Limited (**"Transferee Company" or "GTL"**) and their respective Shareholders and Creditors.
2. In this statement, the Applicant Company, Glodyne Technoserve Limited is hereinafter referred to as "the Transferee Company / Applicant Company" and Broadlyne Technologies Limited is hereinafter referred to as "the Transferor Company".
3. The Boards of Directors of the Transferor Company and the Transferee Company have approved the Scheme and are of the opinion that the proposed amalgamation would be in the interest of the Transferor Company and the Transferee Company and also in the public interest of all concerned. Further, the creditors of the Transferor Company and the Transferee Company will not be prejudiced nor their interest will be affected as a result of the Scheme coming into effect. The amalgamation will not cast additional burden on the equity shareholders of the Transferor Company and of the Transferee Company. The Board of Directors of the Transferee Company recommends the Scheme for the approval by the equity shareholders. The Scheme would be operational from the Appointed Date being 1st April, 2009 or such other date as the Hon'ble High Court of Judicature at Bombay may suggest or prescribe. A copy of the Scheme, setting out the terms and conditions of the amalgamation of the Transferor Company with the Transferee Company is attached to this Statement.
4. With effect from the Appointed Date, the Undertaking (as defined in Clause 1.12 of the Scheme) of the Transferor Company shall pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 ("the Act") and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested in or deemed to have been transferred to or vested, as a going concern, into the Transferee Company together with all the assets, properties, rights, titles and interest of the Transferor Company therein, subject however, to all existing securities, charges and mortgages, if any, affecting the same or any part thereof.
5. The Transferee Company was incorporated on the 5th day of December, 1997 under the provisions of the Companies Act, 1956, under the name Paradyne Infotech Private Limited and its name was changed to Paradyne Infotech Limited on the 28th day of September, 2004 and then to its present name being Glodyne Technoserve Limited on the 28th day of September, 2007.
6. The Transferee Company is a leading IT service company with prime focus on technology infrastructure management services that delivers real time solutions to business seeking efficiencies in the IT spends. The objects for which the Transferee Company was established are set out in its Memorandum & Articles of Association.

7. The Equity Shares of Transferee Company is listed on Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31st day of March, 2009 is as under:

Particulars	Amount (Rs)
Authorized capital	
20,000,000 Equity shares of Rs 10 each	200,000,000
5,000,000 Preference shares of Rs 10 each	50,000,000
Total	250,000,000
Issued, subscribed and paid up capital	
11,109,223 Equity shares of Rs 10 each fully paid up	111,092,230
Total	111,092,230

Subsequent to the aforesaid balance sheet date, Applicant Company has allotted 210,829 (Two Lakhs Ten Thousand Eight Hundred & Twenty Nine) equity shares of the face value of Rs 10 each fully paid up to the employees under the Company's Employee Stock Option Scheme till the date of filing of this application.

Further, the Applicant Company has increased its Authorized Share Capital from 20,000,000 equity shares to 32,000,000 equity shares.

Further, Applicant Company has issued bonus shares in the ratio of 1 equity share of Rs.10 each for every 1 equity share of Rs.10 each fully paid up held in GTL.

Subsequent to allotment of Bonus Shares, the Applicant Company has also allotted 1,453,221 (Fourteen Lakh Fifty Three Thousand Two Hundred & Twenty One) Equity Shares of Rs. 10/- each pursuant to the approval granted by the shareholders on 10th June, 2010.

Accordingly, the issued, subscribed and paid up capital as on date is as under:

Particulars	Amount (Rs)
Authorized capital	
32,000,000 Equity shares of Rs 10	320,000,000
5,000,000 Preference shares of Rs 10	50,000,000
Total	370,000,000
Issued, subscribed and paid up capital	
23,975,913 Equity shares of Rs 10 each fully paid up	239,759,130
Total	239,759,130

8. The Transferor Company was incorporated on the 10th day of July, 2006 under the provisions of the Companies Act, 1956 under the name Broadlyne Technologies Private Limited. Its name was changed to Broadlyne Technologies Limited on 27th March, 2008. The Registered Office of the Transferor Company is at Building no. 1, Thakur Vidya Mandir, Thakur Complex, Kandivili (East), Mumbai - 400101, Maharashtra, India.
9. The Transferor Company is a leading managed application service provider in the education space, serving institutions across the country. It partners with leading schools, colleges and institutes in their process of automation and helps them implement best technology practices.
10. The authorized, issued, subscribed and paid up share capital of the Transferor Company as on 31st day of March, 2009 is as under:

Particulars	Amount (Rs)
Authorised capital	
1,000,000 Equity shares of Rs.10 each	10,000,000
Total	10,000,000
Issued, subscribed and paid up capital	
750,415 Equity shares of Rs.10 each fully paid up	7,504,150
Total	7,504,150

Subsequent to aforesaid balance sheet date, there is no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company.

11. The main benefits of the amalgamation of the Transferor Company with the Transferee Company will be as follows:
- It will enable the amalgamated entity to derive benefits of vertical and horizontal integration and benefits of synergy, which would ultimately contribute to the future growth of business and profitability of the amalgamated company as the Transferor Company and the Transferee Company are in the same line of business viz. Information Technology and have business facilities which support each other.
 - The amalgamation will result in a greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value.
 - It will facilitate an access to the cash-flows generated by one business to the other business and afford its deployment across the business more efficiently to fund the growth requirements of each business to grab the emerging business opportunities.
 - The amalgamation facilitates improved organizational capability and leadership, arising out of the pooling of human capital that possesses diverse skills, talent and experience to compete successfully in an increasingly competitive industry.
 - The amalgamation will provide greater leverage in operations planning and process optimization and enhanced flexibility in resource allocation.
 - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements and elimination of duplication and rationalization of administrative expenses.
 - The strengthened position in the industry, in terms of the asset base, revenues and range of service offerings, will enable the amalgamated entity to command greater respect and have a good standing in the industry.
 - The amalgamated entity will have the ability to leverage on its diverse range of services enabling cross-selling of services to each other's clients.
12. The amalgamation of the Transferor Company with the Transferee Company will be effected by a Scheme under Sections 391 to 394 of the Companies Act, 1956. The Boards of Directors of the Transferor Company and the Transferee Company have approved the Scheme at their separate meetings held on the 16th July, 2009. The Transferor Company and the Transferee Company had appointed M/s M.S.Srinivas, Chartered Accountants, Mumbai for carrying out the valuation of the business of the Transferor Company and the Transferee Company, and accordingly they have recommended the fair share exchange ratio of equity shares and also appointed M/s Vivro Financial Services Private Limited (Merchant Banker) for having a fair opinion on valuation of M/s. M.S. Srinivas.
13. In consideration of transfer of Undertaking (as defined in the Scheme) of the Transferor Company to the Transferee Company, as provided in the Scheme, the Transferee Company will pay and discharge the consideration to the members of the Transferor Company holding fully paid up equity shares in the Transferor Company on the record date, pursuant to amalgamation of the Transferor Company with the Transferee company, as more particularly described in sub-clauses of Clause 13 of the Scheme and as under:
- Upon this Scheme becoming effective and upon amalgamation of Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the shareholders of the Transferor Company holding fully paid up equity shares in Transferor Company and whose names appear in the register of shareholders of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be, in the following proportion viz:

2 (Two) equity shares of Rs.10 each fully paid up and 1 (One) compulsorily convertible preference share of Rs.10 each fully paid up at a premium of Rs.320 per share of the Transferee Company shall be issued and allotted for every 1 (One) equity share of Rs.10 each fully paid up held in the Transferor Company,
14. The salient features of the proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company are as follows:
- This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
 - Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income

Tax Act, 1961 (including for minimum alternate tax, fringe benefit tax, wealth tax purposes and other tax benefits), central sales tax, applicable state value added tax, service tax laws and other tax laws, and to claim refunds and/or credit for taxes paid and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

- III. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/ or arising at the Appointed Date and relating to the Transferor Company shall be continued and/ or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- IV. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- V. Any tax liabilities under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- VI. Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- VII. The tax payments (including, without limitation income tax, service tax, central sales tax, applicable state value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, the same shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Company/Transferee Company on transactions with the Transferee Company/Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- VIII. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- IX. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, service tax, applicable state value added tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.
- X. Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
 - a. The undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b) and (c) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such property (including immovables) assets of the Transferor Company in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.
 - b. All the movable assets including cash in hand, if any, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. The plant and machinery of the Transferor Company, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.
 - c. In respect of movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and

other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 391 to 394 of the Act.

- d. In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute the necessary documents, as and when required.
- e. With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Transferor Company shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors/ lenders of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- f. The transfer and vesting of the undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, liens, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligation, shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, liens, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, liens, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, liens, charges or mortgages to the end and intent that such securities, liens, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge such securities, liens, charges or mortgages for any financial assistance or obligation created by the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.

- g. In so far as the various incentives, tax holidays, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, service tax, central sales tax, applicable state value added tax and other incentives), granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- h. Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.

XI. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

XII. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- XIII. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.
- XIV. After the Appointed Date, if any proceedings are taken against the Transferor Company above, the same shall be defended by and at the cost of the Transferee Company.
- XV. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, lease agreements, leave and license agreements, licenses, engagements, certificates, permissions, consents, approvals, concessions, and incentives (including but not limited to benefits under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws and other incentives), remissions, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- XVI. The transfer of undertaking under Clause 5 of the proposed scheme and the continuance of proceedings by or against the Transferee Company under Clause 4.3 and Clause 6 of the proposed scheme and the effectiveness of contracts and deeds under Clause 7 of the proposed scheme shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.
- XVII. On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on such date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.
- XVIII. It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Super Annuation Fund or any other Special Scheme(s)/Fund(s) (hereinafter referred as "Fund or Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Company under such Fund or Funds shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.
- XIX. In so far as the Fund or Funds created or existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the said Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Company to the corresponding Fund or Funds set up by the Transferee Company.
- XX. With effect from the Appointed Date and upto the Effective Date:
- a. The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto fore, and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.
 - b. The Transferor Company shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber its undertaking/ part of its undertaking, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Company.

- XXI. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.
- XXII. With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company.
- XXIII. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.
- XXIV. With effect from the Appointed Date upto and including the Effective Date:
- a. The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of its undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.
 - b. Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/paid in a foreign country, etc), incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.
- XXV. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts, liabilities, duties and obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.
- XXVI. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and upto the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.
- XXVII. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders 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 Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.
- XXVIII. Upon this Scheme becoming effective and upon amalgamation of Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the shareholders of the Transferor Company holding fully paid up equity shares in Transferor Company and whose names appear in the register of shareholders of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be, in the following proportion viz 2 (Two) equity shares of Rs.10 each fully paid up (hereinafter referred as "New Equity Shares") and 1 (One) compulsorily convertible preference share of Rs.10 each fully paid up at a premium of Rs.320 per share (hereinafter referred as "New CCPS") of the Transferee Company shall be issued and allotted for every 1 (One) equity share of Rs.10 each fully paid up held in the Transferor Company
- XXIX. In pursuance of Clause 13.1 of the proposed scheme, the Transferee Company shall issue and allot, without any further act and deed, New Equity Shares of Rs.15,008,300 representing 1,500,830 Equity Shares of Rs. 10 each fully paid-up at par and New CCPS of Rs 7,504,150 representing 750,415 compulsorily convertible preference shares of Rs.10 each fully paid up at a premium of Rs.320 per share aggregating to Rs. 247,636,950.
- XXX. In respect of the New CCPS, the face value and premium aggregating to Rs. 330 per share would be considered for the purposes of conversion into fully paid up equity shares of the Transferee Company as per terms detailed out in Annexure 1.
- XXXI. Upon allotment of New Equity Shares and New CCPS pursuant to Clause 13.1 of the proposed scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by its shareholders shall, without any further application, act, instrument or deed be deemed to have automatically cancelled and be of no effect. The New Equity shares and New CCPS to be issued by the Transferee Company shall be issued in demat form unless communicated otherwise in writing by the shareholder on or before such date as may be determined by the Board of Directors of the Transferee Company.

- XXXII. The New Equity Shares in the Transferee Company to be issued to shareholders of Transferor Company pursuant to Clause 13.1 of the proposed scheme and upon conversion of New CCPS into equity shares of the Transferee Company shall rank pari passu in all respects, including dividend with the existing equity shares of the Transferee Company.
- XXXIII. The issue and allotment of New Equity Shares and New CCPS in the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme as an integral part thereof, shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act were duly complied with.
- XXXIV. The New Equity Shares and New CCPS to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of the Transferee Company.
- XXXV. The New Equity Shares of Transferor Company issued in terms of Clause 13.1 of the proposed scheme and equity shares issued pursuant to conversion of New CCPS shall, subject to applicable regulations, be listed and/or admitted to trading on the BSE and NSE where the existing equity shares of Transferee Company are listed and/or admitted to trading.
- XXXVI. Prior to the Effective Date and prior to the allotment of New Equity Shares and New CCPS in terms of Clause 13.1 of this Scheme, if necessary, the Transferee Company shall, at its sole option if and to the extent required increase and / or reclassify the authorised share capital by creation of at least such number and value of equity and preference shares, as may be necessary to satisfy its obligations under the Scheme, and as may be desirable, expedient and necessary in that behalf and the Memorandum and Articles of Association of Transferee Company shall be amended accordingly.
- XXXVII. On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up.
- XXXVIII. The Transferee Company shall upon the Scheme coming into effect, record all assets and liabilities, of the Transferor Company vested in it pursuant to this Scheme, at the respective fair values as on the Appointed Date.
- XXXIX. The Transferee Company shall credit to its Equity Share Capital account and Preference Share Capital account the aggregate face value of the New Equity Shares and New CCPS, issued and allotted by it to the shareholders of the Transferor Company and shall credit to its Securities Premium Account, the aggregate of the share premium at which the New CCPS are issued as consideration pursuant to Clause 13.1 & 13.2 of this Scheme.
- XL. The difference in the recorded value of assets in the books of accounts of the Transferee Company over the recorded value of liabilities in the books of accounts of the Transferee Company pursuant to clause 15.1 and the face value of New Equity Shares and the face value and Securities Premium of New CCPS issued and allotted pursuant to Clauses 13.1, shall be transferred to Capital Reserve account in the books of accounts of Transferee Company. In case of there being a shortfall, the same shall be transferred to Goodwill account in the books of accounts of Transferee Company.
- XLI. To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- XLII. In case of any differences in accounting policy between Transferor Company and Transferee Company, the accountings policies followed by Transferee Company shall prevail and the difference till the appointed date will be quantified and adjusted in the Profit and Loss account, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
- XLIII. Upon this Scheme becoming effective, 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 Company, by the authorised share capital of the Transferor Company amounting to Rs. 10,000,000 comprising of 1,000,000 equity shares of Rs. 10 each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed or filings be required to be made with any Authority, as the case may be and for this purpose the stamp duties and fees 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 by the Transferee Company for increase in the authorised share capital to that extent.

- XLIV. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval to alteration of the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company shall stand altered accordingly
- XLV. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications / petitions to the High Court or such other appropriate authority under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/or creditors of each of the Transferor Company and the Transferee Company as may be directed by the High Court or such other appropriate authority.
- XLVI. On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/or creditors of the Transferor Company and the Transferee Company as directed by the High Court or such other appropriate authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the High Court or such other appropriate authority for sanctioning the Scheme of Arrangement and Amalgamation under Sections 391 to 394 read of the Act, and for such other order or orders, as the said High Court or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding-up.
- XLVII. The Transferor Company and the Transferee Company through their Board of Directors may assent to any modification(s) or amendment(s) in this Scheme which the High Court may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Further, the Transferor Company and the Transferee Company through their Board of Directors and after the dissolution of the Transferor Company, the Transferee Company through its Board of Directors be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- XLVIII. The Board of Directors of the Transferor Company hereby authorise the Board of Directors of the Transferee Company to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors the Transferee Company be and is hereby authorised by the Board of Directors of the Transferor Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions anywise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- XLIX. In the event of necessary sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before December 30, 2010 or such other date as may be mutually agreed upon by the respective Board of Directors of Transferor Company and Transferee Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.
- L. In the event of revocation under Clause 19.1 of the proposed scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Transferee Company and Transferor Company, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, Transferee Company shall bear all costs.
- LI. If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.
- LII. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such Board of Directors are of view that the coming into effect of the Scheme could have adverse implication on the Transferor Company and Transferee Company.

- LIII. All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.
- LIV. Consequent to the Scheme being sanctioned by the High Court the necessary changes shall be deemed to have been effected in the Memorandum and Articles of Association of the Transferee Company, in accordance with the provisions contained above and as per the orders passed by the High Court sanctioning the Scheme.
- LV. The Transferee Company shall abide by Accounting Standard 14 – ‘Accounting for Amalgamation’ issued by the Institute of Chartered Accountants of India, subject to provisions of this Scheme.
- LVI. Notwithstanding anything mentioned under this clause, the Board of Directors of the Transferee Company, in consultation with the statutory auditors, are authorized to account for any of these balances in any manner whatsoever, if considered more appropriate

15. The details of the present Directors of the Transferee Company and their shareholdings as on 31st day of March, 2010 are as follows:

Name of Director	Position	No. of Shares
Annand Sarnaik	Chairman & Managing Director	8,835,726
Divvyani Sarnaik	Executive Director	5,284,726
R.S.P. Sinha	Independent Director	0
Alok Sharma	Independent Director	3,000
Dhiren B Kothary	Independent Director	4,800
Krishnamurthy Yemmanur	Independent Director	3,950
Total		14,132,202

16. The details of the present Directors of the Transferor Company and their shareholdings as on 31st day of March, 2010 are as follows:

Name of Director	Position	No. of Shares
Shantanu Roj	Chairman & Managing Director	75090
Kavita Roj	Alternate Director	15000
Anil Thakur	Director	15000
Supriyo Dey	Director	10
Total		105100

17. (a) The pre amalgamation shareholding pattern of the Transferee Company the date of filing the Scheme with Bombay High Court is as follows:

Category	Percentage
Promoter and Promoter Group	58.89
Financial Institutions / Foreign Institutional Investors	10.76
Bodies Corporate	8.34
Individuals	21.29
Others	0.72
Total	100

(b) The post amalgamation shareholding pattern of the Transferee Company will be as follows:

Category	Percentage
Promoter and Promoter Group	57.11
Financial Institutions / Foreign Institutional Investors	10.43
Bodies Corporate	10.69
Individuals	21.60
Others	0.70
Total	100

18. In pursuance of the said Order of the Hon'ble High Court at Judicature of Bombay, the meeting of the Equity Shareholders (members) of the Transferee Company will be held at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India on Tuesday, 24th day of August, 2010 at 11.00 a.m. at which time and place you are requested to attend for the purpose of considering and approving the following Special Resolutions:

Special Resolutions under Sections 391, 393 and 394 of the Companies Act, 1956, Rules 67 to 87 of the Companies (Court) Rules, 1959:

“RESOLVED THAT pursuant to Sections 391, 393 and 394 of the Companies Act, 1956 (“the Act”), Rules 67 to 87 of the Companies (Court) Rules, 1959 (“the Rules”) and other applicable provisions, if any, of the Act and the Rules, and subject to sanction by the Hon'ble High Court of Judicature at Bombay and other requisite consents and approvals, if any, being obtained, and subject to such terms and conditions and modifications as may be imposed, prescribed or suggested by the said Hon'ble High Court or other appropriate authorities, the Scheme of Arrangement and Amalgamation (“the Scheme”) of Broadlyne Technologies Limited, the Transferor Company, with Glodyne Technoserve Limited, the Transferee Company, in terms of the draft of the Scheme placed before the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Transferee Company be and is hereby authorised to sign, seal and deliver all documents, agreements and deeds and do and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution”.

19. All costs, charges, taxes including duties (including the stamp duty, if any applicable in relation to this Scheme), levies, and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.
20. The Scheme may be withdrawn by the Board of Directors of Transferor Company and Transferee Company only by mutual consent and only if such Boards of Directors jointly agree that the coming into effect of the Scheme could have adverse implication on both the Transferor Company and the Transferee Company.
21. The Scheme is not intended in any manner to have any beneficial effect on the material interests, if any, of the Directors of the Transferee Company except to the extent of their respective shareholdings if any in the Transferor Company and in the Transferee Company.
22. The Scheme will take effect from the Appointed Date mentioned therein, namely 1st day of April, 2009, subject to all requisite approvals, consents and sanctions in law being duly obtained.
23. The Transferee Company is in a sound financial position as can be seen from its latest audited accounts for the year ended 31 March, 2009. The financial position as on 31st March, 2009 is as follows:

Particulars	Amount (Rs)
Networth (Share Capital & Reserves)	1,444,709,435
Secured Loans	665,731,560
Unsecured Loans	NIL
Investments	362,855,241
Current Assets, Loans and Advances	1,764,931,665
Current liabilities and provisions	(315,651,764)
Net Currents Assets	1,449,279,900
Miscellaneous Expenses (to the extent not written off)	NIL
Net Profit /(Loss) before Tax	917,939,887
Net Profit /(Loss) after Tax	737,491,881

24. The Transferor Company is in a sound financial position as can be seen from its latest audited accounts for the year ended 31 March, 2009. The financial position as on 31st March, 2009 is as follows:

Particulars	Amount (Rs)
Networth (Share Capital & Reserves)	39,493,388
Secured Loans	12,690,576
Unsecured Loans	8,365,468
Current Assets, Loans and Advances	76,133,867
Current liabilities and provisions	(15,272,401)
Net Currents Assets	60,861,466
Preliminary Expenses (to the extent not written off)	12,160
Net Profit /(Loss) before Tax	8,050,731
Net Profit /(Loss) after Tax	6,765,731

25. Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.
26. No one will be prejudiced if the Scheme is sanctioned and the sanction of the Scheme will benefit and is in the interests of the Shareholders and Creditors of both the Transferor Company and the Transferee Company.
27. The Transferee Company has filed a similar application vide Company Summons for Direction No. 343 of 2010 in the matter of Scheme of Arrangement and Amalgamation of Compulink Systems Limited with the Transferee Company and their respective Shareholders and Creditors. The Transferee Company was directed to hold a meeting of the Equity Shareholders as directed in the Order passed by this Honorable High Court on 11th June, 2010. The Transferee Company is currently in the process of filing the petition in this matter.
28. No investigation proceedings are pending against the Transferee Company under Section 235 and 251 or any other provisions of the Companies Act, 1956.
29. No winding up proceedings have been instituted and/or are pending in relation to the Transferee Company.
30. The Scheme has been approved by the Bombay Stock Exchange Limited and National Stock exchange of India Limited by their letter dated 7th May, 2010 and 31st March, 2010, respectively.

Sd/-
Annand Sarnaik

Chairman appointed for the meeting

Dated this 31st day of July, 2010

Registered Office:
801, Balarama Building,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051,
Maharashtra, India.

Note : As this Explanatory Statement only sets out material information and facts and does not replicate the entire Scheme, Members are requested to read entire text of the Scheme carefully to get better acquainted with the provisions of the Scheme.

Annexure : Scheme of Arrangement and Amalgamation : Part B

The following documents will be open for inspection at the Registered Office of the Transferee Company upto one day prior to the meeting between 11.00 a.m. and 1.00 p.m. on all working days:

1. The Memorandum and Articles of Association of Broadlyne Technologies Limited;
2. The Memorandum and Articles of Association of Glodyne Technoserve Limited;
3. The Audited Accounts of Broadlyne Technologies Limited for the year ended 31st March, 2009;

4. The Audited Accounts of Glodyne Technoserve Limited for the year ended 31st March, 2009;
5. Unaudited Financial Results as on 30th June, 2010, as published by Glodyne Technoserve Limited, pursuant to Clause 41 of the Listing Agreement with the Bombay Stock Exchange Limited;
6. Unaudited Financial results as at 31st March 2010 of Broadlyne Technologies Limited.
7. Copy of the Valuation Report, of M/s M.S. Srinivas, Chartered Accountants.
8. Copy of the Fairness Opinion on the Valuation Report of M/s. M.S Srinivas, Chartered Accountants of M/s. Vivro Financial Services Private Limited;
9. Certified copy of the Order dated 30th July, 2010 passed by the Hon'ble High Court of Judicature at Bombay in Company Summons for Direction No.512 of 2010;
10. Copy of the letter dated 7th May, 2010, of the Bombay Stock Exchange Limited, and 31st March, 2010, of National Stock Exchange of India Limited, intimating their approval to the Scheme.
11. Scheme of Arrangement and Amalgamation.

ANNEXURE
PART B
SCHEME OF ARRANGEMENT AND AMALGAMATION
OF
BROADLLYNE TECHNOLOGIES LIMITED
WITH
GLODYNE TECHNOSERVE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

DESCRIPTION OF COMPANIES

1. Glodyne Technoserve Limited ('GTL') is a leading IT service company with prime focus on technology infrastructure management services that delivers real time solutions to businesses seeking efficiencies in the IT spends. GTL has presence across India and US.
2. Broadlyne Technologies Limited ('BTL') is engaged leading managed application service provider in the education space, serving institutions across the country. It partners with leading schools, colleges and institutes in their process of automation and helps them implement best technology practices.

PARTS OF THE SCHEME

The Scheme of Arrangement and Amalgamation is divided in the following parts:

1. **PART A** which deals with definitions and share capital structure;
2. **PART B** which deals with amalgamation of BTL with GTL;
3. **PART C** which deals with other terms and conditions.

PART A – DEFINITIONS AND SHARE CAPITAL STRUCTURE

1 DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meaning as mentioned herein below:

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meaning as mentioned herein below:

- 1.1 'Act' or 'the Act' means the Companies Act, 1956 including any statutory modification, re-enactment or amendment thereof for the time being in force.
- 1.2 'Appointed Date' means opening business hours of 1st day of April, 2009.
- 1.3 'Board of Directors' in relation to Glodyne Technoserve Limited and Broadlyne Technologies Limited as the case may be, shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.4 'BSE' means Bombay Stock Exchange Limited.
- 1.5 'BTL' or 'Transferor Company' means Broadlyne Technologies Limited, a company incorporated under the Act, and having its registered office at Building no. 1, Thakur Vidya Mandir, Thakur Complex, Kandivili (East), Mumbai – 400101, Maharashtra, India.
- 1.6 'Court' or 'High Court' means the Honorable High Court of Judicature at Bombay in Mumbai or such other tribunal or authority having jurisdiction to sanction the Scheme.
- 1.7 'Effective Date' means the last of the dates on which the certified or authenticated copies of the orders passed by the High Court sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai . Any references in the Scheme to "on the Scheme becoming effective" or "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "upon the Scheme coming into effect" shall mean the "Effective Date".
- 1.8 'GTL' or 'Transferee Company' means Glodyne Technoserve Limited a company incorporated under the Act, and having its registered office at 801, Balarama building, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

1.9 'NSE' means National Stock Exchange of India Limited.

1.10'Record Date' means the date to be fixed by the Board of Directors of GTL for the purpose of determining the shareholders of BTL to whom shares will be allotted pursuant to this Scheme in terms of Clause 13.1 hereof.

1.11'Scheme of Arrangement and Amalgamation' or 'Scheme' or 'the Scheme' or 'this Scheme' means this Scheme of Arrangement and Amalgamation in its present form as submitted to the Court with modification(s) if any made under Clause 18 of this Scheme.

1.12'Undertaking' means:

- (a) All the assets and property of the Transferor Company as on the Appointed Date;
- (b) All the secured and unsecured debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date;
- (c) Without prejudice to the generality of sub clause (a) above, the undertaking shall include all the Transferor Company's assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, IT infrastructure, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to service tax, central sales tax, applicable state value added tax and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, brands, domain names, intellectual property rights, trade names, trademarks and other rights and licenses in respect thereof, applications pending with authorities for such copyrights, patents, trade names, and trademarks, leases, leave and license agreements, conducting agreements, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefits and advantages, deposits, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, central sales tax, applicable state value added tax, service tax, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.
- (d) All records, files, papers, computer programs, processes, softwares – licensed and owned, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical or electronic form, in connection with or relating to the above undertaking.

1.13All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the Effective Date.

3 SHARE CAPITAL

3.1 The authorised, issued, subscribed and paid up share capital of Transferor Company as per Balance Sheet dated March 31, 2009 is as under:

Particulars	Amount (Rs)
Authorised capital	
1,000,000 Equity shares of Rs. 10 each	10,000,000
TOTAL	10,000,000
Issued, subscribed and paid up capital	
750,415 Equity shares of Rs.10 each	7,504,150
Total	7,504,150

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company.

3.2 The authorised, issued, subscribed and paid up share capital of Transferee Company as per Balance Sheet dated March 31, 2009 is as under:

Particulars	Amount (Rs)
Authorised capital	
20,000,000 Equity shares of Rs 10 each	200,000,000
5,000,000 Preference shares of Rs 10 each	50,000,000
TOTAL	250,000,000
Issued, subscribed and paid up capital	
11,109,223 Equity shares of Rs 10 each fully paid up	111,092,230
Total	111,092,230

Subsequent to the aforesaid balance sheet date, GTL has allotted 93,417 (Ninety Three Thousand Four Hundred & Seventeen) equity shares of the face value of Rs 10 each fully paid up to the employees under the Company's Employee Stock Option Scheme.

Further, GTL has issued bonus shares in the ratio of 1 equity share of Rs.10 each for every 1 equity share of Rs.10 each fully paid up held in GTL.

Subsequent to allotment of Bonus Shares to the shareholders, the Transferee Company has also allotted 94,196 (Ninety Four Thousand One Hundred & Ninety Six Only) dated 23rd February, 2010, 13,796 (Thirteen Thousand Seven Hundred & Ninety Six Only) dated 03rd March, 2010 & 9,420 (Nine Thousand Four Hundred & Twenty) dated 16th June, 2010 equity shares of the face value of Rs. 10, each fully paid up, to its employees under the Company's Employee Stock Option Scheme.

GTL has also allotted 14,53,221 (Fourteen Lakh Fifty Three Thousand Two Hundred & Twenty One) Equity Shares of Rs. 10/- each pursuant to the approval granted by the shareholders on 10th June, 2010.

Accordingly, the issued, subscribed and paid up capital as on date is as under:

Particulars	Amount (Rs)
Authorised capital	
32,000,000 Equity shares of Rs 10	320,000,000
5,000,000 Preference shares of Rs 10	50,000,000
TOTAL	370,000,000
Issued, subscribed and paid up capital	
2,39,75,913 Equity shares of Rs 10 each fully paid up	23,97,59,130
Total	23,97,59,130

PART B - AMALGAMATION

4 COMPLIANCE WITH TAX LAWS

- 4.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 4.2 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax, fringe benefit tax, wealth tax purposes and other tax benefits), central sales tax, applicable state value added tax, service tax laws and other tax laws, and to claim refunds and/or credit for taxes paid and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 4.3 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the

Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 4.4 Any tax liabilities under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 4.5 Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 4.6 The tax payments (including, without limitation income tax, service tax, central sales tax, applicable state value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, the same shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Company/Transferee Company on transactions with the Transferee Company/Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 4.7 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 4.8 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, service tax, applicable state value added tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.

5 TRANSFER OF UNDERTAKING

- 5.1 Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) The undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b) and (c) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such property (including immovables) assets of the Transferor Company in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All the movable assets including cash in hand, if any, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. The plant and machinery of the Transferor Company, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.
- (c) In respect of movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 391 to 394 of the Act.
- (d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute the necessary documents, as and when required.

- (e) With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Transferor Company shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors/lenders of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- (f) The transfer and vesting of the undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, liens, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligation, shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, liens, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, liens, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, liens, charges or mortgages to the end and intent that such securities, liens, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge such securities, liens, charges or mortgages for any financial assistance or obligation created by the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.

- (g) In so far as the various incentives, tax holidays, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, service tax, central sales tax, applicable state value added tax and other incentives), granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- (h) Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.

5.2 The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

6 LEGAL PROCEEDINGS

- 6.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 6.2 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

6.3 After the Appointed Date, if any proceedings are taken against the Transferor Company above, the same shall be defended by and at the cost of the Transferee Company.

7 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, lease agreements, leave and license agreements, licenses, engagements, certificates, permissions, consents, approvals, concessions, and incentives (including but not limited to benefits under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws and other incentives), remissions, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

8 SAVING OF CONCLUDED TRANSACTIONS

8.1 The transfer of undertaking under Clause 5 above and the continuance of proceedings by or against the Transferee Company under Clause 4.3 and Clause 6 above and the effectiveness of contracts and deeds under Clause 7 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

9 STAFF, WORKMEN AND EMPLOYEES

9.1 On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on such date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.

9.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Super Annuation Fund or any other Special Scheme(s)/Fund(s) (hereinafter referred as "Fund or Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Company under such Fund or Funds shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

9.3 In so far as the Fund or Funds created or existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the said Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Company to the corresponding Fund or Funds set up by the Transferee Company.

10 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

10.1 With effect from the Appointed Date and upto the Effective Date:

- (a) The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto fore, and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.
- (b) The Transferor Company shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber its undertaking/ part of its undertaking, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Company.

10.2 On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.

10.3 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company.

10.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.

11 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEE COMPANY

11.1 With effect from the Appointed Date upto and including the Effective Date:

(a) The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of its undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.

(b) Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/paid in a foreign country, etc), incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

11.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts, liabilities, duties and obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

12 DIVIDENDS

12.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and upto the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.

12.2 It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders 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 Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

13 CONSIDERATION

13.1 Upon this Scheme becoming effective and upon amalgamation of Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the shareholders of the Transferor Company holding fully paid up equity shares in Transferor Company and whose names appear in the register of shareholders of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be, in the following proportion viz

(a) 2 (Two) equity shares of Rs.10 each fully paid up (hereinafter referred as "New Equity Shares") and 1 (One) compulsorily convertible preference share of Rs.10 each fully paid up at a premium of Rs.320 per share (hereinafter referred as "New CCPS") of the Transferee Company shall be issued and allotted for every 1 (One) equity share of Rs.10 each fully paid up held in the Transferor Company,

13.2 In pursuance of Clause 13.1 above, the Transferee Company shall issue and allot, without any further act and deed, New Equity Shares of Rs.15,008,300 representing 1,500,830 Equity Shares of Rs. 10 each fully paid-up at par and New CCPS of Rs 7,504,150 representing 750,415 compulsorily convertible preference shares of Rs.10 each fully paid up at a premium of Rs.320 per share aggregating to Rs. 247,636,950.

13.3 In respect of the New CCPS, the face value and premium aggregating to Rs. 330 per share would be considered for the purposes of conversion into fully paid up equity shares of the Transferee Company as per terms detailed out in Annexure 1

13.4 Upon allotment of New Equity Shares and New CCPS pursuant to Clause 13.1 above, the shares or the share certificates of the Transferor Company in relation to the shares held by its shareholders shall, without any further application, act, instrument or deed be deemed to have automatically cancelled and be of no effect. The New Equity shares and New CCPS to be issued by the Transferee Company shall be issued in demat form unless communicated otherwise in writing by the shareholder on or before such date as may be determined by the Board of Directors of the Transferee Company.

- 13.5 The New Equity Shares in the Transferee Company to be issued to shareholders of Transferor Company pursuant to Clause 13.1 above and upon conversion of New CCPS into equity shares of the Transferee Company shall rank pari passu in all respects, including dividend with the existing equity shares of the Transferee Company.
- 13.6 The issue and allotment of New Equity Shares and New CCPS in the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme as an integral part thereof, shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act were duly complied with.
- 13.7 The New Equity Shares and New CCPS to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of the Transferee Company.
- 13.8 The New Equity Shares of Transferor Company issued in terms of Clause 13.1 above and equity shares issued pursuant to conversion of New CCPS shall, subject to applicable regulations, be listed and/or admitted to trading on the BSE and NSE where the existing equity shares of Transferee Company are listed and/or admitted to trading.
- 13.9 Prior to the Effective Date and prior to the allotment of New Equity Shares and New CCPS in terms of Clause 13.1 of this Scheme, if necessary, the Transferee Company shall, at its sole option if and to the extent required increase and / or reclassify the authorised share capital by creation of at least such number and value of equity and preference shares, as may be necessary to satisfy its obligations under the Scheme, and as may be desirable, expedient and necessary in that behalf and the Memorandum and Articles of Association of Transferee Company shall be amended accordingly.

14 DISSOLUTION OF THE TRANSFEROR COMPANY

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

15 ACCOUNTING TREATMENT

- 15.1 The Transferee Company shall upon the Scheme coming into effect, record all assets and liabilities, of the Transferor Company vested in it pursuant to this Scheme, at the respective fair values as on the Appointed Date.
- 15.2 The Transferee Company shall credit to its Equity Share Capital account and Preference Share Capital account the aggregate face value of the New Equity Shares and New CCPS, issued and allotted by it to the shareholders of the Transferor Company and shall credit to its Securities Premium Account, the aggregate of the share premium at which the New CCPS are issued as consideration pursuant to Clause 13.1 & 13.2 of this Scheme
- 15.3 The difference, being the excess in the recorded value of assets in the books of accounts of the Transferee Company over the recorded value of liabilities in the books of accounts of the Transferee Company pursuant to clause 15.1 and the face value of New Equity Shares and the face value and Securities Premium of New CCPS issued and allotted pursuant to Clauses 13.1, shall be transferred to Capital Reserve account in the books of accounts of Transferee Company. In case of there being a shortfall, the same shall be transferred to Goodwill account in the books of accounts of Transferee Company.
- 15.4 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 15.5 In case of any differences in accounting policy between Transferor Company and Transferee Company, the accountings policies followed by Transferee Company shall prevail and the difference till the appointed date will be quantified and adjusted in the Profit and Loss account, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

16 COMBINATION OF AUTHORISED CAPITAL

- 16.1 Upon this Scheme becoming effective, 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 Company, by the authorised share capital of the Transferor Company amounting to Rs 10,000,000 comprising of 1,000,000 equity shares of Rs 10 each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed or filings be required to be made with any Authority, as the case may be and for this purpose the stamp duties and fees 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 by the Transferee Company for increase in the authorised share capital to that extent.

16.2 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval to alteration of the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company shall stand altered accordingly

PART C - OTHER TERMS AND CONDITIONS

17 APPLICATION TO THE HIGH COURT OR SUCH OTHER APPROPRIATE AUTHORITY

17.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications / petitions to the High Court or such other appropriate authority under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/or creditors of each of the Transferor Company and the Transferee Company as may be directed by the High Court or such other appropriate authority.

17.2 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/or creditors of the Transferor Company and the Transferee Company as directed by the High Court or such other appropriate authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the High Court or such other appropriate authority for sanctioning the Scheme of Arrangement and Amalgamation under Sections 391 to 394 read of the Act, and for such other order or orders, as the said High Court or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding-up.

18 MODIFICATIONS/AMENDMENTS TO THE SCHEME

18.1 The Transferor Company and the Transferee Company through their Board of Directors may assent to any modification(s) or amendment(s) in this Scheme which the High Court may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Further, the Transferor Company and the Transferee Company through their Board of Directors and after the dissolution of the Transferor Company, the Transferee Company through its Board of Directors be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

18.2 The Board of Directors of the Transferor Company hereby authorise the Board of Directors of the Transferee Company to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors the Transferee Company be and is hereby authorised by the Board of Directors of the Transferor Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions anywise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

19 REVOCATION AND SEVERABILITY

19.1 In the event of necessary sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before December 30, 2010 or such other date as may be mutually agreed upon by the respective Board of Directors of Transferor Company and Transferee Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.

19.2 In the event of revocation under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Transferee Company and Transferor Company, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, Transferee Company shall bear all costs.

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

19.4 Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such Board of Directors are of view that the coming into effect of the Scheme could have adverse implication on the Transferor Company and Transferee Company.

20 COSTS, CHARGES AND EXPENSES

20.1 All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

21 AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

Consequent to the Scheme being sanctioned by the High Court the necessary changes shall be deemed to have been effected in the Memorandum and Articles of Association of the Transferee Company, in accordance with the provisions contained above and as per the orders passed by the High Court sanctioning the Scheme.

Annexure 1

	Compulsorily Convertible Preference Shares (CCPS)
No. of Shares	7,50,415
Face Value	Rs. 10
Premium per share	Rs 320
Coupon Rate (%)	Zero
Conversion Date	On or before October 01, 2010
Redemption	No Redemption. Compulsorily convertible into Equity shares
Convertibility	Compulsorily and without any act on the part of the holder, get converted into Equity share(s) of GTL.
Ranking	The shares allotted on conversion will rank pari passu with other shares and will be eligible for dividend, if any, declared after the conversion of Preference shares into Equity Shares.
Security Offered	Unsecured
Price of Conversion	The face value and premium aggregating to Rs. 330 per share would be considered for the purposes of conversion to be made at a price not less than higher of: the average of the weekly high and low of the closing prices of the related shares quoted on the Bombay Stock Exchange Limited or National Stock Exchange of India Limited during the six months preceding the date of conversion or October 01, 2010 as the case may be; or the average of the weekly high and low of the closing prices of the related shares quoted on Bombay Stock Exchange or National Stock Exchange of India Limited during the two weeks preceding the date of conversion or October 01, 2010 as the case may be

GLODYNE TECHNOSERVE LIMITED

Registered Office : 801, Balarama Building, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

(Joint Shareholder/s may obtain additional Attendance Slips at the venue of the meeting.)

ATTENDANCE SLIP

DP ID No. : _____

Folio No : _____

Client ID No.: _____

No of Share(s) held : _____

Name and Address of the Member / Proxy Holder

I hereby record my presence at the meeting of the Equity Shareholders (Members) of the Company convened pursuant to an Order dated 30th Day of July, 2010 of the Hon'ble High Court of Judicature at Bombay on Tuesday 24th August, 2010 at 11.00 a.m. at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India, for the purpose of approving the Scheme of Arrangement and Amalgamation of Broadlyne Technologies Limited with Glodyne Technoserve Limited.

Signature of the Member / Proxy : _____

Notes :

1. *Applicable to members holding shares in dematerialized form.
2. Member / Proxy holder desiring to attend the meeting is requested to bring with him/her a copy of the Scheme of Arrangement and Amalgamation.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 512 OF 2010

IN THE MATTER of Sections 391 to 394 of the Companies Act, 1956;
AND

IN THE MATTER of Glodyne Technoserve Limited;
AND

IN THE MATTER of Scheme of Arrangement and Amalgamation of
Broadlyne Technologies Limited with Glodyne Technoserve Limited and
their respective Shareholders and Creditors.

Glodyne Technoserve Limited, a Company	)	
incorporated under the Companies Act, 1956	)	
having its Registered Office at 801,	)	
Balarama Building, Bandra Kurla Complex,	)	
Bandra (East), Mumbai - 400051,	)	
Maharashtra, India.	)	.. Applicant / Transferee Company

FORM OF PROXY

I/We, the undersigned, being the member/s of the above Applicant Company hereby appoint of
.....and failing him/her of
.....as my/ our proxy, to act for me/us at Court convened meeting of the members of the Applicant Company to be
held at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra,
India, on Tuesday, 24th August, 2010 at 11.00 a.m., for the purpose of considering and if thought fit, approving with or without
modification(s), the proposed Scheme of Arrangement and Amalgamation of Broadlyne Technologies Limited, the Transferor
Company, with Glodyne Technoserve Limited, the Transferee Company, and at such meeting and at any adjournment(s) thereof,
to vote, for me/us and in my/our name(s) (here, if 'for', insert 'for', if 'against', insert 'against', and in the latter
case, strike out the words below after the 'the Scheme of Amalgamation') the Scheme of Arrangement and Amalgamation with or
without modifications as my/our proxy may approve.

(Strike out what is not necessary)

Dated this day of , 2010.

Name :

Affix Re. 1/-
Revenue
Stamp

Signature across the stamp

Address :

Folio No. / DPID :

Client ID No. :

No. of Shares :

Notes :

1. Proxy to be deposited at the Registered Office of the Applicant Company at 801, Balarama Building, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India, not later than FORTY-EIGHT hours before the meeting.
2. In case of multiple proxies, proxy later in time shall be accepted.
3. All alterations made in the Form of Proxy should be initialed.

BOOK POST / U.C.P.

If undelivered, please return to :

Glodyne Technoserve Limited

Registered Office : 801, Balarama Building,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051, Maharashtra, India.