

Annexure "A"

PAGES : 18 + 2 = 20

CHARGE : 73 + 8 = 8120

O/15267-15268/2015

Prepared By : S.D.DANTI

Applied on : 01/05/2015

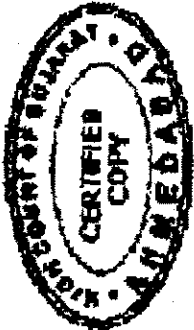
Prepared on : 15/05/2015

Notified on : 15-5-15

Delivered on : 15-5-15

Read By :

Examined By :



Dy. S.O.

Decree Department

Section Officer

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDER PASSED BY THE COURT IN THE CASE OF

1 MASTEK LIMITED

804/805, PRESIDENT HOUSE, OPP. C N VIDYALAYA
NR. AMBAWADI CIRCLE, AHMEDABAD.

380006

Petitioner(s)

VERSUS

1 ..

THE HIGH COURT
OF GUJARAT

Respondent(s)

Being COMPANY PETITION No. 80 of 2015

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR JUSTICE S.R.BRAHMBHATT

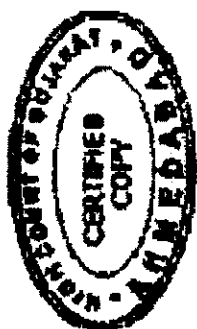
Date of Decision: 30/04/2015

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For MASTEK LIMITED

BHAGWANT BHARGAVE
COMPANY SECRETARY

(COPY OF ORDER ATTACHED HEREWITH)



PAGES : 2

CHARGE : B

O/15267-15268/2015

Read By :

Prepared By : S.D.DANTI

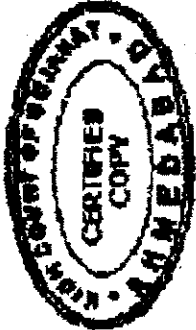
Applied on : 01/05/2015

Examined By :

Prepared on : 15/05/2015

Notified on :

Delivered on :



Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDER PASSED BY THE COURT IN THE CASE OF

- 1 MAJESCO SOFTWARE AND SOLUTIONS INDIA PRIVATE LIMITED
805, PRESIDENT HOUSE, OPP. C N VIDYALAYA
NR. AMBAWADI CIRCLE, AHMEDABAD.

380015

Petitioner(s)

VERSUS

1 ..

..

Respondent(s)

Being COMPANY PETITION No. 81 of 2015

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

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CORAM :

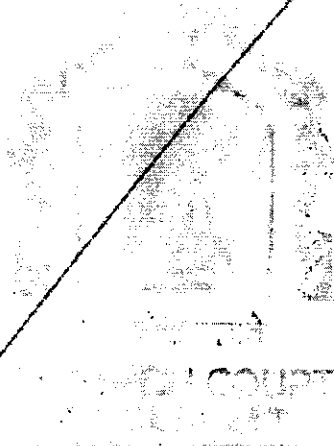
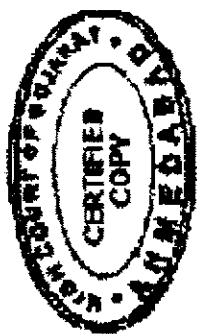
HONOURABLE MR.JUSTICE S.R.BRAHMBHATT

Date of Decision: 30/04/2015

For MASTEK LIMITED

BHAGWANT BHARGAWA
COMPANY SECRETARY

(COPY OF ORDER ATTACHED HEREWITH)



O/COMP/20/2015

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 80 of 2015

In

COMPANY APPLICATION NO. 23 of 2015

With

COMPANY PETITION NO. 81 of 2015

In

COMPANY APPLICATION NO. 31 of 2015

MASTEK LIMITED....Petitioner

Versus

.....Respondent

And

MAJESCO SOFTWARE AND SOLUTIONS INDIA PRIVATE
LIMITED....Petitioner

Versus

.....Respondent

Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner

MR DEVANG VYAS, ADVOCATE for the Respondent

CORAM: HONOURABLE MR. JUSTICE S.R. BRAHMBHATT

Date : 30/04/2015

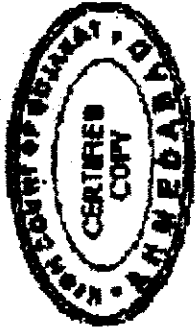
COMMON ORAL ORDER

1. These are the petitions filed by two companies viz. Mastek Limited and Majesco Software and Solutions India Private Limited, for the purpose of obtaining the sanction of this Court to a Scheme of arrangement in the nature of De-merger of Insurance Products and Services Business of Mastek Limited to Minefields Computers Limited, the Resulting Company and Slump Sale of Offshore Insurance Operations by Minefields Computers Limited to Majesco Software And Solutions India Private Limited, the Transferee Company, and Restructuring of Share Capital of the Resulting Company proposed under

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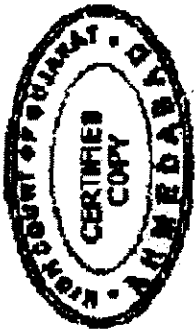
For MASTEK LIMITED



O/COMP/80/2015

ORDER

section 391 and 394 read with Sections 100 to 103 of the Companies Act, 1956. It has been pointed out that Minefields Computers Limited, the Resulting Company has taken out the requisite proceedings before the Bombay High Court, being the jurisdictional High Court.



2. It has been submitted that all the companies belong to the same group of management. Mastek currently has two different business verticals-the Insurance Products and Services Business, which is product-led and largely US centric; and, the Vertical Solutions Business that leverages Mastek's unique capability to deliver large and complex programs, and which predominantly caters to the UK market.

The Insurance Products and Services Business offers tremendous growth potential, which requires substantial investments in terms of product research and developments, brand building and sales. It is largely Intellectual Property centric and domain intensive. It is a high gross margin business, with excellent growth opportunities. The competitive landscape in this sector is very fragmented, as very few companies offer end to end solutions at competitive prices. In the US, this business is well positioned to gain a large share in this growing market. However, while this business will need significant investments, especially in Research and Development, in order to develop high end, industry leading products over the next few years and tap both

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For MASTEK LIMITED

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organic and inorganic opportunities, the current business structure of Mastek limits the ability of the Insurance products and Services Business to fund its organic and inorganic growth independently. This becomes a key challenge for the growth of this vertical.

The Verticals Solutions Business, on the other hand, is more profitable and offers a steady growth potential. This business has been the mainstay of Mastek's business over time and Mastek enjoys a good reputation in the market-especially in delivering complex and unique green-field programs within UK and with the Indian government. This business is a more profitable business with good gross margins combined with lower sales costs. It also requires lesser investment as compared to the Insurance Products and Services Business to drive its growth. Digitization across verticals and changing customer preferences leading to higher spend on information technology provides excellent growth opportunities for this Business.

Both business verticals are thus significantly different in terms of their business models, growth opportunities, investment requirements and staff profile. On one hand, the Insurance Products and Services Business offers tremendous growth potential, but also has large investment requirements in terms of Research and Development, brand building and sales. On the other hand, the Vertical Solutions Business offers steady growth, is profitable, but has lesser investment requirements.

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For MASTEK LIMITED

NATIONAL INFORMATION CENTRE

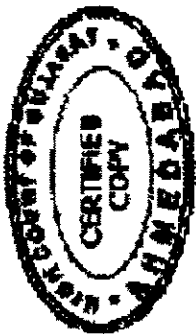
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Operating these business verticals under one umbrella of Mastek has made it difficult for each of the businesses to perform to full potential. Further, the differing risk-reward profile of the two businesses has led to overall performance of Mastek being sub-optimal. The diverse trajectory of the Insurance Products and Services Business and the Vertical Solutions Business also leads to disparate risk-reward profile for the stakeholders.



3. It is realized that in order to mitigate the above challenges, the business of Mastek should be restructured with an aim to create long term shareholder value. Hence, it is proposed that the Insurance Products and Services Business be de-merged into an independent company (currently named Minefields Computers Limited to be renamed to Majesco Limited under the Scheme), whose shares would also be listed on the Stock Exchange upon scheme being effective with mirror shareholding as Mastek Limited. Upon such de-merger, Mastek Limited would continue to carry on the Vertical Solutions Business and Majesco Limited would constitute the Insurance Products and Services Business. Both companies would have their own independent management teams and Board of Directors, who can independently chart out their strategies to maximize value creation for their respective stakeholders. Additionally, the Offshore Insurance Operations would be transferred from Majesco Limited to a step down subsidiary, Majesco Software and Solutions India Pvt. Ltd., a company

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BHAGWANT BHARGAWA
COMPANY SECRETARY

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which is incorporated as a subsidiary of Majesco Insurance Software and Solutions Inc (USA). (formerly known as Majesco Mastek Insurance and Software Solutions Inc).

4. The key objectives for this restructuring, which is primarily focused towards maximizing shareholder value, are:

- It will give shareholders the opportunity to participate in the business of their choice, based on their risk-reward profile;
 - It will facilitate each business to independently pursue their growth plans through organic / inorganic means;
 - It will enhance management focus and operational flexibility;
- and
- It will create a platform to enhance financial flexibility to pursue next stage of growth.

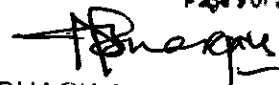
5. It has been further pointed out that Arvind Limited, the De-merged Company is a listed public limited company and the shares are listed on The Bombay Stock Exchange Limited and National Stock Exchange of India Limited. In compliance with clause 24(f) of the listing agreement, the Petitioner Company had already approached the concerned stock exchanges, and the approvals/clearances obtained from both the BSE Limited and National Stock Exchange of India Limited had been placed on record.

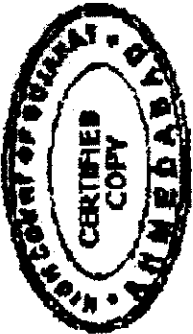
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For MASTEK LIMITED

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COMPANY SECRETARY



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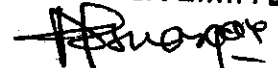
6. It has been further pointed out that vide order dated 22nd January 2015 passed in Co. Appl. No.23 of 2015, separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the petitioner De-merged Company were directed to be convened for the purpose of obtaining their approval to the scheme.

It was further submitted that no shares are being issued and allotted by the said company pursuant to the proposed scheme, to any of the Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the listed company. In view of the same, the compliance of clause 5.16(a) of the SEBI circulars (CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013) is not necessary for the petitioner Company. The petitioner Company has placed on record the copies of requisite Undertaking and the Auditor's certificate to the SEBI. In view of the same, no directions were issued for the procedure for Postal Ballot and e-voting from the public shareholders of the De-merged Company.

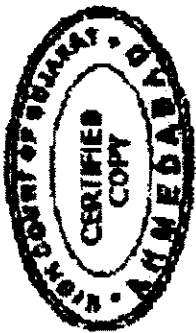
7. Pursuant to the directions, issued with regard to the conduct of the meetings, after the due notices to all the Equity Shareholders, Secured Creditors and Unsecured Creditors as well as the public notice, the said meetings were duly convened on 5th March, 2015. The scheme was considered at the

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For MASTEK LIMITED



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said meetings and it was approved by the requisite statutory majority of 98.55% in number and 99.99% in value of the Equity Shareholders and unanimously i.e. 100% in value by the secured and unsecured creditors of the company. The chairman's report alongwith affidavit dated 10th March 2015 has been placed on record which provides the details of the result of the meetings.

8. It has been pointed out that in case of the Transferee Company, vide the order dated 29th January 2015, passed in Company Application No.31 of 2015; the meeting of the Equity Shareholders of the company was dispensed in light of the written consent letters from all the shareholders and confirmation of the same by a certificate of the Chartered Accountant, placed on record. There are no Secured Creditors and no Unsecured Trade Creditors. The meeting of the unsecured loan creditors was dispensed with in light of the written consent letter from the sole unsecured loan creditor, the parent company was placed on record.

9. The substantive petitions for the sanction of the scheme were filed by the De-merged Company and Resulting Company which were admitted on 17th March 2015. The notice for the hearing of the petitions for the Demerged Company and the Transferee company were duly advertised in the Ahmedabad editions of the newspapers being 'Indian Express', English daily and 'Divya Bhaskar', Gujarati daily dated 31st March

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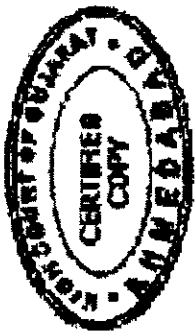
For MASTER LIMITED


BHAGWANT BHARGAVE
COMPANY SECRETARY

Q/CMP/10/2015

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2015, and the publication in the Government gazette was dispensed with as directed in the said orders. Pursuant to the said publication in the newspapers, no objections were received by the petitioner or its advocate. The said fact has been confirmed vide the common additional affidavit dated 28th April 2015.



10. Notice of the petition have been served upon the Central Govt. and Shri Devang Vyas, learned Assistant Solicitor General appears for the Central Govt. An affidavit dt. 24th April 2015 has been filed by Mr. Shambhu Kumar Agarwal, the Regional Director, North-Western Region, Ministry of Corporate Affairs, whereby several observations are made.

11. The attention of this Court is drawn to the Additional Affidavit dated 28th April 2015 filed by Mr. Bhagwant Bhargave, the Company Secretary and authorized signatory of the petitioner De-merged company whereby all the above issues have been dealt with. I have further heard submissions made by the learned counsel appearing for the Central Govt. and Mrs. Swati Soparkar, learned advocate appearing for the petitioners on the said observations;

(i) The observations made vide 2(a) and 2(b) of the affidavit of the Regional Director refer to the factual position and require no response.

(ii) Vide para 2(c), it has been observed by the Regional Director that Mastek Limited, the De-merged

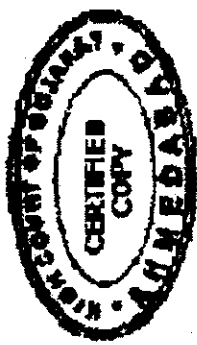
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Company, being the listed company had approached the concerned stock exchanges, viz. BSE and NSE, and obtained the requisite observation letters from the said exchanges. However, under the SEBI circulars dated 4th February 2013 and 21st May 2013, the approval from SEBI has to be obtained. It has been submitted by the petitioner that the company was required to obtain SEBI approval through the stock exchanges only and the said exchanges have actually granted the observation letter only after obtaining clearance from SEBI.

(iii) It has been further pointed out that the said De-merged Company, though being a listed company was not required to obtain the approval of the public shareholders as envisaged under Clause 5.16(a) of the above referred SEBI circulars as the same was not applicable as certified by a Chartered Accountant and undertaking submitted by the petitioner to SEBI. This clarifies the complete factual position with regard to the compliances made by the DE-merged Company with regard to SEBI circulars and in view of this no further directions are required to be issued in this regard.

(iv) The next observation made vide para 2(d) and para 2(e) of the affidavit, pertains to clause 11 of the Scheme dealing with the issue of shares by the Resulting Company and allied issues like the increase in the Authorized Capital of the Resulting Company to the required extent and proposed change of name of

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COMPANY SECRETARY

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the Resulting Company. In this regard, it has been submitted that the Scheme vide clause 11.8.4, has already clarified the said issue regarding the necessary filings for registration and payment of requisite fees. Clause 11.8.4, has already clarified the said issue regarding the necessary filings for registration and payment of requisite fees. Clause 11.8.5 has also clarified that the approval granted by the shareholders of the company to the Scheme, shall be construed as the compliance with the other relevant and applicable provisions of the Act. It is further submitted that under the settled principle of Single Window Clearance, all the proposals made as the integral part of the Scheme, gets sanction of the court when the scheme is sanctioned. The petitioner companies are not required to undertake separate procedures when the sanction of the Court is required to be treated as the sanction to the Scheme as a whole. Further, attention of the court is drawn to clause 34.1 and 34.2 whereby it is already clarified that the proposal for change of name shall be made effective upon the scheme being effective and that the same shall be undertaken in compliance with the applicable provisions of law. In view of the same, no further directions are required to be issued. It is further submitted that both the above observations are relevant for the Resulting Company, which is not before this Court. The petitioner De-merged Company can only assure that the Resulting Company shall do the needful upon scheme being effective. In view of the same, no further directions are required to be

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issued to the petitioner companies.

(v) The next observation made vide para 2(f) of the affidavit, pertains to the Valuation Report submitted by M/s Walker Chandlok & Co. LLP. The Regional Director has observed that the same does not contain working and the calculation of the exchange ratio. In this regard, it has been submitted that it is envisaged under the scheme that the Resulting company would issue shares to all the shareholders of the Demerged Company in the same proportion of their current holding therein, so that the Resulting company's shareholding becomes identical (i.e. a mirror image) to that of the Demerged Company. The Management thus thought it fit to issue shares to all the shareholders of the Demerged Company in the share entitlement ratio of 1:1. It is worth noting that the Demerged Company being a listed company had submitted the said Valuation report to the concerned stock exchanges as also to the SEBI alongwith the Fairness Opinion provided by M/s. Kotak Mahindra Capital Company Limited, the Merchant Banker. The regulatory authorities who considered the same keeping in mind the interest of the public shareholders have not found anything objectionable in the same. Further while approving the scheme at the court convened meeting, the said valuation report was made available to the shareholders for inspection. The concerned shareholders have found the proposed Exchange ratio to be fair and reasonable and have approved the scheme without a demur. It is respectfully submitted



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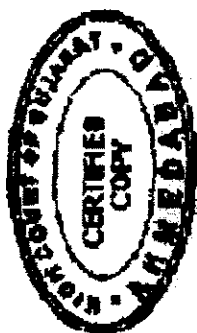
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FOR MASTER LIMITED

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COMPANY SECRETARY

COMP/81/2015

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that the Regional Director has not pointed out any specific grounds for treating the proposed ratio as unfair or unreasonable or look into the detailed workings for the same. Further, in case of de-merger, the transfer of assets essentially takes place at the book values at which they are reflected in the books of de-merged company, and no revaluation of assets is envisaged in the books of the Resulting Company. The petitioner has placed on record a copy of the said valuation report. In view of the same, it is not necessary to go into detailed working for the same and hence no further directions are required to be issued.

(vi) The next observation made vide para 2(g) of the affidavit, pertains to the non-disclosure about the complete list of assets and liabilities which are proposed to be demerged and transferred to the Resulting Company under the scheme. It has been submitted that statutorily, the said list of assets and liabilities is not required to be part of the scheme. The petitioner has provided the indicative divisional balance sheet of the de-merged company as annexure to the petition and the said statement gives columnar detail of assets and liabilities of both the de-merged undertaking viz. the Insurance Products and Services Business undertaking and the Residual Business separately. Since all these details are already on record it is hereby submitted that no further directions are required to be issued in this regard.

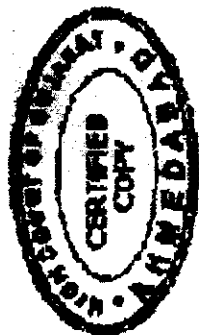
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COMPANY SECRETARY

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(vii) The next observation made vide para 2(h) pertains to the accounting treatment proposed under clause 13.7 of the scheme. It is observed by the Regional Director that the same is not in compliance with accounting principles or applicable Accounting Standard. In this regard, it has been submitted that the said issue is now settled in light of decisions of several High Courts including Gujarat High Court taking a view that the prescribed accounting standards are not applicable to the scheme of demerger. It is further submitted that a company is entitled to prescribe under the Scheme itself, a specific treatment to be given to its reserves. Further, Section 211 (3B) of the Companies Act, 1956 and corresponding section 129 (5) of the Companies Act, 2013, also provides that if the practice adopted for such accounting entry, varies from the said standard, necessary disclosure should be made in the financial statements. The petitioner has undertaken that in case of deviation from the aforesaid accounting standard or practice, the Resulting Company shall make necessary disclosures in its first financial statements after the scheme is made effective. Further, the Regional Director has sought an undertaking that reserves so created, if any, shall not be available for distribution of dividend. In this regard, it is hereby pointed out that the decision of the Division Bench of the Gujarat High Court has concluded the said issue vide order passed in the matter of Adishree Tradelinks Private Limited



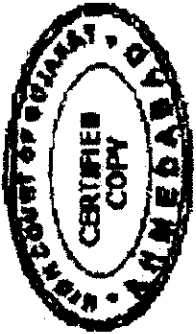
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(176 Company Cases 67 Guj.). In light of the said decision, the petitioner Company is not required to provide any such undertaking and hence no further directions are required to be given in this regard.



(viii) The next observation of the Regional Director vide para 2(e) pertains to the letter dated 8th April 2015 sent to the Income Tax Dept. to invite their objections, if any. In this regard, it is respectfully submitted that since no response has been received from the Income Tax Dept., it can be assumed that the Income Tax Dept. has no objection to the proposed scheme. However, the petitioner companies shall comply with applicable provisions of Income Tax Act and Rules.

12. Considering all the facts and circumstances and taking into account all the contentions raised by the affidavits and reply affidavits, the reliance placed on the judgments of this High Court and the submissions during the course of hearing, I am satisfied that the observations made by the Regional Director, Ministry of Corporate Affairs, do not survive. I have come to the conclusion that the present scheme of arrangement is in the interest of its shareholders and creditors as well as in the public interest and the same deserves to be sanctioned.

This sanctioning of arrangement should not be in any manner construed in absolving the concerned

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of the Company of its unheard statutory liability or otherwise only on account of this sanctioning of arrangement.

13. Prayers in terms of paragraph 23(a) of the Company Petition No.80 of 2015 for the De-merged Company and the prayers made in paragraph 15(a) of the Company Petition No.81 of 2015 for the Transferee Company are hereby granted.

14. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Govt. Standing Counsel is concerned, I quantify the same at Rs.10,000/- for the De-merged Company being a listed public limited company and Rs.7,500/- for the Transferee Company. The same be paid to the learned Standing Counsel appearing for the Central Govt.

15. The petitioner companies are further directed to lodge a copy of this order, the schedule of immovable assets of the de-merged undertaking as on the date of this order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.

16. The petitioner companies are directed to file a copy of this order alongwith a copy of the scheme with the concerned Registrar of Companies,

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For MASTER LIMITED

Bhargava
BHAGWANT BHARGAWE
COMPANY SECRETARY

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electronically, alongwith INC-28 in addition to physical copy as per relevant provisions of the Act.

17. Filing and issuance of drawn up order is hereby dispensed with.

18. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order alongwith Scheme as expeditious as possible.

Office is directed to keep copy of this order in other matter.

Perksaj



sd/-
(S.R. BRAHMCHATT, J.)

सत्यमेव जयते
THE HIGH COURT
OF GUJARAT

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For MASTEK LIMITED

Bhargawa
BHAGWANT BHARGAWE
COMPANY SECRETARY

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DEPUTY / ASSISTANT REGISTRAR
THIS 15/5/15 DAY OF

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