



**SYNOPSIS OF SCHEME OF AMALGAMATION BETWEEN
CMC LIMITED AND TATA CONSULTANCY SERVICES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

1. DESCRIPTION OF COMPANIES

1.1 Transferor Company

CMC Limited ("CMC" or "Transferor Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad- 500 032, Telangana. CMC is *inter alia* engaged in design, development and implementation of software technologies and applications, providing professional services in India and overseas, and procurement, installation, commissioning, warranty and maintenance of imported/indigenous computer and networking systems, and in education and training.

1.2 Transferee Company

Tata Consultancy Services Limited ("TCS" or "Transferee Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 9th Floor, Nirmal building, Nariman Point, Mumbai – 400 021, Maharashtra. TCS is *inter alia* engaged in the business of providing information technology and information technology enabled services.

2. BACKGROUND, RATIONALE AND PURPOSE OF THE SCHEME

2.1 TCS holds 51.12% shares in CMC and thus CMC is a subsidiary of TCS.

2.2.1 The rationale for the proposed amalgamation of CMC with TCS is, *inter alia*, as follows:

The amalgamation shall lead to a single company with **rationalized structure, Enhanced Reach and Better Positioned** to serve the domestic market.

3. DEFINITIONS

3.1.6 "Effective Date" means the last of the dates specified in Clause 4 hereof;

Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date; provided however, that such references shall not affect the deemed taking into effect of certain parts of this Scheme, whether prior to, or after, other parts of this Scheme, as specifically contemplated herein.

3.1.9 "Record Date" means a date to be fixed by the Board of Directors of the Transferee Company for determining names of the shareholders of the Transferor Company, who shall be entitled to receive equity shares of the Transferee Company under the Scheme upon amalgamation of the Transferor Company with the Transferee Company;





- 3.1.12 "Stock Exchange" means National Stock Exchange of India Limited, BSE Limited or the Calcutta Stock Exchange Limited, as may be applicable;

4. DATE OF TAKING EFFECT

- 4.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court(s) shall be effective from the Appointed Date but shall be operative from the last of the following dates, namely:

4.1.1. That on which the last of the consents, sanctions, approvals, permissions, resolutions and orders as mentioned in Clause 22.1 shall be obtained or passed; or

4.1.2. That on which all necessary certified/ authenticated copies of the orders of the High Court of Judicature at Bombay and the High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh are filed with the appropriate Registrar of Companies.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

5. CONSIDERATION

- 11.1 Upon the Scheme becoming effective, all equity shares held by the Transferee Company in the Transferor Company constituting 51.12% of the total paid-up share capital of the Transferor Company shall automatically get cancelled.
- 11.2 For the balance shareholding of 48.88% held by the public shareholders in the Transferor Company the Transferee Company shall issue and allot 79 equity shares of Re.1 each fully paid up in its capital in respect of every 100 equity shares of Rs.10 each fully paid up in the equity share capital of the Transferor Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company and whose names appear as the beneficial owners of the equity shares of the Transferor Company in the records of the depositories. (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date.
- 11.3 The ratio in which the Equity Shares are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "Share Exchange Ratio".
- 11.4 The New Equity Shares allotted and issued in terms of Sub Clause 11.1 above, shall be listed and/or admitted to trading on the relevant stock exchanges, where the equity shares of the Transferee Company are listed and/or admitted to trading as on the Effective Date;
- 11.5 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.





- 11.6 Upon the Scheme becoming effective and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 11.7 The New Equity Shares to be issued and allotted as provided in Sub Clause 11.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari- passu* in all respects with the equity shares of the Transferee Company after the Effective Date including in respect of dividend, bonus, right shares, voting rights and other corporate benefits.
- 11.8 The Board of Directors of the Transferee Company shall consolidate all fractional entitlements arising due to the issue of New Equity Shares to the shareholders of the Transferor Company and hereupon issue and allot equity shares in lieu thereof to a separate trust (to be created) which shall hold these equity shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such trust shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said trust shall distribute such net sales proceeds to the members entitled to these fractional entitlements in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements.
- 11.9 The issue and allotment of New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the 2013 Act and any other applicable provisions of the 1956/ 2013 Act, as may be applicable and such other statutes and regulations as may be applicable were duly complied with.

6. ACCOUNTING TREATMENT

- 12.3 The Transferee Company shall credit the aggregate face value of the New Equity Shares of the Transferee Company issued by it to the shareholders of the Transferor Company.
- 12.4 The equity shares held by the Transferee Company in the Transferor Company appearing in the books of account of the Transferee Company will stand cancelled and there shall be no further obligation in that behalf.

7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 13.4 Unless otherwise stated here under, with effect from the Appointed Date and upto and including the Effective Date:

With effect from the date of the respective Board meetings of the Transferor Company and the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company and the Transferee Company may make any change in their respective capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner, only after obtaining the prior written approval of the Board of Directors of the Transferee Company and the Transferor Company.





8. DIVIDENDS

- 14.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Company or the Transferee Company shall be subject to the prior approval of the Board of Directors of the Transferee Company and the Transferor Company (as the case may be) and in accordance with the applicable laws.
- 14.3 It is clarified that the aforesaid provisions in respect of declaration of dividends whether interim or final are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/ or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the 1956/ 2013 Act, as may be applicable, shall be entirely at the discretion of the Board of Directors of the Transferor Company and Transferee Company, subject to such approval of the shareholders, as may be required.

9. CONSOLIDATION OF AUTHORISED SHARE CAPITAL

- 15.1 Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall be deemed to be added to the authorised share capital of the Transferor Company without any further act, instrument or deed or procedure or payment of any stamp duty and registration fees.

10. EMPLOYEES OF THE TRANSFEROR COMPANY

- 17.3 It is expressly provided that, on the Scheme becoming effective and with effect from the Appointed Date, the provident fund, gratuity fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and other employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents, if any. It is the aim and intent of the Scheme that all rights, duties, powers and obligations of the Transferor Company in relation to such funds or trusts shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company who are employed with the Transferee Company will be treated as having been continuous for the purpose of the said Fund or Funds. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised, provided however, that there shall be no discontinuation or break in the services of the employees of the Transferor Company.

11. DISSOLUTION OF TRANSFEROR COMPANY

- 19.1 Upon this Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties to this Scheme.
- 19.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the appropriate Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

