

## NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF TECH MAHINDRA LIMITED

To,  
The Equity Shareholder(s) of Tech Mahindra Limited (the "Applicant Company" or the "Transferee Company")

**TAKE NOTICE** that by an Order made on the 3<sup>rd</sup> day of May, 2012, in the above Company Summons for Direction, 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 Y.B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai - 400021, Maharashtra on Thursday, the 7<sup>th</sup> day of June, 2012 at 10.30 a.m., for the purpose of considering, and, if thought fit, approving with or without modification(s), the proposed scheme of amalgamation and arrangement (the "Scheme") which, *inter alia*, provides for (i) the amalgamation of Venturbay Consultants Private Limited ("Transferor Company No. 1"), Satyam Computer Services Limited ("Transferor Company No. 2"), C&S System Technologies Private Limited ("Transferor Company No. 3"), Mahindra Logisoft Business Solutions Limited ("Transferor Company No. 4") and CanvasM Technologies Limited ("Transferor Company No. 5") with Tech Mahindra Limited ("Applicant Company" or the "Transferee Company"); and (ii) the application and reduction of the Securities Premium of the Applicant Company, for which matter the approval of the Equity Shareholders of the Applicant Company is sought to be obtained by way of a separate special resolution at the aforesaid meeting of the Equity Shareholders of the Applicant Company.

**TAKE FURTHER NOTICE** that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be held at Y.B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai - 400 021, Maharashtra on Thursday, the 7<sup>th</sup> day of June, 2012 at 10.30 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 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 Gateway Building, Apollo Bunder, Mumbai 400 001 not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Anand Mahindra, Chairman of the Applicant Company, failing whom Mr. Vineet Nayyar, Vice Chairman & Managing Director of the Applicant Company, failing whom Mr. Ulhas Yargop, Director of the Applicant Company, failing whom Mr. Ravindra Kulkarni, Director of the Applicant Company to be the Chairman of the said meeting.

A copy each of the Scheme, the Explanatory Statement under Sections 173(2) and 393(1)(a) of the Companies Act, 1956, a Form of Proxy and the Attendance Slip are enclosed herewith.

Sd/-

Anand Mahindra  
Chairman appointed for the meeting

Dated this 7<sup>th</sup> day of May, 2012.

### Registered Office:

Gateway Building,  
Apollo Bunder,  
Mumbai 400 001  
Maharashtra  
India.  
e-mail: investor.relations@techmahindra.com

### Notes:

- (1) All alterations made in the form of proxy should be initialed.
- (2) Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body-corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such a representative to attend and vote at the Equity Shareholders Meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the Meeting. Proxy need not be a member.

Enclosed: As above.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO. 346 OF 2012**

In the matter of:

The Companies Act, 1956

And

In the matter of:

Sections 391 to 394 read with Sections 78, 100 to 104 of the  
Companies Act, 1956

And

In the matter of:

Tech Mahindra Limited, a company incorporated under the  
provisions of the Companies Act, 1956 and having its registered  
office at Gateway Building, Apollo Bunder, Mumbai 400 001.

And

In the matter of:

The Scheme of Amalgamation and Arrangement of Venturbay  
Consultants Private Limited, a company incorporated under the  
provisions of the Companies Act, 1956 and having its registered  
office at Sharda Centre, Off Karve Road, Erandawane, Pune-  
411 004 ("**Transferor Company No. 1**"); Satyam Computer  
Services Limited, a company incorporated under the provisions  
of the Companies Act, 1956 and having its registered office at  
Mahindra Satyam Infocity, Unit - 12, Plot No. 35/36, Hi-tech  
City Layout, Survey No. 64, Madhapur, Hyderabad - 500 081  
("**Transferor Company No. 2**"); C&S System Technologies  
Private Limited, a company incorporated under the provisions  
of the Companies Act, 1956 and having its registered office at  
Unit 1, 2nd Floor, Oberoi Garden Estate, Off Saki Vihar Road,  
Chandivali, Andheri East, Mumbai-400 072 ("**Transferor  
Company No. 3**"); Mahindra Logisoft Business Solutions  
Limited, a company incorporated under the provisions of  
the Companies Act, 1956 and having its registered office  
at Gateway Building, Apollo Bunder, Mumbai 400 001  
("**Transferor Company No. 4**") and CanvasM Technologies  
Limited, a company incorporated under the provisions of the  
Companies Act, 1956 and having its registered office at Oberoi  
Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E),  
Mumbai 400 072 ("**Transferor Company No. 5**") with  
Tech Mahindra Limited, a company incorporated under the  
provisions of the Companies Act, 1956 and having its registered  
office at Gateway Building, Apollo Bunder, Mumbai 400 001  
("**Transferee Company**" or "**Applicant Company**") and their  
respective members and creditors.

Tech Mahindra Limited, a company incorporated )  
under the provisions of the Companies Act, )  
1956 and having its registered office at Gateway )  
Building, Apollo Bunder, Mumbai 400 001 )

.... Applicant Company

# EXPLANATORY STATEMENT UNDER SECTIONS 173 (2) & 393(1) (a) OF THE COMPANIES ACT, 1956

1. In this statement Tech Mahindra Limited is referred to as the "Applicant Company" or the "Transferee Company". Venturbay Consultants Private Limited is referred to as the "Transferor Company No. 1", Satyam Computer Services Limited is referred to as the "Transferor Company No. 2", C&S System Technologies Private Limited is referred to as the "Transferor Company No. 3", Mahindra Logisoft Business Solutions Limited is referred to as the "Transferor Company No. 4" and CanvasM Technologies Limited is referred to as the "Transferor Company No. 5" (Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3, Transferor Company No. 4 and Transferor Company No. 5 are collectively hereinafter referred to as the "Transferor Companies"). The other definitions contained in the Scheme (defined hereinafter) will apply to this will also apply to this statement under Sections 173(2) and 393(1)(a) of the Companies Act, 1956 (the "Act") ("Explanatory Statement").
2. Pursuant to the Order dated the 3<sup>rd</sup> day of May, 2012 passed by the Hon'ble High Court of Judicature at Bombay, a meeting of the equity shareholders of the Transferee Company is being convened at Y.B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai 400 021, Maharashtra on Thursday, the 7<sup>th</sup> day of June, 2012 at 10.30 a.m., for the purpose of considering and if thought fit, approving, with or without modification, the scheme which, *inter alia*, provides for the amalgamation of the Transferor Companies with the Transferee Company as embodied in the Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act (hereinafter referred to as the "Scheme").
3. A copy of the proposed Scheme between the Transferor Companies and the Transferee Company setting out the terms and conditions of the Scheme is attached to this Explanatory Statement.

## OVERVIEW

4. The proposed Scheme *inter alia* envisages the amalgamation of the Transferor Companies with the Transferee Company and the consequent reorganization of the Securities Premium of the Transferee Company with effect from April 1, 2011 (the "Appointed Date").

## BACKGROUND

### TECH MAHINDRA LIMITED

5. The Transferee Company was incorporated on October 24, 1986 under the Act under the name of Mahindra-British Telecom Limited by the Registrar of Companies, Mumbai, Maharashtra, vide Certificate of Incorporation No. 11-41370 of 1986. The name of the Transferee Company was changed from Mahindra-British Telecom Limited to its present name, Tech Mahindra Limited, vide Fresh Certificate of Incorporation consequent on Change of Name issued by the Registrar of Companies, Mumbai, Maharashtra on February 3, 2006. The corporate identity number of the Transferee Company is L64200MH1986PLC041370.
6. The registered office of the Transferee Company is situated at Gateway Building, Apollo Bunder, Mumbai 400 001.
7. The capital structure of the Transferee Company as on March 31, 2011 as per the latest audited balance sheet was as under:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 175,000,000 Equity Shares of ₹ 10/- each            | 1,750,000,000        |
| <b>Total</b>                                        | <b>1,750,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                      |
| 125,955,481 Equity Shares of ₹ 10/- each            | 1,259,554,810        |
| <b>Total</b>                                        | <b>1,259,554,810</b> |

### Pre Arrangement and Post Arrangement (expected) Capital Structure of the Transferee Company:

The pre-arrangement capital structure of the Transferee Company as on March 31, 2012 was as follows:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 175,000,000 Equity Shares of ₹ 10/- each            | 1,750,000,000        |
| <b>Total</b>                                        | <b>1,750,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                      |
| 127,486,541 Equity Shares of ₹ 10/- each            | 1,274,865,410        |
| <b>Total</b>                                        | <b>1,274,865,410</b> |

The post-arrangement (expected) capital structure of the Transferee Company will be as follows:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 619,100,000 Equity Shares of ₹ 10/- each            |                      |
| <b>Total</b>                                        | 6,191,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 6,191,000,000        |
| 230,892,905 Equity Shares of ₹ 10/- each            |                      |
| <b>Total</b>                                        | 2,308,929,050        |
|                                                     | <b>2,308,929,050</b> |

**Note:** The post-arrangement (expected) capital structure of the Transferee Company does not take into account any further issuance of shares made after March 31, 2012, including by way of allotment of shares to its employees under its Employee Stock Option Plan (ESOP).

8. The Transferee Company is a public limited company and its equity shares are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Transferee Company is focused primarily on the telecommunications industry and is a provider of Information technology (IT) and software services including networking technology solutions and business support services to the global telecommunications industry. The Transferee Company is a global systems integrator and business transformation consulting firm focused on the telecommunications industry and is engaged in the business of developing, marketing, designing, assembling, all type of computer programming, system software, peripheral products, etc.
9. The main objects of the Transferee Company as set out in Clause III (A) of its Memorandum of Association are as follows:

- "1. To carry on the businesses of running (whether under licence or otherwise), operating, managing, advising on and supplying telecommunication systems and systems of all kinds for the conveyance by any means of sounds, visual images and signals of all kinds.
2. To carry on the businesses of supplying, operating, managing, advising on and dealing in services and facilities for or in relation to communications of all kinds (including, without prejudice to the generality of the foregoing, telecommunication services) and services and facilities which incorporate, use, or are used in conjunction with, in connection with or ancillary to, telecommunication systems or telecommunication apparatus and equipment.
3. To carry on the businesses of manufacturing, running, operating, managing, advising on and supplying data processing and information retrieval systems (whether or not remotely located and including but not limited to videotext, teletex and teletext systems) and systems utilising the capture, storage, processing, transmission or receipt of messages and signals (including but not limited to data, sounds and visual images) by, with the aid of, in conjunction with, or in any way utilising, computers, or similar equipment, and computer programs and databases and to carry on the businesses of operating, managing, advising on, supplying and dealing in services and facilities of all kinds which incorporate, use or are used in conjunction with, in connection with or ancillary to, systems of such descriptions as aforesaid or any of the apparatus and equipment comprised therein."

#### VENTURBAY CONSULTANTS PRIVATE LIMITED

10. The Transferor Company No. 1 was incorporated under the Act on July 16, 2004 under the name of Venturbay Consultants Private Limited by the Registrar of Companies, Pune, Maharashtra. The corporate identity number of the Transferor Company No. 1 is U72200PN2004PTC019520.
11. The registered office of the Transferor Company No. 1 is situated at Sharda Centre, Off Karve Road, Erandawane, Pune - 411 004.
12. The capital structure of the Transferor Company No. 1 as on March 31, 2011 as per the latest audited balance sheet is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 35,000,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 350,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 350,000,000        |
| 30,472,300 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 304,723,000        |
|                                                     | <b>304,723,000</b> |

The capital structure of the Transferor Company No. 1 has not changed since March 31, 2011.

### Pré Arrangement Capital Structure of the Transferor Company No. 1:

The pre-arrangement capital structure of the Transferor Company No. 1 as on March 31, 2012 was as follows:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     | 350,000,000        |
| 35,000,000 Equity Shares of ₹ 10/- each             | <b>350,000,000</b> |
| <b>Total</b>                                        |                    |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 304,723,000        |
| 30,472,300 Equity Shares of ₹ 10/- each             | <b>304,723,000</b> |
| <b>Total</b>                                        |                    |

**Note:** Please note that the Transferor Company No. 1 shall be dissolved without winding up pursuant to the Scheme.

13. The Transferor Company No. 1 is a private limited company and is a wholly-owned subsidiary of the Transferee Company and was incorporated for the purpose of providing programming and software solutions, information technology, networking and consultancy services and is holding investment in Transferor Company No. 2.
14. The main objects of the Transferor Company No. 1 as set out in Clause III (A) of its Memorandum of Association are as follows:

"1. To carry on the business of providing, programming and dealing in the services of business of software solutions, information technology, networking, hiring, transferring or licensing, operating, making and re-making, assembling, training, manufacturing, exporting, importing, buying, selling, distributing or deal in computer software, computer programming, system software, data processing, data entry, data warehousing, apparatus, appliance, systems, software procedures, peripheral products, computers tabulators, data recording, storing processing and transmitting machine and systems thereof, components, and printing, products which possess an internal intelligence for recognising and correlating data or information, recognising memory systems and optical scanning terminals, copying, reproducing and distributing machines, check signing, protecting and disbursing equipment, machine for facsimile reproduction and transmission, data processor, word processor, facilities, accessories, equipments and devices and, providing of Intranet, extranet and internet service provider (ISP) and application service provider related services, information technology, hardware program products, commercial operations, communication, system analysis and to provide virtual network services, backbone solutions and to basic telecom service providers and to design simulation hardware description languages such as HILDC design kits placement and routing, test vector translation and tool integration, designing and developing business applications software involving local areas networks and multi tasking operating system and graphical user interface, relations, database management systems, object oriented data base management systems and interactive multimedia, preparing advertisements and publishing the information, advertisement on internet, conducting exhibition of internet, incorporating data on CD ROM. To provide consultancy services for the human Resources having the specialised knowledge and skills in respect of the requirements of the clients of the Company."

### SATYAM COMPUTER SERVICES LIMITED

15. The Transferor Company No. 2 was incorporated on June 24, 1987 under the Act under the name of Satyam Computer Services Private Limited by the Registrar of Companies, Andhra Pradesh, vide Certificate of Incorporation No. 7564 of 1987-88. The name of the Transferor Company No. 2 was changed from Satyam Computer Services Private Limited to its present name, Satyam Computer Services Limited, vide Fresh Certificate of Incorporation consequent on Change of Name issued by the Registrar of Companies, Andhra Pradesh, on August 26, 1991. The corporate identity number of the Transferor Company No. 2 is L72200AP1987PLC007564.
16. The registered office of the Transferor Company No. 2 is situated at Mahindra Satyam Infocity, Unit - 12, Plot No. 35/36, Hi-tech City Layout, Survey No. 64, Madhapur, Hyderabad - 500 081.
17. The capital structure of the Transferor Company No. 2 as on March 31, 2011 as per the latest audited balance sheet was as under:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     | 2,800,000,000        |
| 1,400,000,000 Equity Shares of ₹ 2/- each           | <b>2,800,000,000</b> |
| <b>Total</b>                                        |                      |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 2,353,131,506        |
| 1,176,565,753 Equity Shares of ₹ 2/- each           | <b>2,353,131,506</b> |
| <b>Total</b>                                        |                      |

As on date, out of the total issued share capital, 501,843,740 equity shares (i.e. representing 42.65% of the equity share capital of the Transferor Company No. 2) are held by Transferor Company No. 1.

## Pre Arrangement Capital Structure of the Transferor Company No. 2:

The pre-arrangement capital structure of the Transferor Company No. 2 as on March 31, 2012 was as follows:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 1,400,000,000 Equity Shares of ₹ 2/- each           |                      |
| <b>Total</b>                                        | 2,800,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 2,800,000,000        |
| 1,176,797,836 Equity Shares of ₹ 2/- each           |                      |
| <b>Total</b>                                        | 2,353,595,672        |
|                                                     | <b>2,353,595,672</b> |

**Note:** The pre-arrangement capital structure of the Transferor Company No. 2 does not take into account any further issuance of shares made after March 31, 2012 till the Effective Date, including by way of allotment of shares to its employees under its Associate Stock Option Plan (ASOP). Please note that the Transferor Company No. 2 shall be dissolved without winding up pursuant to the Scheme.

18. The Transferor Company No. 2 is a public limited company and its equity shares are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Transferor Company No. 2 is a leading information, communications and technology (ICT) company and, *inter alia*, provides a range of business consulting, information technology and communication services to companies across multiple industries and geographies.
19. The main objects of the Transferor Company No. 2 as set out in Clause III (A) of its Memorandum of Association are as follows:

- "1. To manufacture either for its own use or for sale in India or for export outside India computer systems, computer peripherals and accessories, computer consumables like floppy disks/diskettes, hard disks, ribbons, continuous and non-continuous stationery etc., and such other products or things which may be considered either as an integral part of a computer system or as an optional attachment or supplement thereto;
2. To undertake the designing and development of systems and application software either for its own use or for sale in India or for export outside India and to design and develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems and digital/electronic equipments in India or elsewhere in the world;
3. To set up and run electronic data processing centres and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy, techno-economic feasibility studies of projects, design and development of management information systems, share/debenture issues management and/or registration and share/debenture transfer agency
4. To undertake and execute feasibility studies for computerisation, setting up of all kinds of computer systems and digital/electronic equipments and the selection, acquisition and installation thereof whether for the company or its customers or other users;
5. To conduct, sponsor or otherwise participate in training programmes, courses, seminars and conferences in respect of any of the objects of the company and for spreading or imparting the knowledge and use of computers and computer programming languages including the publication of books, journals, bulletins, study/course materials, circulars and news-letters; and
6. To undertake the business as agents, stockists, distributors, franchise holders or otherwise for trading or dealing in computer systems, peripherals, accessories, parts and computer consumables like floppy disks, hard disks, continuous and non-continuous stationery, ribbons and other allied products and things and standard software packages."

## C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

20. The Transferor Company No. 3 was incorporated under the Act on February 8, 2001 under the name of CA Satyam ASP Private Limited by the Registrar of Companies, Mumbai, Maharashtra. The name of the Transferor Company No. 3 was changed from CA Satyam ASP Private Limited to the present name, C&S System Technologies Private Limited, vide Fresh Certificate of Incorporation consequent on Change of Name issued by Registrar of Companies, Maharashtra, Mumbai, on November 19, 2008. The corporate identity number of the Transferor Company No. 3 is U72900MH2001PTC130785.
21. The registered office of the Transferor Company No. 3 is situated at Unit 1, 2nd Floor, Oberoi Garden Estate, Off Saki Vihar Road, Chandivali, Andheri East, Mumbai- 400 072.

22. The capital structure of the Transferor Company No. 3 as on March 31, 2011 as per the latest audited balance sheet is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     | 150,000,000        |
| 15,000,000 Equity Shares of ₹ 10/- each             | <b>150,000,000</b> |
| <b>Total</b>                                        |                    |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 143,379,900        |
| 14,337,990 Equity Shares of ₹ 10/- each             | <b>143,379,900</b> |
| <b>Total</b>                                        |                    |

The capital structure of the Transferor Company No. 3 has not changed since March 31, 2011.

**Pre Arrangement Capital Structure of the Transferor Company No. 3:**

The pre-arrangement capital structure of the Transferor Company No. 3 as on March 31, 2012 was as follows:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     | 150,000,000        |
| 15,000,000 Equity Shares of ₹ 10/- each             | <b>150,000,000</b> |
| <b>Total</b>                                        |                    |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 143,379,900        |
| 14,337,990 Equity Shares of ₹ 10/- each             | <b>143,379,900</b> |
| <b>Total</b>                                        |                    |

**Note:** Please note that the Transferor Company No. 3 shall be dissolved without winding up pursuant to the Scheme.

23. The Transferor Company No. 3 is a private limited company and is a wholly-owned subsidiary of the Transferor Company No. 2 and is, *inter alia*, engaged in the business of providing information technology (IT) and software services relating to solutions and consultation in the space of learning management, communications and collaborations management, document and workflow management, eSecurity, identity, access and building management, managed services, etc.
24. The main objects of the Transferor Company No. 3 as set out in Clause III (A) of its Memorandum of Association are as follows:
- "1. To undertake the business of hosting, delivering and administering selective application comprising of software products, application software, database either through internet portals or any other medium, to carry on the business of Electronic Commerce, to undertake the business of Electronic Data Interchange, internet and intranet, system providers for e-mail, to run Bulletin Board Service, to set up and run Web Information Server, host home pages for clients, rent or buy information to be hosted on the server, publish information on internet, CD-ROMs or any other medium, develop software for multimedia, virtual reality and other such purposes, to market web servers and to act as system analyst, programmer and data processor.
  2. To carry on, in India or abroad, the business of manufacturing, developing, designing, assembling, fabricating, buying, selling, exporting, importing, processing, distributing, trading, hiring and dealing in System Software, application Software, enterprise resources planning, internet net linking and any other computer software, computer networking systems, engineering, information technology and to provide total networking systems including but not limited to those used in, for or in connection with telecommunications or electronic data processing equipment, products and services systems mini and microcomputers based products, switches, mainframe and super computers and telecommunication peripheral equipment and terminals including intelligent terminals speech or signal processing equipment, for scientific, mathematical, statistical, engineering, educational, entertainment, statutory, financial, commercial and business applications, data base management, software techniques, data capture, data logging, data preparation, computer graphics, plottings and chartings software, simulation and modeling, promote software development in any area in India or in any part of the world."

**MAHINDRA LOGISOFT BUSINESS SOLUTIONS LIMITED**

25. The Transferor Company No. 4 was incorporated under the Act on April 12, 1999 under the name of Logisoft Business Solutions Private Limited by the Registrar of Companies, Mumbai, Maharashtra, vide Certificate of Incorporation No. 11-119360 of 1999. The name of the Transferor Company No. 5 was changed from Logisoft Business Solutions Private Limited to the present name, Mahindra Logisoft Business Solutions Limited, vide Fresh Certificate of Incorporation consequent on Change of Name issued by the Registrar of Companies, Maharashtra, Mumbai, on February 25, 2000. The corporate identity number of the Transferor Company No. 4 is U30001MH1999PLC119360.

26. The registered office of the Transferor Company No. 4 is situated at Gateway Building, Apollo Bunder, Mumbai 400 001.
27. The capital structure of the Transferor Company No. 4 as on March 31, 2011 as per the latest audited balance sheet is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 14,100,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 141,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | <b>141,000,000</b> |
| 12,450,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 124,500,000        |
|                                                     | <b>124,500,000</b> |

The capital structure of the Transferor Company No. 4 has not changed since March 31, 2011.

**Pre Arrangement Capital Structure of the Transferor Company No. 4:**

The pre-arrangement capital structure of the Transferor Company No. 4 as on March 31, 2012 was as follows:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 14,100,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 141,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | <b>141,000,000</b> |
| 12,450,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 124,500,000        |
|                                                     | <b>124,500,000</b> |

**Note:** Please note that the Transferor Company No. 4 shall be dissolved without winding up pursuant to the Scheme.

28. The Transferor Company No. 4 is a public unlisted company and is a wholly-owned subsidiary of the Transferee Company and is, *inter alia*, engaged in the business of design and development of dealership management systems and IT software services.
29. The main objects of the Transferor Company No. 4 as set out in Clause III (A) of its Memorandum of Association are as follows:
- "1. To design, develop and market all kind of software packages to be used in all kind of electronic computers, equipment, micro- processors and the like, for all applications including application in the automotive industry and to provide all kind and description of information, data processing, data warehouse, data networking and computing solutions and support services for the use, maintenance, up gradation and modification of software packages and/ or electronic hardware.
  2. To carry on the business or designing, developing, inventing, researching, investigating, improving, experimenting, simulating and attempting in work of every description in relation to computer software, computer hardware design, computer systems, electronics, optics, electro-machines and all other allied applications and use of computers, electronic, electrical and electro mechanical systems.
  3. To act as agents, distributors, indentors, stockists, whole-sellers, retail dealers, licensees, and/or to market or to otherwise deal in all kinds and description of software packages and electronic devices/electronic hardware and peripherals, designed, developed and/or manufactured by Indian and/or foreign companies."

**CANVASM TECHNOLOGIES LIMITED**

30. The Transferor Company No. 5 was incorporated under the Act on July 28, 2006 under the name of CanvasM Technologies Limited by the Registrar of Companies, Mumbai, Maharashtra. The corporate identity number of the Transferor Company No. 5 is U72900MH2006PLC163373.
31. The registered office of the Transferor Company No. 5 is situated at Oberoi Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E), Mumbai 400 072.
32. The capital structure of the Transferor Company No. 5 as on March 31, 2011 as per the latest audited balance sheet is as under:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 10,000,000 Equity Shares of ₹ 100/- each            |                      |
| <b>Total</b>                                        | 1,000,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | <b>1,000,000,000</b> |
| 5,767,330 Equity Shares of ₹ 100/- each             |                      |
| <b>Total</b>                                        | 576,733,000          |
|                                                     | <b>576,733,000</b>   |

The capital structure of the Transferor Company No. 5 has not changed since March 31, 2011.

#### Pre Arrangement Capital Structure of the Transferor Company No. 4:

The pre-arrangement capital structure of the Transferor Company No. 5 as on March 31, 2012 was as follows:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 10,000,000 Equity Shares of ₹ 100/- each            | 1,000,000,000        |
| <b>Total</b>                                        | <b>1,000,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                      |
| 5,767,330 Equity Shares of ₹ 100/- each             | 576,733,000          |
| <b>Total</b>                                        | <b>576,733,000</b>   |

**Note:** Please note that the Transferor Company No. 5 shall be dissolved without winding up pursuant to the Scheme.

33. The Transferor Company No. 5 is a public unlisted company and is a wholly-owned subsidiary of the Transferee Company and is, *inter alia*, engaged in the business of information technology (IT) and software services relating to developing, improving, designing, assembling, marketing, and allied activities including dealing in all types of computer programming, system software, data processing and warehousing, data base management systems and interactive multimedia and peripheral products. It also undertakes various services of issuing, implementing, undertaking, assisting, facilitating, distribute or otherwise promote telecom value added services and such other services, schemes and projects, offer services to end consumers directly (B2C) and via retail network (B2B2C), including technology and process services to other businesses to ensure efficiency and productivity improvements.
34. The main objects of the Transferor Company No. 5 as set out in Clause III (A) of its Memorandum of Association are as follows:
- "1. To programme, provide and deal in information and communication technology and software solutions and provide services for/ to the indigenous as well as Export Market to carry on the business of developing, improving, designing, repairing, revising and reworking, hiring, transferring or licensing, operating, making and re- making, assembling, training, manufacturing, exporting, importing, buying, selling, distributing or deal in computer software, computer programming, system software, data processing, data entry, data warehousing, product, machine apparatus, appliance, systems, software procedures, peripheral products, computer tabulators, data recording, storing processing and transmitting machine and systems thereof, components, electronic calculators, electric and electromechanical accounting systems, electronic technical produce and systems, machines for data preparation, recording, registering, perforating, processing, transmitting, printing, products which possesses an internal intelligence for recognizing and correlating any type of data or information, recognizing memory systems and optical scanning terminals, copying, reproducing and distributing machines, check signing, protecting and disbursing equipment, machine for facsimile reproduction and transmission, data processor, word processor, facilities, accessories, equipment's and devices of providing of Intranet, extranet and Internet service provider (ISP) and application service provider, Information technology, communication, system analysis and to provide virtual network services, application service providers and to telecom service providers and to design simulation hardware description languages such as HISC design kits placement and routing, test vector translation and tool integration, designing and developing business applications software involving local area networks and multi tasking operating systems and graphical user interface, relations, database management systems, object oriented data base management systems and interactive multimedia, preparing advertisements and publishing the information, advertisement on Internet, conducting exhibition of Internet, incorporating data on CD ROM.
  - 1A. To issue, implement, undertake, assist, facilitate, offer, distribute, or otherwise promote telecom value added services and such other services, schemes and projects including but not limited to issue a mobile pre-paid cash wallet, prepaid card and/or cash card to consumers and setting up a payment and settlement system, support a bank in issuing "card present", credit and debit cards on phone, or direct debit facility on mobile phone, to provide informational and transactional facilities and solutions to consumers for making payment for all goods and services through a variety of access modes like websites, wapsites, mobile applications, IVR systems, SIM toolkits, SMS/MMS applications and to work across information bearers like GPRS, IVR, NFC, Dial-up, Landline, Broadband, Mobile Phone, Mobile Broadband, DTH remotely or any other modes, and other over the counter payments systems, enabling online and retail merchants receiving payments, offer services to end consumers directly (B2C) and via retail network (B2B2C), and to acquire consumers and build and manage consumer acquisition channels (either independently or otherwise), appropriate sales, distribution and after-sales service networks, customer care, customer grievance redressal departments for effective physical and digital fulfillment of consumer requirements on a service to service basis and to maintain and use consumer information shared by the consumer and to provide interoperable payment processing services to banks, other mobile merchant operators linked with the existing payment processors and to provide various services not limited to licensed network to work as "Money Centers", distribute financial and/or banking projects through licensed distribution network, enable licensed retail network to become merchants to transact cashlessly for selling products and services, provide domestic money transfer and to promote, establish, undertake the use of

- mobile phones to generate and utilize digital signatures for legally binding and ultimately secured transactions but not restricted to mobile services; provide technology services to other business; provide financial education to understand nuances of financial products and to provide financial advisory services not limited to micro-segments; provide technology and process services to other businesses to ensure efficiency and productivity improvements."

#### RATIONALE AND BENEFITS

- As a measure to consolidate the information technology business of the Transferor Companies and the Transferee Company in a single entity which will provide synergy benefits, attain efficiencies and reduce overall cost, the Board of Directors of the Transferor Companies and the Transferee Company have proposed the Scheme. Further the Scheme also provides for the consequent reorganization of the Securities Premium of the Transferee Company.
- The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
  - Creation of a single 'go-to-market' strategy, benefit of scale, enhanced depth and breadth of capabilities, translating into increased business opportunities and reduced expenses;
  - Greater integration and greater financial strength and flexibility for the amalgamated entity and strengthening position in the industry, in terms of the asset base, revenues, product and service range, production volumes;
  - Improved organizational capability and leadership, arising from the combination of human capital who collectively have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
  - The combination of all the businesses would increase the long term value for shareholders and investors;
  - Benefits of operational synergies in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalisation, standardisation and simplification of business processes and productivity improvements.

#### SALIENT FEATURES OF THE SCHEME

- The salient features of the Scheme are, *inter alia*, as under:
  - For the sake of convenience, the Scheme has been divided into the following parts:  
**Part A** dealing with definitions and share capital; **Part B** dealing with amalgamation of Transferor Company No. 1 with the Transferee Company; **Part C** dealing with amalgamation of Transferor Company No. 2 with the Transferee Company; **Part D** dealing with amalgamation of Transferor Company No. 3, Transferor Company No. 4 and Transferor Company No. 5 with the Transferee Company; and **Part E** dealing with general terms and conditions.
  - Parts B, C and D of the Scheme are interdependent and not severable. The various parts of the Scheme will be deemed to have taken effect in the following sequence:
    - Firstly, Part B of the Scheme (relating to amalgamation of Transferor Company No. 1 with the Transferee Company) will be deemed to have taken effect, prior to Part C or Part D of the Scheme;
    - Thereafter, Part C of the Scheme (relating to amalgamation of Transferor Company No. 2 with the Transferee Company) will be deemed to have taken effect, after Part B of the Scheme, and prior to Part D of the Scheme; and
    - Lastly, Part D of the Scheme (relating to amalgamation of Transferor Company No. 3, Transferor Company No. 4 and Transferor Company No. 5 with the Transferee Company) shall be deemed to have taken effect, after Part B and Part C of the Scheme.
- The salient features of Part B of the Scheme are, *inter alia*, as under:
  - With effect from April 1, 2011, the Transferor Company No. 1 shall stand amalgamated with the Transferee Company and all the assets and debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company No. 1 shall stand transferred to and vested in the Transferee Company as provided under Clause 4 of the Scheme.
  - As Transferor Company No. 1 is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the amalgamation of Transferor Company No. 1 into the Transferee Company, and the equity shares held by the Transferee Company and its nominees in Transferor Company No. 1 shall stand cancelled without any further act, application or deed.
- The salient features of Part C of the Scheme are, *inter alia*, as under:
  - With effect from April 1, 2011, the Transferor Company No. 2 shall stand amalgamated with the Transferee Company and all the assets and debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company No. 2 shall stand transferred to and vested in the Transferee Company as provided under Clause 7 of the Scheme.
  - Notwithstanding anything to the contrary contained in this Scheme, 204,000,000 equity shares of ₹ 2 each of Transferor Company No. 2 vested with the Transferee Company pursuant to amalgamation of

- Transferor Company No. 1 with the Transferee Company (under Part B of this Scheme) shall be vested and deemed to be vested with effect from the date of the last of the High Court Orders sanctioning the Scheme, in the board of trustees of an irrevocable trust to hold such shares in trust together for the benefit of the Transferee Company, as provided under Clause 8.1 of the Scheme.
- iii. Notwithstanding anything to the contrary contained in this Scheme, as provided under Clause 8.2 of the Scheme, all equity shares of Transferor Company No. 2 (vested with the Applicant Company pursuant to amalgamation of Transferor Company No. 1 with the Applicant Company under Part B of this Scheme) except the shares vested in the board of trustees as mentioned above (provided under Clause 8.1 of the Scheme), shall, by virtue of this Scheme, stand cancelled without any further act, application or deed.
  - iv. After giving effect to Clause 8.1 and Clause 8.2 of the Scheme (as discussed aforesaid) and pursuant to the Scheme coming into effect, the Transferee Company shall, issue and allot to the Equity Shareholders of the Transferor Company No. 2 (including the aforesaid trust) holding fully paid up Equity Shares in the Transferor Company No. 2 and whose name appears in the Register of Members of the Transferor Company on the Record Date (as defined in the Scheme), 2 Equity Share of ₹ 10/- each, credited as fully paid in the capital of the Transferee Company for every 17 Equity Share of ₹ 2/- each held by them in the Transferor Company No. 2, as provided in Clause 8.3 of the Scheme.
  - v. The new Equity Shares to be issued and allotted to the members of the Transferor Company No. 2 pursuant to Clause 8.3 of the Scheme shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company.
5. The salient features of Part D of the Scheme are, *inter alia*, as under:
- i. With effect from April 1, 2011, the Transferor Company No. 3, Transferor Company No. 4 and Transferor Company No. 5 shall stand amalgamated with the Transferee Company and all the assets and debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company No. 3, Transferor Company No. 4 and Transferor Company No. 5 respectively shall stand transferred to and vested in the Transferee Company as provided under Clause 10 of the Scheme.
  - ii. No consideration shall be payable in pursuant to amalgamation of Transferor Company No. 3 into the Transferee Company, and the equity shares held by the Transferee Company, its nominees in Transferor Company No. 3 (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Transferor Company No. 2 with the Transferee Company) shall stand cancelled without any further act, application or deed.
  - iii. As Transferor Company No. 4 and Transferor Company No. 5 are wholly-owned subsidiaries of the Transferee Company, no consideration shall be payable pursuant to the amalgamation of Transferor Company No. 4 and Transferor Company No. 5 into the Transferee Company, and the equity shares held by the Transferee Company and its nominees in Transferor Company No. 4 and Transferor Company No. 5 shall stand cancelled without any further act, application or deed.
6. The salient features of Part E of the Scheme are, *inter alia*, as under:
- i. With effect from April 1, 2011, debit balances in reserves and the profit & loss account, if any, after giving effect to Clauses 6, 9 and 12 of the Scheme shall be adjusted against the securities premium account of the Transferee Company (including securities premium recorded in the Transferee Company in pursuant to amalgamation of the Transferor Companies) as provided under Clause 13 of the Scheme.
  - ii. The application and reduction of the securities premium account, as mentioned above and as per Clause 9.9 of the Scheme, shall be effected as an integral part of the Scheme without having to follow the process under Section 78 and Sections 100, 102 and 103 of the Act separately and the order of the High Courts sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid up share capital and provisions of Section 101 of the Act will not be applicable.
  - iii. All memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Companies or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting shall remain in full force and effect on or against or in favour of the Transferee Company as the case may be as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto as provided in Clause 14 of the Scheme.
  - iv. All legal or other proceedings of whatsoever nature by or against the Transferor Companies shall be continued and enforced by or against the Transferee Company as provided in Clause 15 of the Scheme.
  - v. All the permanent employees of the Transferor Companies shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Companies without any interruption in service as a result of amalgamation of the Transferor Companies with the Transferee Company as provided in Clause 16 of the Scheme.

- vi. In respect of stock options granted by Transferor Company No. 2, upon the Scheme coming into effect, the Transferee Company shall issue stock options to the Eligible Employees (as defined in the Scheme) taking into account the Share Exchange Ratio i.e., for every 17 options held by an Eligible Employee which entitle such Eligible Employee to acquire 17 equity shares in Transferor Company No. 2, such Eligible Employee will be conferred 2 options in Transferee Company which shall entitle him to hold 2 equity shares in the Transferee Company and on terms and conditions not less favourable than those provided under the ASOP as provided under Clause 17 of the Scheme.
- vii. The Transferor Companies shall conduct its business and activities for and on account of and in trust for the Transferee Company with effect from April 1, 2011 till the Effective Date of the Scheme in terms of Clause 18 of the Scheme.
- viii. Upon the Scheme coming into effect, the authorised share capital of the Transferee Company shall automatically stand increased by an amount of ₹ 4,441,000,000/- (Rupees Four thousand Four hundred and forty one million) which is equivalent to the authorised share capital of the Transferor Companies and the Memorandum of Association and Articles of Association of Transferee Company shall accordingly stand altered, modified and amended as provided in Clause 21 of the Scheme.
- ix. Upon the Scheme coming into effect, the Memorandum of Association and the Articles of Association of the Transferee Company shall be amended as provided in Clause 22 of the Scheme.
- x. Upon the Scheme coming into effect, the Transferor Companies shall be dissolved without being wound up without any further act by the parties.
- xi. The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 27 of the Scheme.

**N.B. - The shareholders are requested to read the entire text of the Scheme attached herewith to get better acquainted with the provisions thereof. What is stated hereinabove are just the brief salient features.**

#### **GENERAL**

#### **38. APPLICATION AND REDUCTION OF SECURITIES PREMIUM ACCOUNT**

The Transferee Company proposes to reorganize its capital under the Scheme whereby the debit balances in reserves and the profit & loss account of the Transferee Company, as well as certain costs and expenses in relation to the amalgamation, as provided in Clause 9.9.1 of the Scheme shall be adjusted against the securities premium account of the Transferee Company (including securities premium recorded in the Transferee Company pursuant to amalgamation of the Transferor Companies). The application and reduction of the securities premium account of the Transferee Company, as aforesaid, shall be effected as an integral part of the Scheme without having to follow the process under Section 78 and read with Section 100 to 104 of the Act separately as part of the Scheme and the order of the Hon'ble High Court of Bombay sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction. Since the reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid up share capital and, therefore, the provisions of Section 101 of the Act will not be applicable and consequently, only the passing of a separate resolution for approving the reduction of securities premium account of the Transferee Company in the meeting of the Equity Shareholders of the Transferee Company is required. In view thereof, the Hon'ble High Court of Judicature at Bombay has dispensed with the procedure prescribed under Sections 100 to 104 of the Act in relation to the proposed reduction envisaged under the Scheme and directed that no further procedures need to be complied with by the Transferee Company with respect to the utilization of the Securities Premium Account. Accordingly, it is proposed that a separate special resolution shall be tabled at the meeting of the Equity Shareholders of the Transferee Company for approving the reduction of securities premium account of the Transferee Company.

39. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of either of Transferee Company and the Transferor Companies. The latest accounts of all the companies indicate that they are in a solvent position and would be able to meet liabilities as they arise in the course of business. The aggregate assets of the Transferee Company and the Transferor Companies are in excess of, and are more than sufficient to meet all their respective external liabilities and the Scheme will not adversely affect the rights and interest of any of the creditors of any company in any manner whatsoever. Pursuant to the amalgamation of the Transferor Companies with the Transferee Company, the debt repayment capacity of the Transferee Company will not be adversely affected. The Transferee Company has a positive net worth and therefore, the appropriation of all the assets and liabilities of the Transferor Companies under the Scheme, by the Transferee Company, will not affect or adversely impact the rights of the creditors of the Transferee Company in view of the strength of the financial position of the Transferee Company as well as the Transferor Companies. Further, the Transferee Company is a profit-making company, and it is anticipated that the proposed merger would increase the financial strength of the Transferee Company and would further help in strengthening its position in the industry, in terms of its asset base, revenues, product and service range and production volumes. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner. Hence, the amalgamation of the Transferor Companies will not cast any additional burden on the shareholders or creditors of the Transferee Company and the Transferor Companies, nor will it affect the interest of any of the shareholders or creditors.

40. The share exchange ratio was computed and jointly recommended by joint report of Ernst & Young Pvt. Ltd. and KPMG India Private Limited (the "Valuers"), who have submitted the report containing their recommendations (the "Valuation Report").
41. In terms of clause 24(h) of the listing agreement, Morgan Stanley India Company Private Limited, a Category - I merchant banker have given a fairness opinion certifying that the valuation done by the Valuers for determining the share exchange ratio is fair and reasonable.
42. The Board of Directors of the Transferee Company and the Transferor Company No. 2 have, based on the aforesaid expert advice and on the basis of their independent evaluation and judgment, come to the conclusion that the proposed share exchange ratio is fair and reasonable to their respective shareholders and the Transferee Company and the Transferor Company No. 2 have accepted the suggested ratio.
43. Accordingly the Board of Directors of the Transferee Company and the Company No. 2 have at their respective board meetings held on 21<sup>st</sup> March, 2012 by resolutions approved the exchange ratio arrived at by the Valuers.
44. Further the Board of Directors of the Transferee Company and the Transferor Companies have at their respective board meeting held on 21<sup>st</sup> March, 2012 by resolutions approved the Scheme.
45. The NSE and BSE vide their letters both dated 10<sup>th</sup> April, 2012 have granted their no-objection under Clause 24(f) of the Listing Agreement to the said Scheme.
46. The Competition Commission of India has vide its order dated 26th April 2012 approved the proposed merger of the Transferor Companies with the Transferee Company, under section 31(1) of the Competition Act 2002. Further the Transferor Companies and the Transferee Company are also in the process of obtaining other approvals from agencies such as the U.S.A. Federal Trade Commission (FTC).
47. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 against the Transferee Company, the Transferor Company No. 1, the Transferor Company No. 3, the Transferor Company No. 4 and the Transferor Company No. 5. With regard to the Transferor Company No. 3, the SFIO had, on February 22, 2011, issued a show cause notice to the Transferor Company No. 3 pursuant to an inspection under Section 209A of the Act alleging violation of certain procedural requirements under Sections 269, 629A, 187C, 383A, 211 read with Part-I and II of Schedule VI of the Act. These alleged offences are compoundable under Section 621A of the Act and the Transferor Company No. 3 had filed its reply dated March 4, 2011 to the abovementioned show cause notice. Further, the Transferor Company No. 3 has rectified few of the alleged violations and has filed a Compounding Applications on September 26, 2011 with the Hon'ble Company Law Board which are in progress.
48. In the interest of disclosure, the following details relating to certain litigations relating to the Transferor Company No. 2 are also being provided. Formerly, Mr. B. Ramalinga Raju was the Chairman of the Transferor Company No. 2 and his brother Mr. B. Rama Raju was the Managing Director of the Transferor Company No. 2. The said two persons and their family members through SRSR Holdings Private Limited, a company controlled by them, held shares in the Transferor Company No. 2, which as of December 12, 2008 was about 8.27 % of the issued capital of Transferor Company No. 2. On the basis of certain disclosures made on January 7, 2009 by the former Chairman, certain consequences ensued:
  - a) On January 9, 2009, the Transferor Company No. 2 received an order passed by the Hon'ble Company Law Board, Principal Bench (CLB) in Company Petition No.1 of 2009 filed under Sections 388B, 397, 398 and 401 to 408 of the Act that the then existing Board of Directors stands suspended with immediate effect. The Central Government was authorized to constitute a fresh Board of the Transferor Company No. 2 with not more than 10 persons of eminence as Directors. Pursuant to the said order, the Government of India, Ministry of Corporate Affairs appointed six persons of eminence on the Board. The Government nominated Board of Corporate Affairs appointed six persons of eminence on the Board. The Government nominated Board at its meeting held on January 17, 2009 appointed M/s Amarchand & Mangaldas & Suresh A. Shroff & Co., Advocates & Solicitors as legal advisors to the Transferor Company No. 2. Further the Board directed the legal advisors to consider and appoint forensic investigators to facilitate an independent investigation. Company Petition No. 1 of 2009 has been posted for final disposal.
  - b) The Andhra Pradesh Crime Branch, Crime Investigation Department (AP CB CID), Hyderabad started an investigation, which was subsequently transferred to Central Bureau of Investigation (CBI), Hyderabad. In addition to the investigation by CBI, other regulatory agencies such as Registrar of Companies (ROC) / Serious Fraud Investigation Office (SFIO), Securities and Exchange Board of India (SEBI), Securities and Exchange Commission (SEC), USA have conducted investigation and the Directorate of Enforcement (ED) is conducting investigation as on today. The CBI filed its charge sheet against the former promoters and certain employees of the Transferor Company No. 2 and the Transferor Company No. 2 is not an accused in these proceedings.
  - c) SFIO too has initiated proceedings after conducting investigation under Section 235 of the Act and submitted its report. It is the considered view of the SFIO/Government of India that the Transferor Company No. 2 itself is a victim of fraud perpetrated by the erstwhile promoters. Out of the 7 cases filed by SFIO, the Transferor Company No. 2 was made as accused only in two matters for certain procedural violations for which Transferor Company No. 2 has already filed compounding applications. These are CC No. 394 of 2009 and CC No. 400 of 2009, alleging that there were violations of provisions of Sections 309 & 220 (2) of the Act. In fact, subsequently, the SFIO proposed the withdrawal of the complaint against the Transferor Company No. 2 which was not accepted by the criminal court. The Transferor Company No. 2, *inter alia*, had sought for compounding

- of the said offences and the Company Law Board, Chennai bench, having declined to consider the said request, the Transferor Company No. 2 had filed company appeals before the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad. Company Appeal Nos. 1 & 2 of 2012 have been allowed by the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad and the matter has been remitted to the Company Law Board, Chennai bench for fresh consideration.
- d) The Board of Directors so constituted after taking into consideration the relevant factors, decided to bring in a strategic investor who could bring in funds and manage the affairs of the Transferor Company No. 2. The Transferor Company No. 2 through a global competitive bidding process invited bids for the selection of a strategic investor. On April 13, 2009, the Board, under the supervision of Justice S.P. Bharucha, Former Chief Justice of India evaluated the technical and financial bids of each of the qualified bidders and declared Venturbay Consultants Private Limited ("Venturbay"/ "Transferor Company No. 1") a wholly owned subsidiary of the Transferee Company, as the highest bidder to acquire a controlling interest in the Company, which was approved by CLB on April 16, 2009.
  - e) On May 5, 2009, Venturbay was allotted 302,764,327 equity shares of ₹ 2 each at a premium of ₹ 56 per share, (31% of the then paid up capital) aggregating to ₹ 1756 crores. On July 10, 2009, Venturbay was further allotted 198,658,498 shares (being shortfall in the open offer of 199,079,413 shares) of ₹ 2 each at a premium of ₹ 56 per share aggregating to ₹ 1152.2 Crores, thereby increasing the Venturbay holding to 501,843,740 shares representing 42.66% of the then issued and paid up share capital of the Transferor Company No. 2.
  - f) On June 21, 2009, the Transferor Company No. 2 unveiled its new brand identity, 'Mahindra Satyam'. This strategic move paved the way for the emergence of a robust brand which draws from the Core Values of the Mahindra Group and the inherent strength of Satyam brand.
  - g) Even by January, 2009, as a result of offloading of shares of erstwhile promoters in open market by the lenders, the erstwhile Promoters' holding was reduced to mere 1.87% in the Transferor Company No. 2 as at December 31, 2008. The promoter shareholding was further reduced to 3,445,493 shares (0.51%) by 31st March, 2009. As of now, the shareholding of the erstwhile promoters in the Transferor Company No. 2 is 17,125 shares only.
  - h) The Transferor Company No. 2 had filed various petitions before the Central Board of Direct Taxes (CBDT) requesting for stay of demands for FY 2002-03 to FY 2007-08 till the correct quantification of income and taxes payable is done for the respective years. In March 2011, CBDT rejected the Transferor Company No. 2's petition. The Transferor Company No. 2 questioned the said order before the High Court of Andhra Pradesh which directed the Transferor Company No. 2 to pay ₹ 350 crores and to issue a bank guarantee of ₹ 617 crores. On appeal, the Hon'ble Supreme Court which directed the Transferor Company No. 2 to file a comprehensive petition/representation before CBDT giving all requisite details/particulars in support of its case for re-quantification/re-assessment of income for the aforesaid years and to submit a Bank Guarantee (BG) for ₹ 617 crores. Pursuant to the direction by the Hon'ble Supreme Court, the Transferor Company No. 2 submitted the aforesaid BG and also filed a comprehensive petition before the CBDT in April 2011. The CBDT vide its order dated July 11, 2011 disposed of the Transferor Company No. 2's petition directing it to make its submissions before the Assessing Officer in course of the ongoing proceedings for the aforesaid years and directed the Income Tax Department not to encash the BG furnished by the Transferor Company No. 2 till December 31, 2011. Aggrieved by CBDT's Order, the Transferor Company No. 2 filed a Writ Petition before the Hon'ble High Court of Andhra Pradesh on August 16, 2011. The Hon'ble High Court of Andhra Pradesh vide its Order dated December 14, 2011 adjourned the hearing to January 31, 2012 and directed the Income Tax Department not to encash the BG until then. The Hon'ble High Court of Andhra Pradesh has further ordered on 27th March, 2012, to extend the said BG for period of 6 months from 19th April, 2012 and the Transferor Company No. 2 has complied with the said order. The writ petition filed against the CBDT order is still pending before the High Court of Andhra Pradesh. The Hon'ble Court has directed the parties to maintain status quo. The Transferor Company No. 2 has adequate funds to meet the demands made by the Income Tax Department as on date and thus the interest of the revenue for the demands already made is adequately protected.
  - i) In August 2011, the Additional Commissioner of Income Tax has issued the Draft of Proposed Assessment Orders accompanied with the Draft Notice of demand amounting to ₹ 796.03 crores and ₹ 1075.73 crores for FY 2001-02 and FY 2006-07, respectively, proposing variations to the total income, including variations on account of Transfer Pricing adjustments. The Transferor Company No. 2 has filed its objections to the Draft of Proposed Assessment Orders for the aforesaid years on September 16, 2011 with the Hon'ble Dispute Resolution Panel, Hyderabad, which is pending disposal.
  - j) The Income Tax Department had served provisional attachment orders to the Transferor Company No. 2, *inter alia*, on the ground that there is every likelihood of a large demand to be raised against the Transferor Company No. 2 for financial year 2002-03 to financial year 2008-09 along with interest liability. The provisional attachment orders were challenged vide writ petition filed by the company and the attachment order has since been stayed by orders passed by the Hon'ble High Court of Andhra Pradesh.
49. The accounts of the Transferor Company No. 2 till 31st March, 2011, have been audited, considered and approved by the Board of Directors and shareholders. The Auditor's Report contains certain qualifications pertaining to the transactions that were carried out by the erstwhile management prior to January 7, 2009 which have been appropriately responded in the Notes to Accounts. The affairs of the Transferor Company No. 2 have been conducted prudently and properly subject to the qualifications covered in the Auditor's Report.

50. There is an amount of ₹ 1,230.40 crores which is reflected as "amounts pending investigation-suspense account" in the Transferor Company No. 2's balance sheet. These amounts are under investigation, and the Enforcement Directorate has by its letter dated April 10, 2009 directed the Transferor Company No. 2 not to return the amount until further instructions from them. These are highly disputed claims and the source of these monies is being investigated.

51. Several group companies of the erstwhile promoters have filed suits against the Transferor Company No. 2 claiming these amounts and these are being contested by the Transferor Company No. 2.

52. The following are common directors on the Boards of the Transferee Company and the Transferor Companies:

| Director            | Transferee Company | Transferor Company No. 1 | Transferor Company No. 2 | Transferor Company No. 3 | Transferor Company No. 4 | Transferor Company No. 5 |
|---------------------|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Mr. Vineet Nayar    | Director           | Director                 | Director                 | NA                       | Director                 | Director                 |
| Mr. Ulhas N. Yargop | Director           | Director                 | Director                 | NA                       | Director                 | Director                 |

53. The Directors of the Transferee Company and the Transferor Companies may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions, trusts of which they are Directors, Partners, Members or Trustees in the Transferee Company or the Transferor Companies. None of the Directors of the Transferee Company and/or the Transferor Companies have any material interest in the Scheme except as shareholders to the extent, which will appear from the Register of Director's Shareholding maintained by the Transferee Company and the Transferor Companies respectively. The shareholding of the present directors of the Transferor Companies and the Transferee Company, either individually, as first holder or as a nominee of the Transferor Companies and/or the Transferee Company, in any of the Transferor Companies and/or the Transferee Company, as on March 31, 2012, is as under:

#### A. SHAREHOLDING OF DIRECTORS OF TRANSFEE COMPANY

| A. SHAREHOLDING OF DIRECTORS OF TRANSFEEE COMPANY |                       |                                                      |                           |                                         |                         |                           |                                         |                                         |                                          |
|---------------------------------------------------|-----------------------|------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
| Sl. No.                                           | Name of Director      | Number of Shares held / Stock Options outstanding in |                           |                                         |                         |                           |                                         |                                         |                                          |
|                                                   |                       | Transferee Company                                   |                           | Transferor Company No. 1 (of ₹ 10 each) | Transferor Company No.2 |                           | Transferor Company No. 3 (of ₹ 10 each) | Transferor Company No. 4 (of ₹ 10 each) | Transferor Company No. 5 (of ₹ 100 each) |
|                                                   |                       | Shares of ₹ 10 each                                  | Stock Options outstanding |                                         | Shares of ₹ 2 each      | Stock Options outstanding |                                         |                                         |                                          |
| 1.                                                | Mr. Anand Mahindra    | 47,138                                               | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 2.                                                | Mr. Vineet Nayyar     | 747,208                                              | 1,992,567                 | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 3.                                                | Hon. Akash Paul       | 21,015                                               | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 4.                                                | Mr. Anupam Puri       | NIL                                                  | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 5.                                                | Mr. B. H. Wani        | NIL                                                  | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 6.                                                | Mr. Bharat N. Doshi   | 17,831                                               | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 7.                                                | Mr. M. Damodaran      | NIL                                                  | 20,000                    | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 8.                                                | Mr. Paul Zukerman     | NIL                                                  | 20,000                    | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 9.                                                | Dr. D. Raj Reddy      | 27,000                                               | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 10.                                               | Mr. Ravindra Kulkarni | 1,037                                                | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 11.                                               | Mr. Ulhas N Yargop    | 38,340                                               | NIL                       | NIL                                     | 2                       | NIL                       | NIL                                     | NIL                                     | NIL                                      |
|                                                   | Total                 | 899,569                                              | 2,032,567                 | NIL                                     | 2                       | NIL                       | NIL                                     | NIL                                     | NIL                                      |

**B. SHAREHOLDING OF DIRECTORS OF TRANSFEROR COMPANY NO. 1**

| Sl. No. | Name of Director    | Number of Shares held / Stock Options outstanding in |                           |                                         |                         |                           |                                         |                                         |                                          |
|---------|---------------------|------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
|         |                     | Transferee Company                                   |                           | Transferor Company No. 1 (of ₹ 10 each) | Transferor Company No.2 |                           | Transferor Company No. 3 (of ₹ 10 each) | Transferor Company No. 4 (of ₹ 10 each) | Transferor Company No. 5 (of ₹ 100 each) |
|         |                     | Shares of ₹ 10 each                                  | Stock Options outstanding |                                         | Shares of ₹ 2 each      | Stock Options outstanding |                                         |                                         |                                          |
| 1.      | Mr. Vineet Nayyar   | 747,208                                              | 1,992,567                 | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 2.      | Mr. Ulhas N Yargop  | 38,340                                               | NIL                       | NIL                                     | 2                       | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 3.      | Mr. Sonjoy Anand    | * 20                                                 | 25,000                    | 1 *                                     | NIL                     | NIL                       | NIL                                     | 1 *                                     | NIL                                      |
| 4.      | Mr. Milind Kulkarni | 5                                                    | 20,000                    | NIL                                     | NIL                     | NIL                       | NIL                                     | 1 *                                     | NIL                                      |
|         | <b>Total</b>        | <b>785,573</b>                                       | <b>2,037,567</b>          | <b>1</b>                                | <b>2</b>                | <b>NIL</b>                | <b>NIL</b>                              | <b>2</b>                                | <b>NIL</b>                               |

\* jointly held with Tech Mahindra Limited

**C. SHAREHOLDING OF DIRECTORS OF TRANSFEROR COMPANY NO. 2**

| Sl. No. | Name of Director        | Number of Shares held / Stock Options outstanding in |                           |                                         |                         |                           |                                         |                                         |                                          |
|---------|-------------------------|------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
|         |                         | Transferee Company                                   |                           | Transferor Company No. 1 (of ₹ 10 each) | Transferor Company No.2 |                           | Transferor Company No. 3 (of ₹ 10 each) | Transferor Company No. 4 (of ₹ 10 each) | Transferor Company No. 5 (of ₹ 100 each) |
|         |                         | Shares of ₹ 10 each                                  | Stock Options outstanding |                                         | Shares of ₹ 2 each      | Stock Options outstanding |                                         |                                         |                                          |
| 1       | Mr. Vineet Nayyar       | 747,208                                              | 1,992,567                 | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 2       | Mr. C P Gurnani         | 547,604                                              | 1,842,567                 | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 3       | Mr. T N Manoharan       | NIL                                                  | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 4       | Mr. Ulhas N Yargop      | 38,340                                               | NIL                       | NIL                                     | 2                       | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 5       | Mr. Ashok Kacker        | NIL                                                  | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 6       | Mrs. M Rajyalakshmi Rao | NIL                                                  | NIL                       | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
|         | <b>Total</b>            | <b>1,333,152</b>                                     | <b>3,835,134</b>          | <b>NIL</b>                              | <b>2</b>                | <b>NIL</b>                | <b>NIL</b>                              | <b>NIL</b>                              | <b>NIL</b>                               |

**D. SHAREHOLDING OF DIRECTORS OF TRANSFEROR COMPANY NO. 3**

| Sl. No. | Name of Director | Number of Shares held / Stock Options outstanding in |                           |                                         |                         |                           |                                         |                                         |                                          |
|---------|------------------|------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
|         |                  | Transferee Company                                   |                           | Transferor Company No. 1 (of ₹ 10 each) | Transferor Company No.2 |                           | Transferor Company No. 3 (of ₹ 10 each) | Transferor Company No. 4 (of ₹ 10 each) | Transferor Company No. 5 (of ₹ 100 each) |
|         |                  | Shares of ₹ 10 each                                  | Stock Options outstanding |                                         | Shares of ₹ 2 each      | Stock Options outstanding |                                         |                                         |                                          |
| 1.      | Mr. A. S. Murty  | NIL                                                  | NIL                       | NIL                                     | 101,825                 | 242,000                   | NIL                                     | NIL                                     | NIL                                      |
| 2.      | Mr. G. Jayaraman | NIL                                                  | NIL                       | NIL                                     | 73,188                  | 87,520                    | 100*                                    | NIL                                     | NIL                                      |
| 3.      | Mr. Rakesh Soni  | 100                                                  | NIL                       | NIL                                     | NIL                     | 450,000                   | NIL                                     | NIL                                     | NIL                                      |
|         | <b>Total</b>     | <b>100</b>                                           | <b>NIL</b>                | <b>NIL</b>                              | <b>175,013</b>          | <b>779,520</b>            | <b>100</b>                              | <b>NIL</b>                              | <b>NIL</b>                               |

\* Nominee Shareholder of Satyam Computer Services Limited.

**E. SHAREHOLDING OF DIRECTORS OF TRANSFEROR COMPANY NO. 4**

| Sl. No. | Name of Director    | Number of Shares held / Stock Options outstanding in |                           |                                         |                         |                           |                                         |                                         |                                          |
|---------|---------------------|------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
|         |                     | Transferee Company                                   |                           | Transferor Company No. 1 (of ₹ 10 each) | Transferor Company No.2 |                           | Transferor Company No. 3 (of ₹ 10 each) | Transferor Company No. 4 (of ₹ 10 each) | Transferor Company No. 5 (of ₹ 100 each) |
|         |                     | Shares of ₹ 10 each                                  | Stock Options outstanding |                                         | Shares of ₹ 2 each      | Stock Options outstanding |                                         |                                         |                                          |
| 1.      | Mr. Vineet Nayyar   | 747,208                                              | 1,992,567                 | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 2.      | Mr. Ulhas N Yargop  | 38,340                                               | NIL                       | NIL                                     | 2                       | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 3.      | Mr. L. Ravichandran | 42                                                   | 25,000                    | NIL                                     | 1,000                   | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 4.      | Mr. Manoj Bhat      | 51                                                   | 20,000                    | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
|         | <b>Total</b>        | <b>785,641</b>                                       | <b>2,037,567</b>          | <b>NIL</b>                              | <b>1,002</b>            | <b>NIL</b>                | <b>NIL</b>                              | <b>NIL</b>                              | <b>NIL</b>                               |

# F. SHAREHOLDING OF DIRECTORS OF TRANSFEROR COMPANY NO. 5

| Sl. No. | Name of Director   | Number of Shares held / Stock Options outstanding in |                           |                                         |                         |                           |                                         |                                         |                                          |
|---------|--------------------|------------------------------------------------------|---------------------------|-----------------------------------------|-------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
|         |                    | Transferee Company                                   |                           | Transferor Company No. 1 (of ₹ 10 each) | Transferor Company No.2 |                           | Transferor Company No. 3 (of ₹ 10 each) | Transferor Company No. 4 (of ₹ 10 each) | Transferor Company No. 5 (of ₹ 100 each) |
|         |                    | Shares of ₹ 10 each                                  | Stock Options outstanding |                                         | Shares of ₹ 2 each      | Stock Options outstanding |                                         |                                         |                                          |
| 1.      | Mr. Vineet Nayyar  | 747,208                                              | 1,992,567                 | NIL                                     | NIL                     | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 2.      | Mr. Ulhas N Yargop | 38,340                                               | NIL                       | NIL                                     | 2                       | NIL                       | NIL                                     | NIL                                     | NIL                                      |
| 3.      | Mr. Atanu Sarkar   | 3,201                                                | 15,000                    | NIL                                     | NIL                     | NIL                       | NIL                                     | 1 *                                     | 1 *                                      |
| 4.      | Mr. Anil Khatri    | NIL                                                  | 1,500                     | NIL                                     | NIL                     | NIL                       | NIL                                     | 1 *                                     | NIL                                      |
|         | <b>Total</b>       | <b>788,749</b>                                       | <b>2,009,067</b>          | <b>NIL</b>                              | <b>2</b>                | <b>NIL</b>                | <b>NIL</b>                              | <b>2</b>                                | <b>1</b>                                 |

\* jointly held with Tech Mahindra Limited

54. Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the detailed pre arrangement and post arrangement (expected) shareholding pattern of the Transferee Company and the Transferor Companies are given herein below:

## A. Transferee Company

| Category of Shareholder                                                                 | Pre-Arrangement as on 31st March 2012 |               | Post-Arrangement         |               |
|-----------------------------------------------------------------------------------------|---------------------------------------|---------------|--------------------------|---------------|
|                                                                                         | Numbers of Equity Shares              | %             | Numbers of Equity Shares | %             |
| <b>Promoter and Promoter Group</b>                                                      |                                       |               |                          |               |
| <b>Indian</b>                                                                           |                                       |               |                          |               |
| Individuals / Hindu Undivided Family                                                    | -                                     | -             | -                        | -             |
| Central Government / State Government(s)                                                | -                                     | -             | -                        | -             |
| Bodies Corporate                                                                        | 60,676,252                            | 47.59         | 60,676,252               | 26.28         |
| Financial Institutions / Banks                                                          | -                                     | -             | -                        | -             |
| Any Other                                                                               | -                                     | -             | -                        | -             |
| <b>TML Benefit Trust **</b>                                                             | -                                     | -             | 24,000,000               | 10.39         |
| <b>Sub-Total (A)(1)</b>                                                                 | <b>60,676,252</b>                     | <b>47.59</b>  | <b>84,676,252</b>        | <b>36.67</b>  |
| <b>Foreign</b>                                                                          |                                       |               |                          |               |
| Individuals (NRIs / Foreign Individuals)                                                | -                                     | -             | -                        | -             |
| Bodies Corporate                                                                        | 29,607,649                            | 23.22         | 29,607,649               | 12.83         |
| Institutions                                                                            | -                                     | -             | -                        | -             |
| Any Other                                                                               | -                                     | -             | -                        | -             |
| <b>Sub-Total (A)(2)</b>                                                                 | <b>29,607,649</b>                     | <b>23.22</b>  | <b>29,607,649</b>        | <b>12.83</b>  |
| <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>              | <b>90,283,901</b>                     | <b>70.82</b>  | <b>114,283,901</b>       | <b>49.50</b>  |
| <b>Public Shareholding</b>                                                              |                                       |               |                          |               |
| Institutional Holdings                                                                  | 26,120,725                            | 20.49         | 64,667,314               | 28.00         |
| Non- Institutional Holdings                                                             | 667,042                               | 0.52          | 8,261,510                | 3.58          |
| Indian Public                                                                           | 9,679,204                             | 7.59          | 39,826,536               | 17.25         |
| Others                                                                                  | 735,669                               | 0.58          | 3,853,644                | 1.67          |
| <b>Total Public Shareholding (B)</b>                                                    | <b>37,202,640</b>                     | <b>29.18</b>  | <b>116,609,004</b>       | <b>50.50</b>  |
| <b>TOTAL (A)+(B)</b>                                                                    | <b>127,486,541</b>                    | <b>100.00</b> | <b>230,892,905</b>       | <b>100.00</b> |
| <b>Shares held by Custodians and against which Depository Receipts have been issued</b> | <b>0</b>                              | <b>0.00</b>   | <b>0</b>                 | <b>0</b>      |
| <b>GRAND TOTAL (A)+(B)+(C)</b>                                                          | <b>127,486,541</b>                    | <b>100.00</b> | <b>230,892,905</b>       | <b>100.00</b> |

\*\* after allotment of shares to TML Benefit Trust pursuant to the Scheme.

Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"

| Sr. No. | Name of the shareholder                            | Pre-Arrangement as on 31st March 2012 |              | Post-Arrangement                      |              |
|---------|----------------------------------------------------|---------------------------------------|--------------|---------------------------------------|--------------|
|         |                                                    | Numbers of Equity Shares of ₹ 10 each | %            | Numbers of Equity Shares of ₹ 10 each | %            |
| 1.      | Mahindra & Mahindra Limited                        | 60,676,252                            | 47.59        | 60,676,252                            | 26.28        |
| 2.      | British Telecommunications Plc                     | 29,546,923                            | 23.18        | 29,546,923                            | 12.80        |
| 3.      | Mahindra BT Investment Company (Mauritius) Limited | 60,726                                | 0.05         | 60,726                                | 0.03         |
| 4.      | TML Benefit Trust                                  | -                                     | -            | 24,000,000                            | 10.39        |
|         | <b>TOTAL</b>                                       | <b>90,283,901</b>                     | <b>70.82</b> | <b>114,283,901</b>                    | <b>49.50</b> |

B. Transferor Company No. 1

| Sr. No | Name of the Shareholder                             | Numbers of Equity Shares of ₹ 10 each held as on 31st March 2012 | Percentage of Shareholding |
|--------|-----------------------------------------------------|------------------------------------------------------------------|----------------------------|
| 1.     | Tech Mahindra Limited                               | 30,472,299                                                       | 100                        |
| 2.     | Tech Mahindra Limited jointly with Mr. Sonjoy Anand | 1                                                                | 0                          |
|        | <b>TOTAL</b>                                        | <b>30,472,300</b>                                                | <b>100</b>                 |

Note: Please note that pursuant to the Scheme, the Transferor Company No. 1 shall be dissolved without winding-up.

C. Transferor Company No. 2

| Category of Shareholder                                                          | Pre-Arrangement as on 31st March 2012 |               |
|----------------------------------------------------------------------------------|---------------------------------------|---------------|
|                                                                                  | Numbers of Equity Shares              | %             |
| <b>Promoters and Promoters Group:</b>                                            |                                       |               |
| <b>Indian</b>                                                                    |                                       |               |
| Individuals / Hindu Undivided Family                                             | -                                     | -             |
| Central Government / State Government(s)                                         | -                                     | -             |
| Bodies Corporate                                                                 | 501,843,740                           | 42.65         |
| Financial Institutions / Banks                                                   | -                                     | -             |
| Any Other                                                                        | -                                     | -             |
| <b>Sub-Total (A)(1)</b>                                                          | <b>501,843,740</b>                    | <b>42.65</b>  |
| <b>Foreign</b>                                                                   |                                       |               |
| Individuals (NRIs / Foreign Individuals)                                         | -                                     | -             |
| Bodies Corporate                                                                 | -                                     | -             |
| Institutions                                                                     | -                                     | -             |
| Any Other                                                                        | -                                     | -             |
| <b>Sub-Total (A)(2)</b>                                                          | <b>-</b>                              | <b>-</b>      |
| <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>       | <b>501,843,740</b>                    | <b>42.65</b>  |
| <b>Public Shareholding:</b>                                                      |                                       |               |
| Institutional Holdings                                                           | 327,646,010                           | 27.83         |
| Non- Institutional Holdings                                                      | 64,552,980                            | 5.49          |
| Indian Public                                                                    | 256,252,316                           | 21.78         |
| Others (NRIs, Foreign Nationals, Trusts & Clearing Members)                      | 26,502,790                            | 2.25          |
| <b>Total Public Shareholding (B)</b>                                             | <b>674,954,096</b>                    | <b>57.35</b>  |
| <b>TOTAL (A)+(B)</b>                                                             | <b>1,176,797,836</b>                  | <b>100.00</b> |
| Shares held by Custodians and against which Depository Receipts have been issued | 0                                     | 0.00          |
| <b>GRAND TOTAL (A)+(B)+(C)</b>                                                   | <b>1,176,797,836</b>                  | <b>100.00</b> |

Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"

| Sr. No. | Name of the shareholder           | Pre-Arrangement as on 31st March 2012 |                            |
|---------|-----------------------------------|---------------------------------------|----------------------------|
|         |                                   | Numbers of Equity Shares              | Percentage of Shareholding |
| 1.      | Venturbay Consultants Private Ltd | 501,843,740                           | 42.65                      |
|         | <b>TOTAL</b>                      | <b>501,843,740</b>                    | <b>42.65</b>               |

Note: Please note that pursuant to the Scheme, the Transferor Company No. 2 shall be dissolved without winding-up.

D. Transferor Company No. 3

| Sr. No | Name of the Shareholder                                         | Numbers of Equity Shares of ₹ 10 each held as on 31st March 2012 | Percentage of Shareholding |
|--------|-----------------------------------------------------------------|------------------------------------------------------------------|----------------------------|
| 1.     | Satyam Computer Services Limited                                | 14,337,890                                                       | 100                        |
| 2.     | As nominee of Satyam Computer Services Limited Mr. G. Jayaraman | 100                                                              | 0                          |
|        | <b>TOTAL</b>                                                    | <b>14,337,990</b>                                                | <b>100</b>                 |

Note: Please note that pursuant to the Scheme, the Transferor Company No. 3 shall be dissolved without winding-up.

E. Transferor Company No. 4

| Sr. No | Name of the Shareholder                                | Numbers of Equity Shares of ₹ 10 each held as on 31st March 2012 | Percentage of Shareholding |
|--------|--------------------------------------------------------|------------------------------------------------------------------|----------------------------|
| 1.     | Tech Mahindra Limited                                  | 12,449,994                                                       | 100                        |
| 2.     | Tech Mahindra Limited jointly with Mr. Sonjoy Anand    | 1                                                                | 0                          |
| 3.     | Tech Mahindra Limited jointly with Mr. Milind Kulkarni | 1                                                                | 0                          |
| 4.     | Tech Mahindra Limited jointly with Mr. Anil Khatri     | 1                                                                | 0                          |
| 5.     | Tech Mahindra Limited jointly with Mr. Aniruddha Gadre | 1                                                                | 0                          |
| 6.     | Tech Mahindra Limited jointly with Mr. Atanu Sarkar    | 1                                                                | 0                          |
| 7.     | Tech Mahindra Limited jointly with Mr. Manoj Bhat      | 1                                                                | 0                          |
|        | <b>TOTAL</b>                                           | <b>12,450,000</b>                                                | <b>100</b>                 |

Note: Please note that pursuant to the Scheme, the Transferor Company No. 4 shall be dissolved without winding-up.

E. Transferor Company No. 5

| Sr. No | Name of the Shareholder                                              | Numbers of Equity Shares of ₹ 100 each held as on 31st March 2012 | Percentage of Shareholding |
|--------|----------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------|
| 1.     | Tech Mahindra Limited                                                | 5,767,324                                                         | 100                        |
| 2.     | Tech Mahindra Limited jointly with Tech Mahindra Americas Inc.       | 1                                                                 | 0                          |
| 3.     | Tech Mahindra Limited jointly with Tech Mahindra Singapore Pte. Ltd. | 1                                                                 | 0                          |
| 4.     | Tech Mahindra Limited jointly with Tech Mahindra GMBH                | 1                                                                 | 0                          |
| 5.     | Tech Mahindra Limited jointly with Tech Mahindra Thailand Ltd.       | 1                                                                 | 0                          |
| 6.     | Tech Mahindra Limited jointly with Tech Mahindra Indonesia           | 1                                                                 | 0                          |
| 7.     | Tech Mahindra Limited jointly with Mr. Atanu Sarkar                  | 1                                                                 | 0                          |
|        | <b>TOTAL</b>                                                         | <b>5,767,330</b>                                                  | <b>100</b>                 |

Note: Please note that pursuant to the Scheme, the Transferor Company No. 5 shall be dissolved without winding-up.

## **INSPECTION**

55. The following documents will be open for inspection at the Registered Office of the Transferee Company and at the Corporate Office of the Transferee Company situated at Sharda Centre, Off Karve Road, Erandawane, Pune - 411 004 on any working day [except Saturdays, Sundays and Public Holidays (between 11.00 a.m. to 1.00 p.m)] prior to the date of the meeting:

- Memorandum and Articles of Association of the Transferee Company and the Transferor Companies.
- Annual Report of the Transferee Company and the Transferor Companies for the financial years ended on 31<sup>st</sup> March, 2009, 31<sup>st</sup> March, 2010 and 31<sup>st</sup> March, 2011.
- Audited quarterly results of the Transferee Company for the period ended December 31, 2011.
- Audited financial statements of Transferor Company No. 1, Transferor Company No. 4 and Transferor Company No. 5 for the period ended December 31, 2011.
- Unaudited quarterly results of the Transferor Company No. 2 and Unaudited financial statements of the Transferor Company No. 3 for the period ended December 31, 2011.
- Certified copy of the Order dated May 3, 2012 passed by the Hon'ble High Court of Judicature at Bombay in Company Summons for Direction No. 346 of 2012 for the Transferee Company.
- The Valuation Report dated 21<sup>st</sup> March, 2012 issued by Ernst & Young Pvt. Ltd. and KPMG India Private Limited.
- Fairness Opinion dated 21<sup>st</sup> March, 2012 issued by Morgan Stanley India Company Private Limited.
- Register of Directors' shareholdings of the Transferee Company.
- Copy of the approval letter dated 10<sup>th</sup> April, 2012 received from the National Stock Exchange of India Limited (NSE).
- Copy of the approval letter dated 10<sup>th</sup> April, 2012 received from BSE Limited (BSE).
- A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained from the Registered Office of the Transferee Company and at the Corporate Office of the Transferee Company situated at Sharda Centre, Off Karve Road, Erandawane, Pune - 411 004.
- A copy of the explanatory statement under Section 393(1)(a) and other applicable provisions of the Companies Act, 1956 issued by the Transferor Company No. 2 to its equity shareholders.

Sd/-

Anand Mahindra  
Chairman appointed for the meeting

Dated this 7<sup>th</sup> day of May, 2012.

### **Registered Office:**

Gateway Building,  
Apollo Bunder,  
Mumbai 400 001  
Maharashtra  
India.

e-mail: investor.relations@techmahindra.com

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

**OF**

**VENTURBAY CONSULTANTS PRIVATE LIMITED**

**AND**

**SATYAM COMPUTER SERVICES LIMITED**

**AND**

**C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED**

**AND**

**MAHINDRA LOGISOFT BUSINESS SOLUTIONS LIMITED**

**AND**

**CANVASM TECHNOLOGIES LIMITED**

**WITH**

**TECH MAHINDRA LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**INFORMATION FOR UNITED STATES SECURITY HOLDERS**

THIS EXCHANGE OFFER OR BUSINESS COMBINATION IS MADE FOR THE SECURITIES OF A FOREIGN COMPANY. THE OFFER IS SUBJECT TO DISCLOSURE REQUIREMENTS OF A FOREIGN COUNTRY THAT ARE DIFFERENT FROM THOSE OF THE UNITED STATES. FINANCIAL STATEMENTS INCLUDED IN THE DOCUMENT, IF ANY, HAVE BEEN PREPARED IN ACCORDANCE WITH FOREIGN ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO THE FINANCIAL STATEMENTS OF UNITED STATES COMPANIES.

IT MAY BE DIFFICULT FOR YOU TO ENFORCE YOUR RIGHTS AND ANY CLAIM YOU MAY HAVE ARISING UNDER THE FEDERAL SECURITIES LAWS, SINCE THE ISSUER IS LOCATED IN A FOREIGN COUNTRY, AND SOME OR ALL OF ITS OFFICERS AND DIRECTORS MAY BE RESIDENTS OF A FOREIGN COUNTRY. YOU MAY NOT BE ABLE TO SUE A FOREIGN COMPANY OR ITS OFFICERS OR DIRECTORS IN A FOREIGN COURT FOR VIOLATIONS OF THE U.S. SECURITIES LAWS. IT MAY BE DIFFICULT TO COMPEL A FOREIGN COMPANY AND ITS AFFILIATES TO SUBJECT THEMSELVES TO A U.S. COURT'S JUDGMENT

## PREAMBLE

This Scheme of Amalgamation and Arrangement (the "**Scheme**") is presented under Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956 for amalgamation of Venturbay Consultants Private Limited, Satyam Computer Services Limited, C&S System Technologies Private Limited, Mahindra Logisoft Business Solutions Limited and CanvasM Technologies Limited with Tech Mahindra Limited.

### A. Description of Companies

#### Transferee Company

- (a) Tech Mahindra Limited ("**TML**" or "**Transferee Company**") is a listed company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001. TML is part of the Mahindra Group, and was set up as a joint venture in 1986 with British Telecommunications plc (BT), one of the world's leading communications service providers. TML is focused primarily on the telecommunications industry and is a provider of Information technology (IT) and software services including networking technology solutions and business support services to the global telecommunications industry. TML is a global systems integrator and business transformation consulting firm focused on the communications industry. For over two decades, TML has been the chosen transformation partner for wireline, wireless and broadband operators in Europe, Asia-Pacific and North America. TML is engaged in the business of developing, marketing, designing, assembling, all type of computer programming, system software, peripheral products, etc.

#### Transferor Companies

- (a) Venturbay Consultants Private Limited ("**Venturbay**") is a private limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Sharda Centre, Off Karve Road, Pune - 411 004. Venturbay is a wholly-owned subsidiary of TML and was incorporated for the purpose of providing programming and software solutions, information technology, networking and consultancy services & is holding investment in Satyam Computer Services Limited. As on March 31, 2011, Venturbay holds 501,843,740 outstanding equity shares of Satyam Computer Services Limited (i.e. 42.65% of the equity share capital of Satyam Computer Services Limited).
- (b) Satyam Computer Services Limited ("**Mahindra Satyam**") is a listed company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Unit - 12, Plot No. 35/36, Hi-tech City Layout, Survey No. 64, Madhapur, Hyderabad - 500 081. Mahindra Satyam is a part of the Mahindra Group and provides information technology (IT) and software services. Mahindra Satyam is a leading information, communications and technology (ICT) company providing a range of business consulting, information technology and communication services to companies across multiple industries and geographies.
- (c) C&S System Technologies Private Limited ("**C&S System**") is a private limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Unit 1, 2nd Floor, Oberoi Garden Estate, Off Saki Vihar Road, Chandivali, Andheri East, Mumbai- 400 072. C&S System is a wholly-owned subsidiary of Mahindra Satyam and is engaged in the business of providing information technology (IT) and software services relating to solutions and consultation in the space of learning management, communications and collaborations management, document and workflow management, eSecurity, identity, access and building management, managed services, etc.
- (d) CanvasM Technologies Limited ("**CanvasM**") is a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Oberoi Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E), Mumbai 400 072. CanvasM is a wholly-owned subsidiary of TML and is engaged in the business of information technology (IT) and software services relating to developing, improving, designing, assembling, marketing, and allied activities including dealing in all types of computer programming, system software, data processing and warehousing, data base management systems and interactive multimedia and peripheral products. It also undertakes various services of issuing, implementing, undertaking, assisting, facilitating, distribute or otherwise promote telecom value added services and such other services, schemes and projects, offer services to end consumers directly (B2C) and via retail network (B2B2C), including technology and process services to other businesses to ensure efficiency and productivity improvements.
- (e) Mahindra Logisoft Business Solution Limited ("**Mahindra Logisoft**") is a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001. Mahindra Logisoft is a wholly-owned subsidiary of TML and is engaged in the business of information technology services relating to design and development of dealership management systems and IT software services.

### B. Rationale and Purpose of the Scheme

To consolidate the information technology businesses in a single entity which will provide synergy benefits, attain efficiencies and reduce overall cost, it is intended that Venturbay, Mahindra Satyam, C&S Systems, CanvasM and Mahindra Logisoft (hereinafter referred to as the "**Transferor Companies**") should merge into TML. The Scheme also provides for the consequent reorganization of securities premium of TML.

The amalgamation of the Transferor Companies with TML would *inter alia* have the following benefits:

- i) Creation of a single 'go-to-market' strategy, benefit of scale, enhanced depth and breadth of capabilities, translating into increased business opportunities and reduced expenses;
- ii) Greater integration and greater financial strength and flexibility for the amalgamated entity and strengthening position in the industry, in terms of the asset base, revenues, product and service range, production volumes;
- iii) Improved organizational capability and leadership, arising from the combination of human capital who collectively have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- iv) The combination of all the businesses would increase the long term value for shareholders and investors;
- v) Benefits of operational synergies in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalisation, standardisation and simplification of business processes and productivity improvements.

In view of the aforesaid, the Board of Directors of the Transferor Companies as well as the Board of Directors of TML have considered and proposed the amalgamation of the entire undertakings and businesses of the Transferor

Companies with TML in order to benefit the stakeholders of the said companies. Accordingly, the Board of Directors of both Transferor Companies and Transferee Company have formulated this Scheme for the transfer and vesting of the entire businesses of the Transferor Companies with and into TML pursuant to the provisions of Section 391 to Section 394 read with Sections 78, 100 to 104 and other relevant provisions of the Companies Act, 1956.

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

For sake of convenience this Scheme is divided into following parts:

- Part A** dealing with definitions and share capital;  
**Part B** dealing with amalgamation of Venturbay Consultants Private Limited with Tech Mahindra Limited;  
**Part C** dealing with amalgamation of Satyam Computer Services Ltd with Tech Mahindra Limited;  
**Part D** dealing with amalgamation of C&S System Technologies Private Limited, CanvasM Technologies Limited and Mahindra Logisoft Business Solutions Limited with Tech Mahindra Limited; and  
**Part E** dealing with general terms and conditions.
- Part B, C and D of the Scheme are interdependent and not severable. Each part shall be deemed to have taken effect as per the chronology specifically provided for in the Scheme.

#### PART A

#### 1. DEFINITIONS

- 1.1. In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expressions shall have the following meanings:
- 1.1.1. **"Act"** means the Companies Act, 1956;
- 1.1.2. **"Appointed Date"** means April 1, 2011 or such other date directed by or imposed by the High Court(s) as may be applicable;
- 1.1.3. **"ASOP"** shall include Associate Stock Option Plan ("ASOP-A"), Associate Stock Option Plan ("ASOP-B"), and Associate Stock Option Plan – Restricted Stock Units ("ASOP – RSU's") established by Mahindra Satyam as per Employee Stock Option Plan (ESOP) guidelines issued by the SEBI and any other employee stock plans of Mahindra Satyam existing as of the Effective Date;
- 1.1.4. **"Board of Directors"** or **"Board"** means the board of directors of the Transferor Companies or TML, as the case may be, and shall include a duly constituted committee thereof;
- 1.1.5. **"CanvasM"** means CanvasM Technologies Limited, a company incorporated under the Act and having its registered office at Oberoi Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E), Mumbai 400 072;
- 1.1.6. **"CCI"** shall mean the Competition Commission of India established under the Competition Act, 2002;
- 1.1.7. **"C&S System"** means C&S System Technologies Private Limited, a private limited company incorporated under the Act and having its registered office at Unit 1, 2nd Floor, Oberoi Garden Estate, Off Saki Vihar Road, Chandivali, Andheri East, Mumbai- 400072;
- 1.1.8. **"Effective Date"** means the last of the dates on which the certified copies of the orders of the High Court of Judicature at Bombay and the High Court of Judicature at Andhra Pradesh are filed with the Registrar of Companies ('ROC'), Mumbai and Pune, Maharashtra, and the ROC, Andhra Pradesh, Hyderabad respectively; 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.
- 1.1.9. **"Eligible Employees"** means the employees of Mahindra Satyam or any subsidiary company of Mahindra Satyam who are entitled to ASOP established by Mahindra Satyam, to whom, as on the Record Date, options of Mahindra Satyam have been granted, irrespective of whether the same are vested or not;
- 1.1.10. **"Existing Employees Stock Option Plan"** shall include Employee Stock Option Plan 2000 ("ESOP 2000"), Employee Stock Option Plan 2004 ("ESOP 2004"), Employee Stock Option Plan 2006 ("ESOP 2006") and Employee Stock Option Plan 2010 ("ESOP 2010") established by TML as per ESOP guidelines issued by the SEBI;
- 1.1.11. **"Governmental Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.1.12. **"High Court(s)"** means either the High Court of Judicature at Bombay or the Andhra Pradesh High Court or both of these High Courts, as the case may be, or the National Company Law Tribunal, as applicable;
- 1.1.13. **"Mahindra Logisoft"** means Mahindra Logisoft Business Solution Limited, a company incorporated under the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001;
- 1.1.14. **"Mahindra Satyam"** means Satyam Computer Services Limited, a company incorporated under provisions of the Act having its registered office at Unit - 12, Plot No. 35/36, Hi-tech City Layout, Survey No. 64, Madhapur, Hyderabad - 500 081;
- 1.1.15. **"Record Date"** means a date to be fixed by the Board of Directors of TML for determining names of the shareholders of Mahindra Satyam, who shall be entitled to receive equity shares of TML under the Scheme upon amalgamation of Mahindra Satyam into TML;
- 1.1.16. **"Scheme"** or **"the Scheme"** or **"this Scheme"** or **"Scheme of Amalgamation"** means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) made under Clause 25 of this Scheme or any modifications approved or directed by the High Court(s) or any other Government Authority;
- 1.1.17. **"SEBI"** means Securities and Exchange Board of India;
- 1.1.18. **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited;
- 1.1.19. **"Subsidiary of Mahindra Satyam"** means C&S Systems;
- 1.1.20. **"Subsidiaries of TML"** means collectively CanvasM and Mahindra Logisoft;
- 1.1.21. **"TML"** or **"Transferee Company"** means Tech Mahindra Limited, a company incorporated under

the provisions of the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001;

1.1.22. **"Transferor Companies"** means collectively Venturbay, Mahindra Satyam, C&S Systems, CanvasM and Mahindra Logisoft;

1.1.23. **"Undertaking"** shall mean the entire business and the whole of each of the respective undertakings of the Transferor Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to, the following:

- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, including, without being limited to, land, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), Minimum Alternate Tax Credit entitlement ("MAT Credit") tax losses, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad.
- (b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trade marks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies' business activities and operations.
- (c) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Companies' business activities and operations.
- (d) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (e) Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (f) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets of the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Companies only as are vested in TML by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in TML by virtue of the amalgamation and TML shall not be obliged to create any further or additional security therefor after the amalgamation has become effective.
- (g) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.

1.1.24. **"Venturbay"** means Venturbay Consultants Private Limited, a private limited company incorporated under the Act having its registered office at Sharda Centre, Off Karve Road, Pune - 411 004.  
The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be.

## 2. DATE OF TAKING EFFECT

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The various parts of the Scheme shall be deemed to have taken effect in following sequence:

- Firstly, Part B of the Scheme (relating to amalgamation of Venturbay into TML) shall be deemed to have taken effect, prior to Part C or Part D of the Scheme;
- Thereafter, Part C of the Scheme (relating to amalgamation of Mahindra Satyam into TML) shall be deemed to have taken effect, after Part B of the Scheme, and prior to Part D of the Scheme; and
- Lastly, Part D of the Scheme (relating to amalgamation of C&S System, CanvasM and Mahindra Logisoft into TML) shall be deemed to have taken effect, after Part B and Part C of the Scheme.

The amalgamation of the Transferor Companies with TML shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

## 3. SHARE CAPITAL

- 3.1. The share capital structure of TML as per the last audited accounts for the year ended as on March 31, 2011 is as under:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 175,000,000 Equity Shares of ₹ 10/- each            | 1,750,000,000        |
| <b>Total</b>                                        | <b>1,750,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                      |
| 125,955,481 Equity Shares of ₹ 10/- each            | 1,259,554,810        |
| <b>Total</b>                                        | <b>1,259,554,810</b> |

Subsequent to March 31, 2011, TML has issued 1,484,460 equity shares of ₹ 10 each fully paid-up to its employees under Existing Employee Stock Option Plan.

- 3.2. The share capital structure of Venturbay as per the latest audited balance sheet as on March 31, 2011 is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 35,000,000 Equity Shares of ₹ 10/- each             | 350,000,000        |
| <b>Total</b>                                        | <b>350,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                    |
| 30,472,300 Equity Shares of ₹ 10/- each             | 304,723,000        |
| <b>Total</b>                                        | <b>304,723,000</b> |

Subsequent to March 31, 2011, and up to the date of approval of this Scheme by the Board of Venturbay, there has been no change in the share capital of Venturbay. Further, the entire equity share capital of Venturbay is held by TML (i.e. Venturbay is a wholly owned subsidiary of TML).

- 3.3. The share capital structure of Mahindra Satyam as per the latest audited balance sheet as on March 31, 2011 is as under:

| Particulars                                         | Amount in ₹          |
|-----------------------------------------------------|----------------------|
| <b>Authorized Share Capital</b>                     |                      |
| 1,400,000,000 Equity Shares of ₹ 2/- each           | 2,800,000,000        |
| <b>Total</b>                                        | <b>2,800,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                      |
| 1,176,565,753 Equity Shares of ₹ 2/- each           | 2,353,131,506        |
| <b>Total</b>                                        | <b>2,353,131,506</b> |

Subsequent to March 31, 2011, Mahindra Satyam has issued 232,083 equity shares of ₹ 2 each fully paid-up under ASOP. Out of the total issued equity shares, 501,843,740 equity shares (i.e. representing 42.65% stake of Mahindra Satyam) are held by Venturbay. With respect to some part of the share capital of Mahindra Satyam, American Depositary Receipts (ADRs) had been issued, the underlying of which were the shares of Mahindra Satyam. However, as of September 12, 2011, the Mahindra Satyam ADR program was terminated and the process for surrender of ADS was initiated. Accordingly, no ADSs are anticipated to be outstanding at the time the Scheme becomes effective.

- 3.4. The share capital structure of C&S System as per the latest audited balance sheet as on March 31, 2011 is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 15,000,000 Equity Shares of ₹ 10/- each             | 150,000,000        |
| <b>Total</b>                                        | <b>150,000,000</b> |
| <b>Issued, Subscribed and Paid Up Share Capital</b> |                    |
| 14,337,990 Equity Shares of ₹ 10/- each             | 143,379,900        |
| <b>Total</b>                                        | <b>143,379,900</b> |

Subsequent to March 31, 2011, and up to the date of approval of this Scheme by the Board of C&S System, there has been no change in the share capital of C&S System. Further, the entire equity share capital of C&S System is held by Mahindra Satyam (i.e. C&S System is a wholly owned subsidiary of Mahindra Satyam).

- 3.5. The share capital structure of CanvasM as per the latest audited balance sheet as on March 31, 2011 is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 10,000,000 Equity Shares of ₹ 100/- each            |                    |
| <b>Total</b>                                        | 1000,000,000       |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 1000,000,000       |
| 5,767,330 Equity Shares of ₹ 100/- each             |                    |
| <b>Total</b>                                        | 576,733,000        |
|                                                     | <b>576,733,000</b> |

Subsequent to March 31, 2011, and up to the date of approval of this Scheme by the Board of CanvasM, there has been no change in the share capital of CanvasM. Further, the entire equity share capital of CanvasM is held by TML (i.e. CanvasM is a wholly owned subsidiary of TML).

- 3.6. The share capital structure of Mahindra Logisoft as per the latest audited balance sheet as on March 31, 2011 is as under:

| Particulars                                         | Amount in ₹        |
|-----------------------------------------------------|--------------------|
| <b>Authorized Share Capital</b>                     |                    |
| 14,100,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 141,000,000        |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | 141,000,000        |
| 12,450,000 Equity Shares of ₹ 10/- each             |                    |
| <b>Total</b>                                        | 124,500,000        |
|                                                     | <b>124,500,000</b> |

Subsequent to March 31, 2011, and up to the date of approval of this Scheme by the Board of Mahindra Logisoft, there has been no change in the share capital of Mahindra Logisoft. Further, the entire equity share capital of Mahindra Logisoft is held by TML (i.e. Mahindra Logisoft is a wholly owned subsidiary of TML).

#### PART B

#### Amalgamation of Venturbay with TML

#### 4. TRANSFER AND VESTING OF VENTURBAY

- 4.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of Venturbay as a going concern including but not limited to all the debts, liabilities, duties and obligations of Venturbay of every description and also including, without limitation, all the movables and immovable properties and assets of the Venturbay comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in TML as a going concern so as to become the assets and liabilities of TML.
- Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by Venturbay or TML and TML shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.
- 4.2. All the movable assets of Venturbay and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to TML and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to TML to the end and intent that the property and benefit therein passes to TML with effect from the Appointed Date.
- 4.3. Such delivery and transfer shall be made on a date mutually agreed upon between Venturbay and TML.
- 4.4. In respect of any assets of the Venturbay other than those mentioned in Sub Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, income tax refunds, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Venturbay shall if so required by TML, and TML may, issue notices in such form as TML may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme between Venturbay and TML under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act, the relevant debt, loan, income tax refunds, advance or other asset, be paid or made good or held on account of TML, as the person entitled thereto, to the end and intent that the right of the Venturbay to recover or realise the same stands transferred to TML and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.5. The transfer of assets and liabilities pursuant to above and the continuance of proceedings by TML pursuant to Clause 15 shall not affect any transaction or proceedings already concluded by Venturbay on or before the Appointed Date or after the Appointed Date till the Effective Date to the end and intent that TML accepts and adopts all acts, deeds and things done and executed by Venturbay in regard thereto, as if done and executed by TML on behalf of itself.
- 4.6. With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of Venturbay, as on the Appointed Date whether provided for or not in the books of accounts of Venturbay, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or

- upto the day of the Appointed Date shall, pursuant to the Orders of the High Courts or such other competent authority as may be applicable and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in TML, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of TML on the same terms and conditions as were applicable to Venturbay.
- 4.7. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between Venturbay and TML shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 5. **CONSIDERATION**  
As Venturbay is a wholly-owned subsidiary of TML, no consideration shall be payable pursuant to the amalgamation of Venturbay into TML, and the equity shares held by TML and its nominees in Venturbay shall stand cancelled without any further act, application or deed.
- 6. **ACCOUNTING TREATMENT**
  - 6.1. On the Scheme becoming effective, TML shall account for the amalgamation of Venturbay in its books of account with effect from the Appointed Date.
  - 6.2. Amalgamation of Venturbay with TML shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard – 14 as notified under Section 211 (3C) of the Act.
  - 6.3. All assets & liabilities, including reserves, of Venturbay shall be recorded in the books of account of TML at their existing carrying amounts and in the same form.
  - 6.4. Amount of share capital of Venturbay and investment held by TML in Venturbay shall be adjusted against each other and difference if any shall be adjusted in reserves.
  - 6.5. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between TML/other Transferor Companies and Venturbay shall be cancelled and there shall be no obligation/outstanding in that behalf.

## **PART C**

### **Amalgamation of Mahindra Satyam with TML**

- 7. **TRANSFER AND VESTING OF MAHINDRA SATYAM**
  - 7.1. Upon coming into effect of the Scheme and with effect from the Appointed Date (after Part B is deemed to have taken effect) and subject to the provisions of the Scheme, the entire business and whole of the Undertaking of Mahindra Satyam as a going concern including but not limited to all the debts, liabilities, duties and obligations of Mahindra Satyam of every description and also including, without limitation, all the movables and immovable properties and assets of Mahindra Satyam comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in TML as a going concern so as to become the assets and liabilities of TML.  
Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by Mahindra Satyam or TML, and TML shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.
  - 7.2. All the movable assets of Mahindra Satyam and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to TML and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to TML to the end and intent that the property and benefit therein passes to TML with effect from the Appointed Date.
  - 7.3. Such delivery and transfer shall be made on a date mutually agreed upon between Mahindra Satyam and TML.
  - 7.4. In respect of any assets of Mahindra Satyam other than those mentioned in Sub Clause 7.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Mahindra Satyam shall if so required by TML, and TML may, issue notices in such form as TML may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of TML, as the person entitled thereto, to the end and intent that the right of Mahindra Satyam to recover or realise the same stands transferred to TML and that appropriate entries should be passed in their respective books to record the aforesaid changes.
  - 7.5. The transfer of assets and liabilities pursuant to above and the continuance of proceedings by TML pursuant to Clause 15 shall not affect any transaction or proceedings already concluded by Mahindra Satyam on or before the Appointed Date or after the Appointed Date till the Effective Date to the end and intent that TML accepts and adopts all acts, deeds and things done and executed by Mahindra Satyam in regard thereto, as if done and executed by TML on behalf of itself.
  - 7.6. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of Mahindra Satyam, as on the Appointed Date whether provided for or not in the books of accounts of Mahindra Satyam, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Courts or such other competent authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in TML, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of TML on the same terms and conditions as were applicable to Mahindra Satyam.
  - 7.7. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between Mahindra Satyam and TML shall be considered as intra-party transactions for all purposes.

## 8. CONSIDERATION

- 8.1. Notwithstanding anything to the contrary contained in this Scheme, 204,000,000 equity shares of ₹ 2 each of Mahindra Satyam vested with TML pursuant to amalgamation of Venturbay with TML under Part B of this Scheme on the Appointed Date, shall, by virtue of this Scheme, and without any further act, instrument or deed, be vested and deemed to be vested with effect from the date of the last of the High Court Orders sanctioning the Scheme, at same value at which they would be recorded in books of TML pursuant to amalgamation of Venturbay under Part B of this Scheme, in the trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) (hereinafter referred to as the "Trustees") of an irrevocable trust to be settled by TML (hereinafter referred to as "TML Benefit Trust"), to hold such shares in trust together with all additions or accretions thereto exclusively for the benefit of TML subject to powers, provisions, discretions, rights and agreements as contained in relevant trust deed ("Trust Deed") establishing the aforesaid trust (the "Trust"). It is proposed that the Trustees may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held at such time or times and in such manner as may be proper in accordance with the provisions of the Trust Deed and shall remit the proceeds thereof to TML. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of Trust Deed.
- 8.2. Notwithstanding anything to the contrary contained in this Scheme and subject to Sub Clause 8.1 above, all equity shares of Mahindra Satyam (vested with TML pursuant to amalgamation of Venturbay with TML under Part B of this Scheme) except the shares vested in the board of trustees as per Sub Clause 8.1 above, shall, by virtue of this Scheme, stand cancelled without any further act, application or deed.
- 8.3. After giving effect to Sub Clauses 8.1 and 8.2 of the Scheme and pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the Undertaking of Mahindra Satyam being transferred to and vested in TML, and without any further application, act or deed, TML shall issue and allot 2 equity shares of ₹ 10 each fully paid up in its capital in respect of every 17 equity shares of ₹ 2 each fully paid up in the equity share capital of Mahindra Satyam to the shareholders of Mahindra Satyam (including the TML Benefit Trust) whose names appear in the register of members of Mahindra Satyam (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 TML) as on the Record Date to be fixed by the Board of Directors of TML or a duly constituted committee of such Board of Directors. The equity shares to be issued by TML to the shareholders of Mahindra Satyam in accordance with this Clause shall be hereinafter referred to as "New Equity Shares".
- 8.4. Where New Equity Shares of TML are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of Mahindra Satyam, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of TML.
- 8.5. The ratio in which the New Equity Shares of TML are to be issued and allotted to the shareholders of Mahindra Satyam is herein referred to as the **"Share Exchange Ratio"**.
- 8.6. The New Equity Shares of TML allotted and issued in terms of Sub Clause 8.3 above, shall be listed and/or admitted to trading on the relevant Stock Exchanges, where the equity shares of TML are listed and/or admitted to trading as on the Effective Date. The New Equity Shares of TML shall however be listed subject to TML obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of the New Equity Shares of TML.
- 8.7. Upon the Scheme becoming effective and upon the New Equity Shares of TML being allotted and issued by it to the shareholders of Mahindra Satyam whose names appear on the Register of Members of Mahindra Satyam on the Record Date or whose names appear as the beneficial owners of the equity shares of the said Company in the records of the Depositories or Register of Members as the case may be as on the Record Date to be fixed by the Board of Directors of TML or a duly constituted committee of such Board of Directors, the equity shares of Mahindra Satyam, 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. Wherever applicable, TML may, instead of requiring the surrender of the share certificates of Mahindra Satyam, directly issue and dispatch the new share certificates of TML in lieu thereof.
- 8.8. The New Equity Shares of TML to be allotted and issued to the shareholders of Mahindra Satyam as provided in Sub Clause 8.3 above shall be subject to the provisions of the Memorandum and Articles of Association of TML and shall rank pari-passu in all respects with the equity shares of TML after the Effective Date including in respect of dividend, if any, that may be declared by TML on or after the Effective Date.
- 8.9. The issue and allotment of New Equity Shares by TML to the shareholders of Mahindra Satyam as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of TML or its shareholders and as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
- 8.10. Notwithstanding anything contained herein, in the event of any shareholder of Mahindra Satyam having a shareholding such that such shareholder becomes entitled to a fraction of the New Equity shares, all the fractional entitlements of the shareholders shall be aggregated and without any further act, deed or thing to be done, such consolidated New Equity Shares shall stand vested in trustees of a trust to be set up by the Board of TML. Such trustees shall dispose off the aggregate of all such fractional holdings and distribute the net proceeds (after deduction of expenses incurred and taxes, if any) to the respective shareholders of Mahindra Satyam in proportion to their respective fractional entitlement.
- 8.11. The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of Mahindra Satyam in dematerialized form, provided all details relating to account with depository participant are available with TML. All those equity shareholders who hold equity shares of Mahindra Satyam in physical form, shall be issued New Equity Shares in TML 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 TML.
- 8.12. All New Equity Shares to be issued pursuant to the Scheme have not been and will not be registered under the 1933 Act. Securities will be issued in the United States in reliance upon the exemption from registration under the 1933 Act provided by Rule 802. The New Equity Shares will be issued in the United States in reliance

- on an exemption from registration only to the extent that corresponding exemptions from the registration requirements or qualification requirements of U.S. State "blue sky" securities laws are available. The New Equity Shares will not be listed for trading on any United States stock exchange on or prior to effectiveness of the Scheme.

#### 9. ACCOUNTING TREATMENT

- 9.1. On Scheme becoming effective, TML shall account for amalgamation of Mahindra Satyam with TML in its books of account with effect from the Appointed Date and after giving effect to accounting treatment for amalgamation of Venturbay pursuant to Clause 6 above, as if the amalgamation of Mahindra Satyam is taking place after the amalgamation of Venturbay with TML.
- 9.2. Amalgamation of Mahindra Satyam with TML shall be accounted for in the books of account of TML in accordance with 'Pooling of Interests Method' of accounting as per Accounting Standard 14 as notified under Section 211(3C) of the Act.
- 9.3. All assets & liabilities, including reserves, of Mahindra Satyam shall be recorded in the books of account of TML at their existing carrying amounts and in the same form.
- 9.4. TML shall credit the aggregate face value of the New Equity Shares of TML issued by it to the shareholders of Mahindra Satyam pursuant to Sub Clause 8.3 of the Scheme to its share capital account.
- 9.5. Upon vesting of equity shares of Mahindra Satyam in the TML Benefit Trust as per Sub Clause 8.1 above, the related proportionate carrying amount of investment in such shares of Mahindra Satyam as appearing in the books of TML shall be reflected as "Interest in TML Benefit Trust" at the same value at which the related carrying amount of investment in such shares would have appeared in the books of TML immediately after the amalgamation of Venturbay under Part B of the Scheme.
- 9.6. The difference between the share capital of Mahindra Satyam and face value of New Equity Shares issued by TML as per Sub Clause 9.4 above, to the shareholders of Mahindra Satyam shall be adjusted to reserves.
- 9.7. Equity shares of Mahindra Satyam (other than 204,000,000 equity shares of ₹ 2 each referred to in Sub Clause 8.1) held by TML (transferred and vested in TML pursuant to amalgamation of Venturbay under Part B of this Scheme), on the Appointed Date shall stand cancelled and there shall be no further obligation/ outstanding in that behalf. The said amount shall be adjusted to reserves.
- 9.8. The inter-corporate deposits, loans and advances, outstanding balances or other obligations between TML/ other Transferor Companies and Mahindra Satyam will stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 9.9. All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the profit & loss account of TML and/ or Mahindra Satyam; with the exception of the following costs and expenses, which will be accounted in the books of TML as under:
  - 9.9.1. Expenses incurred in the nature of share issue expenses such as stamp duty on issue of additional shares, registration expenses, shareholders/creditors meeting expenses (including stamp duty payable on the High Court orders determined on the value of shares to be issued) on account of merger determined shall be written-off against Securities Premium account (including securities premium recorded in TML in pursuant to amalgamation).
  - 9.9.2. Stamp duty payable on the High Court orders determined on the basis of value of immovable properties transferred to TML in pursuant to this Scheme being the cost incurred in acquiring the said immovable properties shall be capitalized in the books of TML with the respective fixed assets in accordance with Accounting Standard 10-"Accounting of Fixed Assets".

#### PART D

#### Amalgamation of C&S System, CanvasM and Mahindra Logisoft with TML

10. TRANSFER AND VESTING OF SUBSIDIARY OF MAHINDRA SATYAM AND SUBSIDIARIES OF TML
  - 10.1. Upon coming into effect of the Scheme and with effect from the Appointed Date (after Part C is deemed to have taken effect) and subject to the provisions of this Scheme, the entire businesses and whole of the Undertakings of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively as a going concern including but not limited to all the debts, liabilities, duties and obligations of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively of every description and also including, without limitation, all the movables and immovable properties and assets of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/ or deemed to be transferred to and vested in TML as a going concern so as to become the assets and liabilities of TML.  
Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Subsidiary of Mahindra Satyam and the Subsidiaries of TML or TML and TML shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.
  - 10.2. All the movable assets of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to TML and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to TML to the end and intent that the property and benefit therein passes to TML with effect from the Appointed Date.
  - 10.3. Such delivery and transfer shall be made on a date mutually agreed upon between TML and the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively.
  - 10.4. In respect of any assets of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively other than those mentioned in Sub Clause 10.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Subsidiary of Mahindra Satyam and the

Subsidiaries of TML respectively shall if so required by TML, and TML may, issue notices in such form as TML may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of TML, as the person entitled thereto, to the end and intent that the right of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively to recover or realise the same stands transferred to TML and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 10.5. The transfer of assets and liabilities pursuant to above and the continuance of proceedings by TML pursuant to Clause 15 shall not affect any transaction or proceedings already concluded by the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively on or before the Appointed Date or after the Appointed Date till the Effective Date to the end and intent that TML accepts and adopts all acts, deeds and things done and executed by the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively in regard thereto, as if done and executed by TML on behalf of itself.
- 10.6. With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively, as on the Appointed Date whether provided for or not in the respective books of account of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Courts or such other competent authority as may be applicable and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in TML, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of TML on the same terms and conditions as were applicable to the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively.
- 10.7. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between TML and the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively shall be considered as intra-party transactions for all purposes from the Appointed Date.
11. **CONSIDERATION**

No consideration shall be payable pursuant to amalgamation of the Subsidiary of Mahindra Satyam into TML, and the equity shares held by TML, its nominees in the Subsidiary of Mahindra Satyam (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Mahindra Satyam with TML) shall stand cancelled without any further act, application or deed. As the Subsidiaries of TML are wholly-owned subsidiaries of TML, no consideration shall be payable pursuant to the amalgamation of the Subsidiaries of TML into TML, and the equity shares held by TML, its nominees in the Subsidiaries of TML shall stand cancelled without any further act, application or deed.
12. **ACCOUNTING TREATMENT**
  - 12.1. On the Scheme becoming effective, TML shall account for the amalgamation of the Subsidiary of Mahindra Satyam and Subsidiaries of TML in its books of accounts with effect from the Appointed Date and after giving effect to amalgamation of Mahindra Satyam with TML in pursuant to Clause 9, as if the amalgamation of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML with TML is taking place after the amalgamation of Mahindra Satyam with TML.
  - 12.2. Amalgamation of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively with TML shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard - 14 as notified under Section 211 (3C) of the Act.
  - 12.3. All assets & liabilities, including reserves, of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML respectively shall be recorded in the books of account of TML at their existing carrying amounts and in the same form.
  - 12.4. The amount of share capital of the Subsidiary of Mahindra Satyam and the Subsidiaries of TML and investment held by Mahindra Satyam and TML respectively shall be adjusted against each other and difference, if any, shall be adjusted in reserves.
  - 12.5. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between TML/other Transferor Companies and Subsidiary of Mahindra Satyam and Subsidiaries of TML respectively shall be cancelled and there shall be no obligation/outstanding in that behalf.

#### **PART E**

##### **General terms and conditions**

13. **UTILIZATION OF SECURITIES PREMIUM ACCOUNT IN THE BOOKS OF TML**
  - 13.1. Upon the Scheme coming into effect and with effect from the Appointed Date, debit balances in reserves and the profit & loss account, if any, after giving effect to Clauses 6, 9 and 12 of this Scheme shall be adjusted against the securities premium account of TML including securities premium recorded in TML in pursuant to amalgamation of the Transferor Companies.
  - 13.2. The application and reduction of the securities premium account, as above and as per Clause 9.9, shall be effected as an integral part of the Scheme without having to follow the process under Section 78 and Sections 100, 102 and 103 of the Act separately and the order of the High Courts sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid up share capital and provisions of Section 101 of the Act will not be applicable.
14. **CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**
  - 14.1. Upon the coming into effect of this Scheme and subject to the provisions of the Scheme and without any further act of the parties, all memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Companies or powers or authorities granted by or to it) of whatsoever nature to which

- the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of TML as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Companies, TML had been a party or beneficiary or obligee or obligor thereto.
- 14.2. TML shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/or issue and/or execute deeds, writings or confirmations to give effect to the provisions of this Scheme and to the extent that the Transferor Companies are required prior to the Effective Date to join in such deeds, writings or confirmations, TML shall be entitled to act for and on behalf of and in the name of the Transferor Companies, as the case may be.
- 15. LEGAL PROCEEDINGS**  
If any legal proceedings including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called "**the proceedings**") by or against the Transferor Companies in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Transferor Companies or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against TML in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Companies, if the Scheme had not been made. On and from the Effective Date, TML may initiate any legal proceeding for and on behalf of the Transferor Companies.
- 16. EMPLOYEES OF TRANSFEROR COMPANIES**  
16.1. All the permanent employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of TML, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date. Services of the employees of the Transferor Companies shall be taken into account from the date of their respective appointment with the Transferor Companies for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Companies shall also be taken into account.  
16.2. On and from the Effective Date, the services of the employees of the Transferor Companies will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.  
16.3. It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies are concerned, upon the Scheme becoming effective, TML shall stand substituted for the Transferor Companies in respect of the employees transferred with the entire businesses and Undertakings of the Transferor Companies for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds or trusts shall become those of TML. The trustees including the Board of Directors of the Transferor Companies and TML 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 breakage in the services of the employees of the Transferor Companies.
- 17. EMPLOYEES STOCK OPTION**  
17.1. In respect of stock options granted by Mahindra Satyam under the ASOP, upon the effectiveness of the Scheme, TML shall issue stock options to the Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the ASOP. Such stock options may be issued by TML either under the Existing Employees Stock Option Plan or a revised stock option plan for the employees of TML and the Eligible Employees or under a separate employee stock option plan created by TML inter alia for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("**Transferee Stock Option Plan**").  
17.2. It is hereby clarified that upon this Scheme becoming effective, options granted by Mahindra Satyam to the Eligible Employees under the ASOP shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the ASOP, the fresh options shall be granted by TML to the Eligible Employees on the basis of the Share Exchange Ratio, i.e. for every 17 options held by an Eligible Employee which entitle such Eligible Employee to acquire 17 equity shares in Mahindra Satyam, such Eligible Employee will be conferred 2 options in TML which shall entitle him to hold 2 equity shares in TML. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by TML to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the ASOP as adjusted after taking into account the effect of the Share Exchange Ratio.  
17.3. The grant of options to the Eligible Employees pursuant to Sub Clause 17.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of TML to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Existing Employees Stock Option Plan, including without limitation, for the purposes of creating the Transferee Stock Option Plan and/or modifying the Transferee Stock Option Plan and/or the Existing Employees Stock Option Plan (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Existing Employees Stock Option Plan, and/or modifying the exercise price of the stock options under the Transferee Stock Option Plan and/or the Existing Employees Stock Option Plan), and all related matters. No further approval of the shareholders of TML would be required in this connection under Section 81(1A) of the Act.

- 17.4. It is hereby clarified that in relation to the options granted by TML to the Eligible Employees, the period during which the options granted by Mahindra Satyam were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Existing Employees Stock Option Plan, as the case may be.
- 17.5. The Boards of Directors of Mahindra Satyam and TML or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.
- 18. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**
- Unless otherwise stated hereinunder, with effect from the Appointed Date and upto and including the Effective Date:
- 18.1. The Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Transferor Companies for and on account of, and in trust for, the Transferee Company. The Transferor Companies hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 18.2. With effect from the date of the Board meeting of TML approving the Scheme and upto and including the Effective Date, the Transferor Companies shall preserve and carry on their businesses and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of Directors of TML, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies.
- 18.3. All the profits or income, taxes (including advance tax, tax deducted at source and MAT Credit) or any costs, charges, expenditure accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, tax losses, MAT Credit, incomes, costs, charges, expenditure or losses of TML, as the case may be.
- 18.4. With effect from the date of the Board meeting of TML approving the Scheme and upto and including the Effective Date, the Transferor Companies shall not, without the prior consent in writing of any of persons authorised by the Board of Directors of TML, undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.
- 18.5. With effect from the date of the Board meeting of TML approving the Scheme and upto and including the Effective Date, the Transferor Companies shall not vary the terms and conditions of employment of any of their employees, without the prior consent of TML, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date.
- 18.6. With effect from the date of the Board meeting of TML approving the Scheme and upto and including the Effective Date, the Transferor Companies and TML shall not, without the prior written approval of the Board of Directors of the Transferor Companies and TML, make any change in their capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided in this Scheme).  
Provided that this Clause shall not apply to issue of shares to any Eligible Employees or Employees of TML pursuant to any employee stock option plans, in the ordinary course.
- 18.7. TML shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Companies to ensure compliance with the provisions of this Scheme.
- 18.8. TML 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 TML may require to carry on the business of the Transferor Companies and to give effect to the Scheme.
- 19. DIVIDENDS**
- 19.1. The Transferor Companies and TML shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies or TML shall be subject to the prior approval of the Board of Directors of TML and the Transferor Companies (as the case may be) and in accordance with the applicable laws.
- 19.2. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent TML from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividends, if any, declared by TML prior to the Effective Date.
- 19.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or TML to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of TML, subject to such approval of the shareholders, as may be required.
- 20. SAVING OF CONCLUDED TRANSACTIONS**
- The transfer and vesting of the entire business and Undertaking of the Transferor Companies pursuant to this Scheme, and the continuance of proceedings under Clause 15 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that TML accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto, as if done and executed on its behalf.

## 21. COMBINATION OF AUTHORISED CAPITAL

21.1. 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 TML including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies amounting to ₹ 4,441,000,000/- (Rupees Four thousand Four hundred and forty one million) and the Memorandum of Association and Articles of Association of TML (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, as the case may be and for this purpose the stamp duties and fees paid on the authorised capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of TML and there would be no requirement for any further payment of stamp duty and/or fee by TML for increase in the authorised share capital to that extent.

21.2. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Companies into TML, the authorised share capital of TML will be as under:

| AUTHORISED SHARE CAPITAL               | (₹)           |
|----------------------------------------|---------------|
| 619,100,000 equity shares of ₹ 10 each | 6,191,000,000 |

21.3. It is clarified that the approval of the members of TML to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of TML as may be required under the Act, and Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the TML shall respectively stand substituted by virtue of the Scheme to read as follows:

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

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

*"The Authorised Share Capital of the Company is ₹ 6,191,000,000/- (Rupees Six Thousand One Hundred and Ninety one Million Only) divided into 619,100,000 (Six Hundred Nineteen Million and One Hundred Thousand Only) equity shares of ₹ 10/- (Rupees Ten) each."*

21.5. Article 3 of the Articles of Association of TML shall stand substituted by virtue of the Scheme to be read as follows:

*"3. The Authorised Share Capital of the Company is ₹ 6,191,000,000 (Rupees Six Thousand One Hundred and Ninety One Million Only) divided into 619,100,000 (Six Hundred Nineteen Million and One Hundred Thousand Only) equity shares of ₹ 10/- (Rupees Ten) each."*

## 22. AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TML

22.1. Upon coming into effect of the Scheme, the following Clause No. 4 and Clause No. 5 shall be inserted in the Main Objects Clause of the Memorandum of Association of TML:

"4. To manufacture, design, develop either for its own use or for sale in India or for export outside India computer systems, computer software, computer peripherals and accessories, computer consumables like floppy disks/diskettes, hard disks, ribbons, continuous and non-continuous stationery etc., and such other products or things which may be considered either as an Integral part of a computer system or as an optional attachment or supplement thereto."

"5. To issue, implement, undertake, assist, facilitate, offer, distribute, or otherwise promote, undertake telecom value added services schemes and projects including but not limited to issue a mobile pre-paid cash wallet, prepaid card and/or cash card to consumers and setting up a payment and settlement system, support a bank in issuing "card present", credit and debit cards on phone, or direct debit facility on mobile phone, to provide informational and transactional facilities and solutions to consumers for making payment for all goods and services, carry on any services related to International inward remittances by entering directly or through bilateral agreements and or by joining various money transfers hubs or to join companies, establishments or other entities carrying out similar businesses or may assist in achieving its objectives by merging, acquiring or amalgamating with such companies or entities."

22.2. It shall be deemed that the members of TML have also resolved and accorded all relevant consents under Section 17 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act for the amendments of the Memorandum of Association of TML as above.

22.3. In order to carry on the activities currently being carried on by the Transferor Companies, upon the approval of the Scheme by the respective members of the Transferor Companies and the members of TML pursuant to Section 391 of the Act, it shall be deemed that the members of TML have also resolved and accorded all relevant consents under Section 149 (2A) of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Transferor Companies in relation to any of the objects contained in the Memorandum of Association of TML, to the extent the same may be considered applicable. In particular, TML would be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 149 (2A) of the Act.

## 23. DISSOLUTION OF THE TRANSFEROR COMPANIES

23.1. On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up.

23.2. On and with effect from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the appropriate Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

- 24. APPLICATIONS/PETITIONS TO THE HIGH COURTS AND APPROVALS**
- 24.1. The Transferor Companies and TML shall, with all reasonable dispatch, make and file all applications under Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Act to the High Courts, for sanction of this Scheme and for dissolution of the Transferor Companies.
- 24.2. TML shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which TML may require to own the Undertaking and to carry on the business of the Transferor Companies.
- 25. MODIFICATIONS/AMENDMENTS TO THE SCHEME**
- 25.1. The Transferor Companies and TML by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the High Courts or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the High Courts or such other Government Authority, whether in pursuance of a change in law or otherwise. The Transferor Companies and TML by their respective Board of Directors or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 25.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Companies and/or TML may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 26. VALIDITY OF EXISTING RESOLUTIONS, ETC**
- Upon the coming into effect of the Scheme, the resolutions of the Transferor Companies as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.
- 27. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**
- 27.1. The Scheme is conditional upon and subject to:
- 27.1.1. approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Companies and TML as may be directed by the respective High Courts;
- 27.1.2. sanctions and orders under the provisions of Section 391 read with Section 394 and Sections 78, 100 to 104 of the Act being obtained by the Transferor Companies and TML from the respective High Courts;
- 27.1.3. the certified copies of the orders of the respective High Courts sanctioning this Scheme being filed with the appropriate Registrar of Companies; and
- 27.1.4. the approval of the CCI as may be required under the Competition Act, 2002 and any rules, regulations made therein.
- This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely, that on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 27.1 is obtained or passed.
- 28. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS**
- 28.1. In the event of any of the said approvals referred to in Clause 27 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the respective High Courts and/or order or orders not being passed as aforesaid by 31 March, 2013 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Companies and TML (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.
- 28.2. In the event of revocation under Sub Clause 28.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Companies and TML or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.
- 28.3. The Boards of Directors of the Transferor Companies and TML shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Companies and/or TML.
- 28.4. If any part of this Scheme hereof is invalid, ruled illegal by any High Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and TML that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Companies and / or TML, then in such case the Transferor Companies and / or TML shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Companies and TML the benefits and obligations of the Scheme, as but not limited to such part.
- 29. COSTS AND EXPENSES**
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by the Transferor Companies and TML in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by the Transferor Companies and TML, till the Effective Date.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO. 346 OF 2012**

In the matter of:  
The Companies Act, 1956

And

In the matter of:  
Sections 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956

And

In the matter of:  
Tech Mahindra Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001.

And

In the matter of:  
The Scheme of Amalgamation and Arrangement of Venturbay Consultants Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Sharda Centre, Erandawane, Off Karve Road, Pune- 411 004 ("Transferor Company No. 1"); Satyam Computer Services Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Mahindra Satyam Infocity, Unit - 12, Plot No. 35/36, Hi-tech City Layout, Survey No. 64, Madhapur, Hyderabad - 500 081 ("Transferor Company No. 2"); C&S System Technologies Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Unit 1, 2nd Floor, Oberoi Garden Estate, Off Saki Vihar Road, Chandivali, Andheri East, Mumbai-400072 ("Transferor Company No. 3"); Mahindra Logisoft Business Solutions Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001 ("Transferor Company No. 4") and CanvasM Technologies Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Oberoi Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E), Mumbai 400 072 ("Transferor Company No. 5") with Tech Mahindra Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001 ("Transferee Company" or "Applicant Company") and their respective members and creditors.

Tech Mahindra Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001

.... Applicant Company

**FORM OF PROXY**

I/we, the undersigned, being the equity shareholder(s), of Tech Mahindra Limited (the "Applicant Company" or "Transferee Company") do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the Court convened meeting of Equity Shareholders to be held at Y.B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai - 400 021, Maharashtra on Thursday, the 7<sup>th</sup> day of June, 2012 at 10.30 a.m., for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed scheme of amalgamation and arrangement, which inter alia provides for the merger of (i) Venturbay Consultants Private Limited (the "Transferor Company No. 1"), Satyam Computer Services Limited (the "Transferor Company No. 2"), C&S System Technologies Private Limited (the "Transferor Company No. 3"), Mahindra Logisoft Business Solutions Limited (the "Transferor Company No. 4") and CanvasM Technologies Limited (the "Transferor Company No. 5") with the Transferee Company; and (ii) the consequent reorganization of the Securities Premium of the Transferee Company (hereinafter referred to as the "Scheme") and at such meeting and any adjournment thereof, to vote, for me/us and in my name/our name(s) \_\_\_\_\_ (here, if for, insert 'for', if against, insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme either with or without modification(s).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Affix  
Rs. 1/-  
Revenue  
Stamp

Signature across the Stamp

DP.ID: \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID: \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Signature of Sole Holder/First Holder : \_\_\_\_\_

Second Holder : \_\_\_\_\_

Third Holder : \_\_\_\_\_

Notes:

1. Proxy need not to be a member.
2. Alterations, if any made in the Form of Proxy should be initialed.
3. Proxy must be deposited at the Registered Office of the Transferee Company, not later than 48 hours before the time scheduled/fixed for the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of a request in writing to the Company Secretary.

# TECH MAHINDRA LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001  
Website: www.techmahindra.com • e-mail: investor.relations@techmahindra.com

## ATTENDANCE SLIP

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

|            |  |                      |  |
|------------|--|----------------------|--|
| DP. ID*    |  | Folio No.            |  |
| Client ID* |  | No. of Share(s) held |  |

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER (in block letters):

---

---

NAME AND ADDRESS OF THE PROXY HOLDER (in block letters, to be filled in by the proxy attending instead of the Equity Shareholder):

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I hereby record my presence at the Court convened meeting, pursuant to the Order dated May 3, 2012, of the Hon'ble High Court of Judicature at Bombay of the Equity Shareholders of the Company on Thursday, the 7<sup>th</sup> day of June, 2012 at 10.30 a.m. at Y.B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai- 400 021, Maharashtra.

Signature of the Equity Shareholder or Proxy: \_\_\_\_\_

\* Applicable for shareholders holding share(s) in dematerialised form.

Notes:

1. Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.
2. Shareholders who come to attend at the meeting are requested to bring with them copy of the notice & scheme of amalgamation and arrangement.



**Tech Mahindra**

IT Services and Telecom Solutions

## TECH MAHINDRA LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001  
Website: www.techmahindra.com • e-mail: investor.relations@techmahindra.com

### Court Convened Meeting of the Equity Shareholders of Tech Mahindra Limited

Day : Thursday  
Date : 7<sup>th</sup> June, 2012  
Time : 10.30 a.m.  
Venue : Y.B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai - 400 021, Maharashtra.

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|-------------|-------------------------------|------------|--------|---------------|
| MD & CEO    | MKT PLACE                     | SP&P       | HR     | INVEST & A/C  |
| RCD         |                               |            |        | DOT/DIT       |
| LEGAL       | BOMBAY STOCK EXCHANGE LIMITED |            |        | DOT 3RD FLR   |
| MS & D      | 14 MAY 2012                   |            |        | DOSS          |
| BD & M      |                               |            |        | CRD/CAD       |
| IPF         |                               |            |        | U.S.E         |
| INTER. REL. | NO.....                       |            |        |               |
| BTI         | INTER. CONT'L                 | INF. PROD  | ESTATE | CORP. COMM    |
| BSE/BOOK    | DIS                           | CSD & ICCI | ADMIN. | SECUR LISTING |

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**COMPANY SUMMONS FOR DIRECTION NO. 346 OF 2012**

In the matter of:

The Companies Act, 1956

And

In the matter of:

Sections 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956

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In the matter of:

Tech Mahindra Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001.

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The Scheme of Amalgamation and Arrangement of Venturbay Consultants Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Sharda Centre, Off Karve Road, Erandawane, Pune- 411 004 ("**Transferor Company No. 1**"); Satyam Computer Services Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Mahindra Satyam Infocity, Unit - 12, Plot No. 35/36, Hi-tech City Layout, Survey No. 64, Madhapur, Hyderabad - 500 081 ("**Transferor Company No. 2**"); C&S System Technologies Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Unit 1, 2nd Floor, Oberoi Garden Estate, Off Saki Vihar Road, Chandivali, Andheri East, Mumbai-400 072 ("**Transferor Company No. 3**"); Mahindra Logisoft Business Solutions Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001 ("**Transferor Company No. 4**") and CanvasM Technologies Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Oberoi Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E), Mumbai 400 072 ("**Transferor Company No. 5**") with Tech Mahindra Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001 ("**Transferee Company**" or "**Applicant Company**") and their respective members and creditors.

Tech Mahindra Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001

.... Applicant Company