

8 September 2014

The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No.C/1, G Block,  
Bandra –Kurla Complex, Bandra (E),  
Mumbai-400 051

Dear Sir,

**SUB: APPROVAL OF MERGER OF FINSOURCE (WOS) INTO MPHASIS EFFECTIVE 1 APRIL 2013**

We refer to the in-principle approval received from NSE bearing Reference No.NSE/LIST/223021-S dated 28 November 2013, for the scheme of amalgamation of Mphasis Finsource Limited into Mphasis Limited under Clause 24(f) of the Listing Agreement.

In this regard, as per the approval of the Stock Exchanges and in terms of the SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2014, we wish to inform you the following :

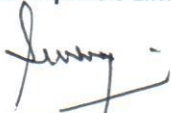
- a. The Hon'ble High Court of Karnataka had approved the Scheme of Amalgamation of Mphasis Finsource Limited with the Company vide its order dated 19 June 2014. A copy of the order along with the approved Scheme is enclosed as **Annexure 1**.
- b. Complaints Report as per the SEBI Circular referred above is enclosed as **Annexure 2**.
- c. As the Hon'ble High Court of Karnataka had dispensed with the requirement for convening the meeting of the Shareholders of Company, the particulars in relation to results of voting by the shareholders is not applicable.
- d. There were no changes carried out in the approved scheme vis-à-vis the draft scheme submitted to the Stock Exchanges.
- e. The Company has fully complied with the observation letter issued by the Stock Exchanges.
- f. The requirement for seeking exemption under Rule 19(2)(b) of SCRR, 1957 is not applicable on the subject.

Please note that the aforesaid order has been filed with the Registrar of Companies (ROC) and has been uploaded on the website ( [www.mphasis.com](http://www.mphasis.com) ) of the Company.

Request you to kindly take the same on record in terms of the provision of the applicable SEBI circular and Listing Agreement.

Thanking You,

For Mphasis Limited



**Sivaram Nair**  
SVP, Legal Counsel ,Company Secretary and Ethics Officer.

Enclosed: as above



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IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 19<sup>TH</sup> DAY OF JUNE 2014

BEFORE

THE HON'BLE MR. JUSTICE A.S. BOPANNA

COMPANY PETITION NO.311/2013BETWEEN:

MPHISIS FINSOURCE LIMITED  
 REG. OFFICE: BAGMANE WORLD TECHNOLOGY  
 CENTER, MARATHALLI RING ROAD  
 DODDANNAKUNDHI VILLAGE  
 MAHADEVAPURA  
 BANGALORE-560 048

.. PETITIONER

(BY SRI ARUN P.K., ADVOCATE)

AND:

NIL

... RESPONDENT

(BY SRI K.S.MAHADEVAN, ADVOCATE FOR OL;  
 SMT.PREMA HATI, CGC FOR ROC)

THIS COMPANY PETITION IS FILED UNDER  
 SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956,  
 PRAYING THAT THE SCHEME OF AMALGAMATION  
 ANNEXURE-A HERE TO BE SANCTIONED BY THIS COURT  
 SO AS TO BINDING ON THE PETITIONER COMPANY, ITS  
 SHAREHOLDERS AND CREDITORS AND ALSO ON THE  
 TRANSFEREE COMPANY AND ITS SHAREHOLDERS AND  
 CREDITORS AND ETC.

THIS PETITION COMING ON FOR ORDERS, THIS DAY,  
 THE COURT MADE THE FOLLOWING:



This Certified copy contains.....5.....Pages  
 And Copying charges of ₹.....32.....  
 Received





**ORDER**

The petitioner herein is the transferor company which is before this Court in this petition filed under sections 391 to 394 of the Companies Act, 1956, seeking that the scheme of amalgamation be sanctioned by this Court.

2. The petitioner-company at the first instance on the scheme being considered and approved by the Board of Directors in their meeting held on 27.09.2013 had approached this Court by filing an application under section 391 of the Companies Act, in C.A.No.2377/2013, seeking leave of this Court to dispense with the holding of meeting of the shareholders and creditors. Since the shareholders had already accorded their approval for the scheme and it was certified that there were no creditors, this Court by the order dated 05.12.2013 had allowed the said application and dispensation as sought for was



granted. Subsequent there to, the instant petition is filed.

3. The petitioner-transferor company was incorporated on 08.06.2006 with the authorized share capital of Rs.20,00,000/- divided into 2,00,000/- equity shares of Rs.10/- each. The subscribed and paid up share capital of the petitioner company is Rs.5,00,000/-. On filing of the instant petition, the advertisement of the petition was ordered to be taken on 24.1.2014 which has been accordingly done. The office of the Official Liquidator and the Regional director were also notified about the petition. The official liquidator on verification has filed OLR indicating that the report of M/s S.L. Patil & Co. (Chartered Accountants) indicated that the petitioner-company has not conducted itself in a manner prejudicial to the interest of the company or the public interest. In that view, it has been suggested that the scheme could be accepted. The affidavit filed by the Registrar of Companies on behalf of the Regional Director





would also indicate that on perusal of the scheme, they do not find any reason to object to the same except that the petition could be considered making it subject to observations of the Income Tax Department.

4. In that light, a perusal of the scheme would indicate that the scheme of amalgamation has not only taken into consideration the interest of the shareholders, but it has also taken into consideration the interest of the company's staff, workmen and employees by specifically providing that their services would be absorbed in the transferee company. Hence, having gone through the petition along with the scheme of amalgamation and also taking into consideration that there are no creditors to the company and the shareholders have consented to the scheme and office of the Official Liquidator and the Regional Director have not found anything objectionable in this scheme, I am of the opinion that prayer made in the petition is be granted.

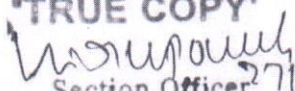


ORDER

- (i) The petition is allowed.
- (ii) The scheme as at Annexure-A for amalgamation of the petitioner-Transferor Company with the Transferee Company is approved.
- (iii) In view of the sanction of the scheme (\*), the petitioner-Company being the Transferor Company shall stand dissolved without the order of winding up.
- (iv) Copy of the order shall be filed with the Registrar of Companies within a period of thirty days from the date of receipt of a copy of this order.



Sd/-  
JUDGE

**'TRUE COPY'**  
  
 Section Officer, 27/8/14  
 High Court of Karnataka  
 Bangalore - 560 001

\*Deleted vide Chamber order  
 dated 18.08.2014

- a) The date on which the application was made 26/8/14
- b) The date on which charges and additional Charges if any are called for 27/8/14
- c) The date on which charges and additional Charges if any are deposited / Paid 27/8/14
- d) The date on which the copy is ready for delivery 27/8/14
- e) The date on which the copy is ready to appear on or before 27/8/14
- f) The date on which the copy is delivered to the Applicant 27/8/14
- b) Examined by [Signature]



## SCHEME OF AMALGAMATION

OF

Mphasis Finsource Limited

(Transferor Company)

With

Mphasis Limited

(Transferee Company)

And

THEIR RESPECTIVE SHAREHOLDERS

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The Scheme is divided into the following parts:

- (a) **Part 1** deals with the Definitions and Share capital;
- (b) **Part 2** deals with the Amalgamation of Mphasis Finsource Limited with Mphasis Limited.
- (c) **Part 3** deals with General Terms and Conditions that will be applicable to the entire Scheme.

## PART 1

## 1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- a) **"Act"** means the Companies Act, 1956 and any amendments and/or re-enactment thereof, for the time being in force and includes the applicable provisions of the Companies Act, 2013 and applicable Rules made thereunder;
- b) **"Appointed Date"** means the commencement of business from April 01, 2013;





c) "Assets" shall mean all the business, undertakings, estates, assets, properties, rights, titles and interests of whatsoever nature and kind and wheresoever situated (in India or abroad), of the Transferor Company as on the Appointed Date and thereafter, including but not limited to-

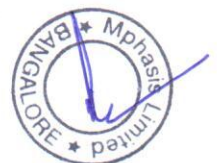
- i. all assets, moveable and immoveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent of whatever nature and wheresoever situate, free hold or lease hold, fixed or current, including capital works in progress, computers & telecommunication equipments, computer hardware, software and programmes, plant & machinery, office equipments, furniture & fixtures, vehicles, sundry debtors, cash & bank balances, loans & advances, deposits, buildings, godowns, warehouses, offices, inventories, bills of exchange, peripherals and accessories, receivables, carry forward Income Tax losses, Cenvat credits of input service tax Central Excise Duty, & Countervailing duty of Customs, VAT/GST credits, Minimum Alternate Tax (MAT) credit entitlements and all other future tax input credits as applicable, investments, goodwill, investment in shares, debentures, bonds, mutual funds etc.
- ii. all the registrations, permits, quotas, rights, entitlements, industrial and other licences, concessions, exemptions, no-objection certificates and certifications, incentives, reserves, deposits, provisions, funds, subsidies, grants, tax credits, approvals, authorisations, consents, tenancies, roof rights, trade marks, service marks, patents, copyrights, all intellectual property rights and licences thereunder, know-how, technical know-how, permits, designs, patterns, inventions, leasehold rights, leases, tenancy rights privileges, trade names, descriptions, trading style, franchises, labels, label designs, color schemes, utility models, holograms, bar codes, all other rights, benefits and entitlements including sales tax deferrals and other benefits, lease rights (including the benefit of any applications made thereof), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements including lease rights, benefits under letter of credit, guarantees, letters of comfort etc. issued for the benefit of the Transferor Company, benefits under government schemes, deferred tax benefits and





other benefits accruing on account of past expenditure and all such other interests/benefits;

- iii. all earnest moneys and/or security deposits;
  - iv. all records, files, papers, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and all other records pertaining to business;
- d) **“Companies”** means the Transferee Company and the Transferor Company collectively;
- e) **“The Court”** or **“the said Court”** or **“the High Court”** means the Hon’ble High Court of Karnataka to which this Scheme of Amalgamation in its present form is submitted for sanctioning of the Scheme under Sections 391 to 394 of the Act, and shall include National Company Law Tribunal, or Special Courts, under the Companies Act, 2013 as may be applicable;
- f) **“Effective Date”** means the last date on which certified copy of the orders of the Hon’ble High Court of Karnataka at Bangalore is filed with the Registrar of Companies, Karnataka at Bangalore. References in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date.
- g) **“Liabilities”** shall mean all the debts, secured and unsecured loans, liabilities, responsibilities, obligations, provisions and duties of the Transferor Company, including all obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, leave, provident fund, sales tax/VAT, service tax and other statutory dues as on the Appointed Date and thereafter;
- h) **“Shareholders”** means the persons registered as holders of equityshares of the respective Companies concerned;
- i) **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation in its present form or with any modifications made under Clause 14 of the Scheme as approved or directed by the Hon’ble High Court of Karnataka at Bangalore or any other appropriate authority;



j) "Transferee Company" means "MphasiS Limited" a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bagmane World Technology Center, Marathalli Outer Ring Road, Doddannakhundhi Village, Mahadevapura, Bangalore - 560048;

k) "Transferor Company" means "MphasiS Finsource Limited" a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bagmane World Technology Center, Marathalli Ring Road, Doddannakhundhi Village, Mahadevapura, Bangalore - 560048;

## 2. DATE OF COMING INTO EFFECT

2.1 Though the Scheme shall become effective on the Effective Date, the provisions of this Scheme shall be applicable and comes into operation from the Appointed Date.

## 3. SHARE CAPITAL

3.1 The Share Capital structure of the Transferor Company as at March 31, 2013 is as follows:

**Authorised Share Capital** :Rs.20,00,000 (Rupees Twenty Lakhs Only)

**Issued, subscribed and paid-up Capital** :Rs.5,00,000/- (Rupees Five Lakhs Only)

3.2 The Share Capital structure of the Transferee Company as at March 31, 2013 is as follows:

**Authorised Share Capital** : Rs.245,00,00,000 (Rupees Two Hundred and Forty Five Crores Only)

**Issued and subscribed Capital** :Rs.210,14,66,970 (Rupees Two Hundred Ten Crores, Fourteen Lakhs Sixty Six Thousand Nine Hundred and Seventy Only)

**Paid-up Capital** :Rs. 210,12,49,970 (Rupees Two Hundred Ten Crores, Twelve Lakhs Forty Nine Thousand Nine Hundred and Seventy Only)

## PART 2

### **Amalgamation of MphasiS Finsource Limited with MphasiS Limited**

## 4. TRANSFER AND VESTING OF ASSETS AND LIABILITIES





- 4.1 With effect from the Appointed Date, the entire business and the whole of the undertaking of the Transferor Company shall, pursuant to the provisions contained in Section 391 to 394 of the Act and other applicable provisions of law for the time being in force and pursuant to the orders of the High Court of Karnataka or any other appropriate authority sanctioning this Scheme and without any further act, instrument or deed but subject to the charges affecting the same as on the Effective Date, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on the Appointed Date, on a going concern basis, so as to become as and from the Appointed Date, the business, undertaking, estate, assets, properties, rights, title and interests of the Transferee Company, but subject to all charges, liens, mortgages, if any, then affecting the same or part thereof.
- 4.2 All Assets of Transferor Company shall without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 391 to 394 of the Act or other provisions of law as applicable.
- 4.3 All debts, outstanding and receivables of the Transferor Company shall accordingly, on and from the Appointed Date and upon the Scheme becoming effective, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred and vested in the Transferee Company) and the debtors shall be obliged to make payment to the Transferee Company after the Effective Date.
- 4.4 In respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall stand transferred without requiring any further deed or instrument of conveyance for transfer of the same, and shall become property of the Transferee Company.
- 4.5 All Assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for the purposes of its business shall also be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme.
- 4.6 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the



provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), power of attorneys given by, issued to or executed in favour of the Transferor Company and the rights and benefits under the same and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Company, be transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the Statutory and other authorities concerned in favour of the Transferee Company. Insofar as the various incentives, sales tax deferral benefits, subsidies (including applications for subsidies), available tax credits(including the carry forward tax losses), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, (including without limitation, tax holiday under Section 10A or 10B or SEZ scheme of the Income Tax Act, 1961, as the case may be), granted by any Government body, local authority or by any other person, or availed of by the Transferor Company is concerned, the same shall, without any further act or deed vest with and be available to the Transferee Company on the same terms and conditions.

- 4.7 Upon the Scheme becoming effective, in accordance with the provisions of the Income Tax Act, 1961 and the Cenvat Credit Rules 2004 and VAT act and Rules of applicable states, as are prevalent at the time of sanction of the Scheme, all of Minimum Alternate Tax ("MAT") credit, CENVAT credits of Inputs, capital goods and input services lying unutilized in the Transferor Company's accounts and records, shall stand transferred to and be deemed as Assets and available to the Transferee Company as if the same were the MAT credit, CENVAT & VAT credits unutilized in the Transferee Company's accounts and records.
- 4.8 It is clarified that, upon the coming into effect of the Scheme, all the Liabilities and obligations of the Transferor Company shall, without any further act or deed stand transferred to the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans or incurred such borrowings and the Transferee Company undertakes to meet, discharge and satisfy the same.
- 4.9 Where any of the Liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been





discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all Liabilities and obligations incurred by the Transferor Company for the purposes of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become its liabilities and obligations.

- 4.10 Upon the coming into effect of this Scheme, insofar as the security in respect of the Liabilities of the Transferor Company as on the Appointed Date are concerned, it is hereby clarified that any reference in any security documents or arrangements to which the Transferor Company is a part, to such assets of the Transferor Company offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company shall be construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of paragraph 4.1 to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company. The concerned secured creditors shall continue to have the security cover in respect of such assets forming part of the business of the Transferor Company; provided however that this clause or the Scheme in general shall not operate to create any further or additional security there for after the Effective Date or otherwise.
- 4.11 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Transferor company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.
- 4.12 The provisions of this Clause insofar as they relate to the transfer of Liabilities to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.



- 4.13 To the extent that there are any loans, outstanding or balances due from the Transferor Company to the Transferee Company or vice versa, the obligations in respect thereof shall be extinguished upon the merger of interest between the creditor and debtor and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 4.14 Upon the Scheme becoming effective, the previous year in which the amalgamation is effected, the unabsorbed tax depreciation and accumulated tax loss of the Transferor Company shall be treated as the unabsorbed tax depreciation and accumulated tax losses of the Transferee Company and the Transferee Company shall be entitled to set off and carry forward such losses and unabsorbed depreciation as losses and unabsorbed depreciation of the Transferee Company as per the provisions of the Income Tax Act.
- 4.15 It is clarified that all taxes payable by the Transferor Company, relating to its entire undertaking, from the Appointed Date onwards including all or any refunds and claims, shall, for the purposes, be treated as the tax liabilities and refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company, if required, is expressly permitted to revise the income tax returns, service tax returns, VAT/sales tax returns, , and any other applicable tax returns, and to claim refunds and/or credits, pursuant to the provisions of this Scheme for and on behalf of the Transferor company.
- 4.16 Upon the Scheme becoming effective, and with effect from the financial year of the Appointed Date, the Transferee Company, shall be entitled to and is also expressly permitted to, claim credits of advance taxes paid, withholding tax credits as per Form 26AS, Self Assessment Taxes paid if any, and all such other relevant credits of the Transferor Company, pursuant to the provisions of this Scheme.
- 5. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEREE COMPANY/CONDUCT OF BUSINESS**
- 5.1 With effect from the Appointed Date and up to and including the Effective Date:
- a) the Transferor Company shall be deemed to have been carrying on all business and activities of the Transferor Company and stand possessed of the assets,





rights, title, interest and authorities of the Transferor Company for and on account of, and in trust for, the Transferee Company; and

b) all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Transferor Company, shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.

5.2 The Transferor Company undertakes that it will from the date of approval of the Scheme by the Board of Directors of the Transferor Company and the Transferee Company, or the Appointed Date, whichever is earlier, and up to and including the Effective Date preserve and carry on the business of the Transferor Company with diligence and prudence and agrees that it will not, in any material respect, without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of the Transferor Company or any part thereof except in the ordinary course of business or undertake substantial expansion of the Transferor Company, other than expansions which have already been commenced.

#### **6. SAVING OF CONCLUDED TRANSACTIONS**

6.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Company and continuance of the proceedings by or against the Transferee Company shall not in any manner affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that the Transferee Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

#### **7. CONSIDERATION**

7.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon the Scheme being sanctioned by the Hon'ble High Court of Karnataka at Bangalore, the investments in the shares of the Transferor Company, appearing in the books of the Transferee Company as on the Appointed Date will be cancelled and there will be no issue and allotment of shares of the Transferee Company to the shareholders of the Transferor Company upon the Scheme becoming effective.

#### **8. WINDING-UP OF THE TRANSFEROR COMPANY**



- 8.1 Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound-up.

**PART – 3**  
**GENERAL TERMS AND CONDITIONS**

**9. ACCOUNTING TREATMENT**

**ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF THE TRANSFEREE COMPANY.**

- 9.1 On the scheme becoming effective, the Transferee Company shall account for the amalgamation under the Scheme in its accounts in accordance with Accounting Standard – 14, under the pooling of interest method, issued by the Institute of Chartered Accountants of India.
- 9.2 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books as given below.
- a) All the assets and liabilities recorded in the books of the Transferor Company shall be recorded by the Transferee Company at their respective book values;
  - b) The amount of investments in the Transferor Company appearing in the books of account of the Transferee Company shall be offset against the equity of the transferor company.;
  - c) The amount of any inter-company balance / amounts between the Transferor Company and the Transferee Company, appearing in the books of account of the Transferee Company, shall stand cancelled;
  - d) In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies;
- 10. STAFF, WORKMEN AND EMPLOYEES**
- 10.1 On the scheme becoming operative all employees of the Transferor Company, if any, in service on the Effective Date, shall be deemed to have become employees of the





Transferee Company in such position, level and designation as may be determined by the Transferee Company, without any break or interruption in their service, and on the basis of continuity of service. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

- 10.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and the accounts of the employees, who are employed by the Transferor Company and who fall under Clause 10.1 above, relating to the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of the Transferee Company and the employees shall be deemed to have become members of such trusts/funds of the Transferee Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said Fund or Funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company. The exemptions provided to the trust created by the Transferor Company as well as the Transferee Company for the purpose of provident fund shall continue to subsist even after the Scheme coming into effect and the same shall remain undisturbed until the Transferee Company obtains a fresh exemption, if required by the concerned authorities, subsequent to the Scheme coming into effect.
- 10.3 The income-tax and other benefits available to the provident fund, gratuity fund, pension and/or superannuation fund and to the employees covered by the provident fund, gratuity fund, pension and/or superannuation fund of the Transferor



Company and the Transferee Company shall continue to be available after the merger of the provident fund, gratuity fund, pension and/or superannuation fund of the Transferor and the Transferee Company.

## **11. CONTRACTS AND DEEDS**

- 11.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals, arrangements and other instruments of whatsoever nature forming part of or in relation to the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 11.2 Without prejudice to the other provisions of the Scheme and notwithstanding the merger of the Transferor Company with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or novations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company, and to carry out and perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.
- 11.3 For the avoidance of all doubt, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereafter, shall not affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party or is the beneficiary of (as the case may be) and any reference in such agreements, contracts, deeds and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Effective Date.

## **12. LEGAL PROCEEDINGS**





12.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferor Company shall be continued and enforced by or against the Transferee Company after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

**13. APPLICATIONS TO HIGH COURT/OTHER AUTHORITY**

13.1 The Transferor Company being a wholly owned subsidiary of the Transferee Company, the Transferor Company shall alone, with all reasonable dispatch, make applications/petitions under Section 391 to 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.

**14. MODIFICATION OR CLARIFICATION**

14.1 The Transferor Company (by their Directors or committee or authorized person thereof) and the Transferee Company (by their Directors or committee or authorized person thereof) may assent to any modification(s) or amendment(s) in this Scheme which the Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for implementing and/or carrying out the Scheme or which may be considered necessary due to any change in law and the Transferor Company (by their Directors or committee or authorized person thereof) and the Transferee Company (by their Directors or committee or authorized person thereof) be and is hereby authorized to take such steps and do all acts, deed and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

14.2 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of the Transferor Company and the Transferee Company, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme. It is hereby clarified that the Board of Directors of the Transferor Company and the Transferee Company may in their absolute discretion, adopt any part of this Scheme or declare



the entire Scheme to be null and void and in that event no rights and liabilities whatsoever in respect of such part of the Scheme that has not been adopted or the entire Scheme where it is declared null and void shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

## **GENERAL TERMS**

### **15. CONDITIONALITY OF SCHEME**

15.1 The Scheme is conditional upon and subject to the following:

- a) the approval of this Scheme by the requisite majority of members and such classes of persons of the Transferor Company as may be directed by the High Court;
- b) the sanctions and orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company from the High Court; and
- c) Certified copy of the order of the Court or such other competent authority sanctioning this Scheme being filed with the Registrar of Companies, Karnataka along with Form 21.

### **16. EFFECT OF NON-RECEIPT OF APPROVALS**

16.1 In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

### **17. COSTS, CHARGES AND EXPENSES**

17.1 In the event of the Scheme being sanctioned by the High Court, the Transferee Company shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

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**Complaints Report in terms of SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2014 – from 28 November 2013 to 19 June 2014**

**Part A**

| Sr. No. | Particulars  | Number         |
|---------|--|----------------|
| 1.      | Number of complaints received directly             | NIL            |
| 2.      | Number of complaints forwarded by Stock Exchange   | NIL            |
| 3.      | Total Number of complaints/comments received (1+2) | NIL            |
| 4.      | Number of complaints resolved                      | Not Applicable |
| 5.      | Number of complaints pending                       | Not Applicable |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1.      | N.A.                | N.A.              | N.A.                      |
| 2.      | N.A.                | N.A.              | N.A.                      |
| 3.      | N.A.                | N.A.              | N.A.                      |

For Mphasis Limited

**A. Sivaram Nair**  
SVP, Company Secretary,  
General Counsel & Ethics Officer