



## BLUE STAR LIMITED

(CIN: L28920MH1949PLC006870)

Registered Office: Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai- 400020, Maharashtra.

Tel: +91 22 66654000 Fax: +91 22 66654151,

E-mail: [investorcomplaints@bluestarindia.com](mailto:investorcomplaints@bluestarindia.com), , Website: [www.bluestarindia.com](http://www.bluestarindia.com)

### COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF BLUE STAR LIMITED AND POSTAL BALLOT AND E-VOTING

**Day** : Saturday  
**Date** : February 27, 2016  
**Time** : 12.30 p.m.  
**Venue** : Jai Hind College Hall, 23-24, "A" Road, Churchgate, Mumbai: 400 020

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO. 24 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 and other applicable provisions of Companies Act 1956, and the Companies Act 2013;

And

In the matter of the Composite Scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act 2013, of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence and Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors.

Blue Star Limited )  
CIN No L28920MH1949PLC006870 )  
a company incorporated under the )  
Companies Act, 1913 and having its )  
Registered Office at Kasturi Buildings, )  
Mohan T Advani Chowk, Jamshedji )  
Tata Road, Mumbai 400020, )  
Maharashtra ) ..... Applicant Company

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

To,

The Equity Shareholders of **Blue Star Limited** ("Applicant Company"):

TAKE NOTICE that by an Order made on January 22, 2016, in the abovementioned 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 on Saturday, February 27, 2016 at 12.30 p.m. at Jai Hind College Hall, 23-24, "A" Road, Churchgate, Mumbai: 400 020, to transact the Special Business below. This notice is given for consideration of the resolution below to be passed at such Court Convened Meeting and by e-voting pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the relevant rules:

To consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 391 to 394 of the Companies Act 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of Companies Act, 2013 as may be applicable, for approval of the proposed Composite Scheme of Amalgamation of Blue Star Infotech Limited ("**Transferor Company No 1**") and Blue Star Infotech Business Intelligence and Analytics Private Limited ("**Transferor Company No 2**") with Blue Star Limited ("**Transferee Company**") and their respective shareholders and creditors:

"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of Companies Act, 2013 as may be applicable, the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble High Court of Judicature at Bombay, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Composite Scheme of Amalgamation of Blue Star Infotech Limited, and Blue Star Infotech Business Intelligence and Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

**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 **on** Saturday, February 27, 2016 at 12.30 p.m. at Jai Hind College Hall, 23-24, "A" Road, Churchgate, Mumbai: 400 020 at which day, date 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 Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai- 400020, Maharashtra.,not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court has appointed Mr. Satish Jamdar, Managing Director or failing him Mr. B. Thiagarajan, Executive Director & President - AC & R Product Business or failing him Mr. Vir S Advani, Executive Director & President - Electro Mechanical Project Business of the Company, to be the Chairman of the said meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act 1956, and Section 102 of the Companies Act, 2013, Observation letter issued by BSE Limited and ("BSE") and National Stock Exchange of India Limited ("NSE"), Valuation Report, Fairness Opinion, Complaints Report, Form of Proxy and Attendance Slip are enclosed.

Sd/-

Satish Jamdar

Chairman appointed for the meeting

Date : January 22, 2016  
Place : Mumbai  
CIN : L28920MH1949PLC006870

**Registered office:** Kasturi Buildings,  
Mohan T Advani Chowk, Jamshedji Tata Road,  
Mumbai- 400020, Maharashtra

**Notes:**

1. A registered Equity Shareholder of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company. All alterations made in the Form of Proxy should be initialled. Members attending the meeting are requested to bring duly filled attendance slips.
2. As per Section 105 of the Companies Act, 2013 and rules made there under, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. Further, a member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.
3. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Sections 112 and 113 of the Companies Act, 2013) at the Court convened 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 a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such 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.
4. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
5. Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
6. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
7. The Notice is being sent to all the Members, whose names appeared in the Register of Members as on Friday, January 15, 2016 . This notice of the Court Convened Meeting of the Members of the Applicant Company is also displayed/posted on the website of the Applicant Company: [www.bluestarindia.com](http://www.bluestarindia.com).
8. The queries, if any, related to the Scheme should be sent to the Company in the name of Company Secretary at its Registered Office in such a way that the Company will receive the same at least 7 (seven) days before the meeting.
9. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Applicant Company on all working days between 11:00 a.m. to 1:00 p.m.
10. Equity Share holders can opt for only one mode of voting i.e. either physically at the Court Convened Meeting or by e-voting

**VOTING THROUGH E-VOTING**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Applicant Company is pleased to offer E-Voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically. E-Voting is optional. For this purpose, necessary arrangements have been made with National Securities Depository Limited (NSDL) to facilitate e-Voting.

The instructions for e-Voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file viz; "e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on 'Shareholder - Login'
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of Blue Star Limited
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [navnitlb@hotmail.com](mailto:navnitlb@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

i) Initial password is provided as below/at the bottom of the Attendance Slip:

<b>EVEN (E-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.

D. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

E. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The e- voting period begins at February 23, 2016 (9.00 a.m) and ends at February 26, 2016 (5.00 p.m) During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz. February 22, 2016 (being the cut off date fixed for determining voting rights of shareholders entitled to participate in the e-voting process) may cast their vote electronically. The e-voting rights of the Shareholders / beneficially owners shall be reckoned on the Equity Shares held by them as on February 22,2016. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

**Encl: As above**



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(CIN: L28920MH1949PLC006870)

**Registered Office:** Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road,  
Mumbai-400020, Maharashtra.

Tel: +91 22 66654000 Fax: +91 22 66654151,

E-mail: [investorcomplaints@bluestarindia.com](mailto:investorcomplaints@bluestarindia.com), Website: [www.bluestarindia.com](http://www.bluestarindia.com)

### NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF THE COMPANY

**NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, REGULATION 44 AND OTHER APPLICABLE PROVISIONS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") (INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), AND SEBI CIRCULAR BEARING NO. CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI")**

Dear Shareholder,

**NOTICE** is hereby given to you to consider, and, if thought fit, approve the proposed Composite Scheme of Amalgamation of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence and Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors ("the Scheme"). Circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015, issued by SEBI (referred to as "SEBI Circular") requires the Scheme to be put for voting by Public Shareholders through postal ballot and e-voting and provides that "the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it."

The Company hereby seeks the approval of its Public Equity Shareholders to the Scheme by way of Postal Ballot including e-voting pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the SEBI Circular, subject to the requirements specified in the Observation Letters dated December 9, 2015 issued by the stock exchanges pursuant to the SEBI Circular and under relevant provisions of applicable laws.

#### **PROPOSED RESOLUTION:**

To consider and, if thought fit, to pass the following resolution with requisite majority as per the SEBI Circular:

**"RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of Companies Act, 2013 as may be applicable, the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble High Court of Judicature at Bombay and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Composite Scheme of Amalgamation of Blue Star Infotech Limited, and Blue Star Infotech Business Intelligence & Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

The Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on September 29, 2015 have approved the Scheme, subject to approval by the requisite majority of the shareholders and creditors of the Applicant Company as may be required, and subject to the sanction of the Hon'ble High Court of Judicature at Bombay and of such other authorities as may be necessary.

By Order passed on January 22, 2016 in Company Summons for Directions No. 24 of 2016, the Hon'ble High Court of Judicature at Bombay, had directed that a meeting of the equity shareholders of the Applicant Company ("Court Convened Meeting") be convened and held on Saturday, February 27, 2016 at 12.30 p.m. at Jai Hind College Hall, 23-24, "A" Road, Churchgate, Mumbai : 400 020 for the purpose of considering and if thought fit approving with or without modification(s), the proposed amalgamation embodied in the Scheme.

In addition to the Court Convened Meeting, the Applicant Company also seeks the approval of its equity shareholders to the Scheme by way of postal ballot and e-voting pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (Including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 and other applicable provisions of the SEBI Listing Regulations, the SEBI Circular and under relevant provisions of the applicable laws.

**It is clarified that votes may be cast by shareholders by postal ballot/e-voting and also at the Court Convened Meeting.** Exercising their right to vote by postal ballot/e-voting does not disentitle a shareholder from exercising their right to vote at the Court Convened Meeting as provided in the notice of Court Convened Meeting and vice versa. Further, exercise of votes through postal ballot is not permitted through a proxy.

**Kindly note that each equity shareholder can opt for only one mode of voting, i.e., either by Postal Ballot Form or e-voting.** If you opt for e-voting, then do not vote by Postal Ballot and vice-versa. In case of shareholders exercising their right to vote *via* both modes, i.e. postal ballot as well as e-voting, then voting done through e-voting shall prevail and postal ballot of that shareholder shall be treated as invalid.

**Notes:**

1. Explanatory Statement for the proposed Resolution pursuant to Section 102 read with Section 110 of the Companies Act, 2013 along with applicable rules thereunder and provisions of Section 393 of the Companies Act, 1956 setting out material facts forms part of this Notice booklet.
2. The Notice of the Postal Ballot has been sent to the registered address of all the Shareholders whose names appear in the Register of Members / Beneficial Owners as per the details furnished by the Depositories as on January 15, 2016. The Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode would also be sent the Notice of Postal Ballot by e-mail.
3. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the Shareholders as on January 15, 2016 i.e. the cut-off date for despatch of Postal Ballot Notice.
4. Shareholders can also download the Postal Ballot Form from the Company's website : [www.bluestarindia.com](http://www.bluestarindia.com) or seek duplicate Postal Ballot Form from Link Intime India Pvt. Ltd C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400078, Registrar & Transfer Agents of the Company.
5. The voting period for postal ballot commences on January 27, 2016 and ends on February 25, 2016 at 5.00 p.m. and e- voting period commences on January 27, 2016 at 9.00 am and ends on February 25, 2016 at 5.00 pm
6. The e-voting module shall also be disabled by 5.00 pm on February 25, 2016 for voting thereafter.
7. The Applicant Company has appointed Mr.Bharat Upadhyay, of M/s N.L.Bhatia & Associates, Company Secretaries (Membership No.5436 CP No.4457), as Scrutinizer for conducting the postal ballot/e-voting process in a fair and transparent manner.
8. All the material documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Shareholders at the Registered Office of the Applicant Company at Kasturi Building, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai- 400020, Maharashtra, during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the last date for receipt of the postal ballot specified in the accompanying Notice.
9. Shareholders are also requested to carefully read the instructions printed behind the Postal Ballot Form before exercising their vote.

**VOTING THROUGH POSTAL BALLOT**

The detailed procedure is as under:

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr.Bharat Upadhyay, of M/s N.L.Bhatia & Associates, Company Secretaries (Membership No.5436 CP No.4457) c/o, Link Intime India Pvt. Ltd C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400078 in the enclosed self-addressed postage prepaid envelope affixed with requisite stamp by the Applicant Company. Thus postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the Shareholder will also be accepted.
2. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (5.00 pm) on February 25, 2016. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
4. The voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on January 15, 2016 i.e. the cut-off date for despatch of Postal Ballot Notice.
5. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory (ies) giving requisite authority to the person voting on the Postal Ballot Form.

6. Members are requested not to send any paper (other than the resolution/authority as mentioned under item Nos. 2 & 5 above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
7. The exercise of vote by Postal Ballot is not permitted through proxy.
8. There will be only one Postal Ballot Form for every Registered Folio/client ID irrespective of the number of Joint Member(s).
9. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
10. A Shareholder need not use all the votes nor does he need to cast all the votes in the same way.
11. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
12. The Scrutinizer shall submit his report to the Chairman of the Company or in his absence to the Vice-Chairman or in their absence to any one of the Executive Directors of the Company after completion of the scrutiny of the postal ballots including votes casted electronically. The result of the voting on the resolutions will be announced on Saturday, February 27, 2016 and published in the newspapers and displayed at the Registered Office of the Company and also communicated to the stock exchanges and shall also be posted on the website of the Company [www.bluestarindia.com](http://www.bluestarindia.com).
13. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Form will be treated as invalid.
14. The Applicant Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

#### **VOTING THROUGH E-VOTING**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Applicant Company is pleased to offer E-Voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically. E-Voting is optional. For this purpose, necessary arrangements have been made with NSDL to facilitate e-Voting.

The instructions for e-Voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
  - (i) Open email and open PDF file viz; "e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on 'Shareholder - Login'
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Blue Star Limited
  - (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [navnitlb@hotmail.com](mailto:navnitlb@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
  - (i) Initial password is provided as below/at the bottom of the Attendance Slip:
 

EVEN (E-voting Event Number)	USER ID	PASSWORD/PIN
(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.		
- C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- D. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

E. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**For Blue Star Limited**

Vijay Devadiga  
Company Secretary

Dated this 22<sup>nd</sup> day of January, 2016  
Place: Mumbai  
CIN: L28920MH1949PLC006870

Registered Office:  
Kasturi Buildings, Mohan T Advani Chowk,  
Jamshedji Tata Road, Mumbai- 400020, Maharashtra



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 24 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 and other applicable provisions  
of Companies Act 1956, and the Companies Act 2013;

And

In the matter of the Composite Scheme of Amalgamation under  
sections 391 to 394 of the Companies Act, 1956 and other applicable  
provisions of the Companies Act, 1956 and the Companies Act 2013,  
of Blue Star Infotech Limited and Blue Star Infotech Business  
Intelligence and Analytics Private Limited with Blue Star Limited and  
their respective shareholders and the creditors.

Blue Star Limited	)	
CIN No L28920MH1949PLC006870	)	
a company incorporated under the	)	
Companies Act, 1956 and having its	)	
registered office at Kasturi Building,	)	
Mohan T Advani Chowk, Jamshedji	)	
Tata Road, Mumbai 400020,	)	
Maharashtra	)	..... Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 AND SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING AND THE POSTAL BALLOT AND E-VOTING OF THE EQUITY SHAREHOLDERS OF BLUE STAR INFOTECH LIMITED**

In this statement Blue Star Limited is referred to as the "**Applicant Company**" or "**Transferee Company**" and Blue Star Infotech Limited is referred to as the "**Transferor Company No.1**" and Blue Star Infotech Business Intelligence and Analytics Private Limited is referred to as the "**Transferor Company No 2**". The other definitions contained in the enclosed Composite Scheme of Amalgamation ("Scheme") will apply to this Explanatory Statement. The following statement as required under Section 393 of the Companies Act, 1956 and Sections 102 and 110 of the Companies Act, 2013, sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the directors and key managerial personnel in their capacity as members.

1. This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, pursuant to an Order dated 22 January 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, to be held on Saturday, February 27, 2016 at 12.30 pm at Jai Hind College Hall, 23-24, 'A' Road, Churchgate, Mumbai -400 020, for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation proposed under the Composite Scheme of Amalgamation of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence and Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors ("Scheme"), under Sections 391 to 394 of the Companies Act, 1956. A copy of the Scheme setting out in detail terms and conditions of the Scheme is attached to this Explanatory Statement.
2. Additionally, in terms of Clause I.A.9. of Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, the said Scheme shall also be subject to the approval of Public Shareholders (i.e. Equity Shareholders other than those forming part of Promoter and Promoter Group) by passing an Ordinary Resolution through Postal Ballot / e-voting, as specified in the Notice of Postal Ballot forming part of this Notice.
3. A copy of the Scheme setting out the terms and conditions of the amalgamation, *inter alia*, providing for amalgamation of the Applicant Company with the Transferor Companies which has been duly approved by the Audit Committee and the Board of Directors of the Applicant Company at their meetings held on September 29, 2015, is attached to this Explanatory Statement.

**4. BACKGROUND OF THE COMPANIES**

**4.1 Blue Star Limited**

- (a) The Applicant Company is a public listed company. It was incorporated on 20<sup>th</sup> January, 1949, under the name "Blue Star Engineering Company (Bombay) Private Limited", as a private limited company, under the Companies Act, 1913. The name of the Applicant Company was thereafter changed from "Blue Star Engineering Company (Bombay) Private Limited" to "Blue Star Private Limited" and the Registrar of Companies, Maharashtra, Mumbai, issued a fresh certificate of incorporation consequent on change of name dated 23<sup>rd</sup> June, 1969. The Applicant Company converted into public limited company

pursuant to which the name of the Applicant Company changed to "Blue Star Limited" and the Registrar of Companies, Maharashtra, Mumbai, issued a fresh Certificate of incorporation consequent on change of name dated 28<sup>th</sup> June, 1969.

- (b) The Registered Office of the Applicant Company is situated in the State of Maharashtra at Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai- 400020, Maharashtra.
- (c) The share capital of the Applicant Company as on March 31, 2015 is as under:

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
10,000 7.8% Cumulative Convertible Preference Shares of Rs. 100 each	10,00,000
14,87,00,000 Equity Shares of Rs. 2 each	29,74,00,000
16,000 Unclassified Shares of Rs. 100 each	16,00,000
<b>Total</b>	<b>30,00,00,000</b>
<b>Subscribed, Issued and Paid-Up Share Capital</b>	
8,99,36,105 Equity Shares of Rs. 2 each	17,98,72,210
<b>Total</b>	<b>17,98,72,210</b>

Subsequent to March 31, 2015, there has been no change in authorized, issued, subscribed and paid-up equity share capital of the Applicant Company.

- (d) The Equity Shares of the Applicant Company are listed on BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE").
- (e) The main objects of the Applicant Company as set out in its Memorandum of Association are as under:

*"III. The objects, inter alia, for which the Transferee Company is established are:*

1. *To carry on business as civil, mechanical, electrical and refrigeration engineers and as manufacturers, importers and exporters, merchants, jobbers and agents for manufacturers and merchants.*
2. *To manufacture, import and export, buy and sell, and otherwise deal in all kinds of machinery, tools, electrical goods and apparatus, refrigerating and air conditioning plants, cold storage equipments, water pumping machinery, automotive cables, batteries, parts and accessories, and to repair and maintain the same, whether belonging to this company or not.*
3. *To carry on business as furniture makers, water supply engineers, tool makers, machinists, wood workers and painters.*

*The Objects Incidental or Ancillary to the Attainment of the Main Objects:*

39. *To sell or dispose off the undertaking of the Company or part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects all together or in part similar to those of this Company.*
40. *To amalgamate, enter into partnership, or any arrangement of sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person, firm or company carrying or engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company."*

- (f) The Applicant Company is *inter alia* engaged in the business of electro-mechanical projects, central air conditioning and commercial refrigeration. The Applicant Company also offers expertise in allied contracting activities such as plumbing, and fire-fighting services, in order to provide a comprehensive solution to its clients.

#### 4.2 Blue Star Infotech Limited

- (a) The Transferor Company No 1 is a listed public company. The Applicant Company was originally incorporated under the name "My-Own Computers Private Limited" on 04 September 1997 as a private limited company under the provisions of the Companies Act, 1956 and the said name was changed to "Blue Star Infotech Private Limited" vide certificate dated 13 July 1998. On 11 September, 1998 the Transferor Company No 1 converted into public limited company pursuant to which the name of the Transferor Company No 1 changed to "Blue Star Infotech Limited".
- (b) The Registered Office of the Transferor Company No 1 is situated in the State of Maharashtra at 8th Floor, The Great Oasis, Plot No. D-13, MIDC, Andheri (East), Mumbai-400093.
- (c) The share capital of the Transferor Company No 1 as on 31 March 2015 is as under:

PARTICULARS	AMOUNT (Rs)
<b>AUTHORISED SHARE CAPITAL</b>	
2,00,00,000 equity shares of Rs 10 each	20,00,00,000
<b>SUBSCRIBED, ISSUED AND FULLY PAID-UP SHARE CAPITAL</b>	
1,08,00,000 fully paid up equity shares of Rs 10 each	10,80,00,000

Subsequent to 31 March 2015, there has been no change in authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No 1.

- (d) The Equity Shares of the Transferor Company No 1 are listed on BSE Limited (hereinafter referred to as “BSE”) and National Stock Exchange of India Limited (hereinafter referred to as “NSE”).
- (e) The main objects of the Transferor Company No 1 as set out in its Memorandum of Association are as under:

**“III (A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION**

1. *To manufacture, assemble, erect, install, purchase, import, export, equip, sell, trade, fabricate, design, distribute, repair, maintain, exchange, alter, lease or hire, sell on hire purchase or instalment system or to construct, develop, enter into arrangement for setting up whether in whole or in part or any other way to deal in microprocessor based mini computers and data processing system,x` all types of software, calculators, electronic & electrical apparatuses, equipments, gadgets, peripherals, modulers, auxiliary instruments, tools, plants, machines, works, systems, veniences, spare parts, accessories, devices, components, fixtures of different capacities, sizes, specifications applications, descriptions and models used or may be used in the field of space aviations, surface, water and air transports, railways, defence, medical, engineering, industries, construction, minings, powers, traffics, offices, police, communications, trade, commerce, weather, satellite, research, hospitals, hotels, advertising, educations, decoration, automobiles, geographical, recreational, domestic and other allied purposes such as computers, mini computers, super computers, engineering computers, general purpose and process control computers, information and word processing equipments.*

**III(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS**

12. *To acquire and undertake all or any part of the business property and liabilities of any person or company carrying on or proposing to carry on any business which this Company is authorised to carry on.*
13. *Subject to the provisions of the Companies Act, 1956, to amalgamate, or to enter into partnership or, into any agreement for share profits, union of interest, co-operation, joint venture, of reciprocal concession or for limiting competition with any person or persons or company or companies carrying on or engaged in or about to carry on engage in any business transaction on or engaging in which this Company is authorised to carry or engage in or which can be carried on in conjunction therewith.”*

- (f) The Transferor Company No 1 is engaged inter alia in the business of dealing in microprocessor based mini computers and data processing system and different types of software, calculators, electronic and electrical apparatuses, equipment, gadgets including mobility, cloud computing, analytics and business intelligence, product engineering, testing, package implementation, applications services and leasing of immovable property.

**4.3 Blue Star Infotech Business Intelligence and Analytics Private Limited**

- (a) Transferor Company No 2 is a private limited company and was originally incorporated under the name “Aethna Systems Private Limited” on 27 December 2006 under the provisions of the Companies Act 1956. The name of the Transferor Company No 2 was changed to “Activecubes Solutions India Private Limited” on 18<sup>th</sup> January, 2008. The said name was again changed to “Blue Star Infotech Business Intelligence and Analytics Private Limited” on 13 October 2014. The Transferor Company No 2 shifted its registered office from Bangalore, Karnataka to Mumbai, Maharashtra and Registrar of Companies, Mumbai granted a fresh CIN number and issued a certificate of registration of the order of the Regional Director for change of state on 9<sup>th</sup> December 2015.
- (b) The registered office of the Transferor Company No 2 is situated in the State of Maharashtra at 8<sup>th</sup> Floor, The Great Oasis, Plot No. D 13, MIDC, Andheri (East), Mumbai- 400093, Maharashtra.
- (c) The share capital of the Transferor Company No 2 as on March 31, 2015 is as under:

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
69,80,000 Equity Shares of Rs. 10 each	6,98,00,000
5,20,000 Cumulative Compulsarily Convertible Preference Shares of Rs.10 each	52,00,000
<b>Total</b>	<b>7,50,00,000</b>
<b>Subscribed, Issued and Paid-Up Share Capital</b>	
50,74,551 fully paid up equity shares of Rs. 10 each	5,07,45,510
<b>Total</b>	<b>5,07,45,510</b>

The entire share capital of the Transferor Company No 2 as at the date hereof is held by the Transferor Company No 1 and its nominees and hence the Transferor Company No 2 is a wholly-owned subsidiary of Transferor Company No 1. Subsequent to 31 March 2015, there has been no change in authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No 2.

(d) The main objects of the Transferor Company No 2 as set out in its Memorandum of Association are as under:

*“III (A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION:*

1. *To carry on the business of software and hardware design, development, manufacture, consultancy, system support and maintenance, distribution and maintenance of Information Technology related products and services, including but not limited to embedded and digital signal processing software, hardware and systems.*
2. *To act as consultants in all fields including legal, industrial, technical, business and personnel management, organizational planning, productivity improvement, planning and management, recruitment, personnel management, human resources and to render engineering, technical management and other services inclusive of training and placement to all types of industries or organizations in India or abroad.*
3. *To render assistance for planning out machinery locations and factories to recruit people for all types of posts in all types of industries.*
4. *To carry on business of franchise modeling, project planning, media and advertising planning, management and execution across industry within and outside India.*
5. *To carry on the business of software development, data processing, web site development, web films, creative support, web services, internet based solutions, and other Information Technology enabled services like design centres, consultancy centres, support centres, Call Centres, Contact Centres, Business Process Outsourcing and other similar, allied, or related fields in India and abroad.*
6. *To carry on business as importers, exporters, traders, buyers, sellers, retailers, hirers, wholesalers, suppliers, stockists, agents, distributors, consignors or otherwise deal in computers and peripheral equipments, data processors, accessories, devices and instruments of every kind and any other product of computer hardware and software.*
7. *To carry on the business of manpower consultants and recruiting engineers, specialists, consultants and to act as advisors for setting up projects in India or abroad in Information Technology industry including selection and training of personnel for jobs, contracts, assignments related to or connected therewith.*

*(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS*

4. *To unite, cooperate, amalgamate, reconstruct the Company either by splitting of the Company's undertaking by transferring the same either in whole or in part to different companies or concerns or otherwise to enter into partnership or into any arrangement.”*

(e) The Transferor Company No 2 is inter alia engaged in the business of software and hardware design, development, manufacture, consultancy, system support and maintenance, distribution and maintenance of Information Technology related products and services, including but not limited to embedded and digital signal processing software, hardware and systems.

## **5. BACKGROUND OF THE SCHEME**

5.1 The Composite Scheme of Amalgamation provides for the amalgamation of the Transferor Company No 1 and the Transferor Company No 2 with the Transferee Company, pursuant to the applicable provisions of the Act and/or any other Applicable Laws (“Scheme”).

5.2 Pursuant to the scheme; (a) investments held by the Transferee Company in form of (i) equity shares in Transferor Company No 1 and (ii) equity shares in Transferor Company No 2, shall be cancelled; (ii) the Transferee Company shall issue and allot shares of the Transferee Company to other shareholders of Transferor Company No 1; and (iii) the Transferor Company No 1 and Transferor Company No 2 shall be dissolved without winding-up.

## **6. RATIONALE AND SALIENT FEATURES OF THE SCHEME**

6.1 The circumstances and/or reasons and/or grounds that have necessitated and/or justified the Scheme and some of the major benefits which would accrue from the Scheme are briefly stated below:

- (i) *To integrate and consolidate the businesses of Transferor Company No 1 and Transferor Company No 2 in a single entity and consolidate resources and assets of all the Companies for optimal deployment and enhanced overall efficiencies.*
- (ii) *To enable better and efficient management, control and running of the businesses to attain operational efficiencies, cost competitiveness, create synergies and capitalize on the growth opportunities to the fullest extent.*
- (iii) *To channelize resources to focus and grow the core air conditioning and refrigeration business of the Blue Star.*
- (iv) *Utilize capital for funding growth of Group's core business and improve returns to create long term sustainable value for all shareholders.*

- (v) *The proposed Amalgamation and vesting of the Transferor Company No 1 and the Transferor Company No 2 into the Transferee Company, with effect from the Appointed Date, is in the interest of the shareholders, creditors, employees and other stakeholders, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.*

**6.2 The salient features of the Scheme are as follows:**

- (i) **“Appointed Date”** means opening business hours of 1 April 2015 or such other date as may be agreed by the Transferor Company No 1, Transferor Company No 2 and the Transferee Company and approved by the High Court(s) or directed by or imposed by the High Court(s).

- (ii) **“Effective Date”** means the date on which the certified or authenticated copy of the order sanctioning the Scheme passed by the High Court(s) or any other appropriate authority, as the case maybe, is/are filed with the relevant Registrar of Companies having jurisdiction. Any references in this Scheme to the date of “coming into effect of this Scheme” or upon the Scheme becoming effective” or “effectiveness of this Scheme” shall mean the Effective Date.

(iii) **Amalgamation of The Transferor Company No 1 with The Transferee Company**

*Upon the Scheme becoming effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertaking, the Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the Transferor Company No 1 or any part thereof.*

(iv) **Amalgamation of The Transferor Company No 2 with The Transferee Company**

*Upon Scheme becoming effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Analytics Undertaking, the Analytics Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the Transferor Company No 2 or any part thereof. Provided however, any reference in any security documents or arrangements to which the Transferor Company No 2 is a party and under which the assets of the Transferor Company No 2 stand offered as security for any financial assistance or obligation, shall be construed as reference to the assets pertaining to the Analytics Undertaking of the Transferor Company No 2 only as are vested in the Transferee Company by virtue of this Scheme.*

(v) **Share Exchange Ratio:**

- (a) *Upon the Scheme becoming effective and in consideration of the Amalgamation of the Transferor Company No 1 into the Transferee Company, including the transfer and vesting of the Undertaking in the Transferee Company, the Transferee Company shall, without any further act, deed, issue and allot 7 (Seven) fully paid up equity shares of Rs. 2 (Rupees Two Only) each of the Transferee Company each credited as fully paid up for every 10 (Ten) fully paid up equity shares of Rs. 10 (Rupees Ten Only) to each member of the Transferor Company No 1, (other than the Transferee Company and its nominees) whose name is recorded in the register of members of the Transferor Company No 1 and whose names appear as the beneficial owners of the shares of the Transferor Company No 1 in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives, or successors in title as may be recognized by the Board of Directors of the Transferee Company), as on the Record Date in accordance with the terms of the Scheme (“**New Equity Shares**”).*

- (vi) *Upon the Scheme coming into effect, 100% of the equity share capital of Transferor Company No. 2, beneficially held by the Transferor Company No. 1 and its nominee shall be deemed to be cancelled without any further act or deed, and no shares of the Applicant Company are required to be issued in lieu thereof.*

**Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

## 7. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

7.1 Pre-Amalgamation capital structure of the Transferor Company No 1 is as follows:

	Pre-Amalgamation as on December 31, 2015	
	No. of Shares	Amount (Rs)
<b>A. Authorised Share Capital:</b>		
1. Equity Shares of Rs. 10 each	2,00,00,000	20,00,00,000
<b>Total</b>	<b>2,00,00,000</b>	<b>20,00,00,000</b>
<b>B. Subscribed, Issued and Paid-Up Share Capital:</b>		
Equity Shares of Rs. 10 each	1,08,00,000	10,80,00,000
<b>Total</b>	<b>1,08,00,000</b>	<b>10,80,00,000</b>

7.2 The Pre Amalgamation capital structure of the Transferor Company No 2 is as follows:

	Pre-Amalgamation as on December 31, 2015	
	No. of Shares	Amount (Rs)
<b>A. Authorised Share Capital:</b>		
1. Equity Shares of Rs. 10 each	69,80,000	6,98,00,000
2. Cumulative Compulsorily Convertible Preference shares of Rs. 10 each	5,20,000	52,00,000
<b>Total</b>	<b>75,00,000</b>	<b>7,50,00,000</b>
<b>B. Subscribed, Issued and Paid-Up Share Capital</b>		
1. Equity Shares of Rs. 10 each	50,74,551	5,07,45,510
<b>Total</b>	<b>50,74,551</b>	<b>5,07,45,510</b>

7.3 Pre and post Amalgamation capital structure of the Applicant Company is as follows:

	Pre-Amalgamation as on December 31, 2015		Post-Amalgamation	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
<b>A. Authorised Share Capital:</b>				
1. 7.8% Cumulative Convertible Preference Shares of Rs. 100 each	10,000	10,00,000	10,000	10,00,000
2. Equity Shares of Rs. 2 each	14,87,00,000	29,74,00,000	28,36,00,000	56,72,00,000
3. Unclassified Shares of Rs. 100 each	16,000	16,00,000	16,000	16,00,000
4. Cumulative Compulsorily Convertible Preference shares of Rs. 10 each	-	-	5,20,000	52,00,000
<b>Total</b>		<b>30,00,00,000</b>		<b>57,50,00,000</b>
<b>B. Subscribed, Issued and Paid-Up Share Capital</b>				
1. Equity Shares of Rs. 2 each	8,99,36,105	17,98,72,210	9,53,27,488	19,06,54,976
<b>Total</b>		<b>17,98,72,210</b>		<b>19,06,54,976</b>

8.1 **PRE AND POST AMALGAMATION SHAREHOLDING PATTERN**

On the Scheme being effective, the Transferor Company No 1 and Transferor Company No 2 shall be dissolved without being wound up and without any further act by the parties to this Scheme.

Pre-Amalgamation and the post-Amalgamation(expected) shareholding pattern of the Transferee Company is given below:

Code	Category	Pre-Amalgamation Shareholding (as of 31 December, 2015)		Post-Amalgamation Shareholding	
		No. of equity shares	As a % of total equity capital	No. of equity shares	As a % of total equity capital
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	Indian				
(a)	Individuals / Hindu Undivided Family	21,468,354	23.87%	22,622,808	23.73%
(b)	Bodies Corporate	21,731	0.02%	56,862	0.06%
(c)	Trusts	13,458,337	14.96%	14,114,502	14.81%
	Sub Total	34,948,422	38.86%	36,794,172	38.60%
<b>2</b>	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	543,075	0.60%	546,890	0.57%
	Sub Total	543,075	0.60%	546,890	0.57%
	Total shareholding of Promoter and Promoter Group (A)	<b>35,491,497</b>	<b>39.46%</b>	<b>37,341,062</b>	<b>39.17%</b>
<b>(B)</b>	<b>Public Shareholding</b>				
<b>1</b>	Institutions				
(a)	Mutual Funds / UTI	17,399,276	19.35%	17,762,112	18.63%
(b)	Financial Institutions / Banks	26,021	0.02%	29,051	0.03%
(c)	Insurance Companies	657,366	0.73%	804,054	0.84%
(d)	Foreign Institutional Investors	6,265,744	6.97%	6,400,839	6.71%
(e)	Foreign Mutual Fund	462,626	0.51%	462,626	0.48%
	Sub Total	24,811,033	27.59%	25,458,682	26.71%
<b>2</b>	Non-Institutions				
(a)(i)	Bodies Corporate	3,139,232	3.49%	3,402,036	3.57%
(b)	Individuals				
(b)(i)	Individual shareholders holding nominal share capital up to Rs. 2 lakhs	6,966,617	7.75%	7,208,608	7.56%
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	17,352,561	19.29%	19,207,438	20.15%
(c)	Clearing Members	50,188	0.06%	73,943	0.08%
(d)	Foreign Corporate Bodies	375	0.00%	392	0.00%
(e)	Market Maker	832	0.00%	3317	0.00%
(f)	Non Resident Indians	639,230	0.71%	959,543	1.01%
(g)	Trusts	75,989	0.08%	75,989	0.08%
(h)	Foreign Portfolio Investors	1,117,247	1.24%	1,253,151	1.31%
(i)	Hindu Undivided Family	291,304	0.32%	343,327	0.36%
	Sub Total	29,633,575	32.95%	32,527,744	34.12%
	Total Public shareholding (B)	<b>54,444,608</b>	<b>60.53%</b>	<b>57,986,426</b>	<b>60.83%</b>
	<b>Total (A)+(B)</b>	<b>89,936,105</b>	<b>100%</b>	<b>95,327,488</b>	<b>100%</b>

8.2 Pre-Amalgamation shareholding pattern of the Transferor Company No 1 is given below:

Code	Category	Pre-Amalgamation Shareholding (as of 31 December 2015)	
		No. of equity shares	As a % of total equity capital
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>1</b>	Indian		
(a)	Individuals / Hindu Undivided Family	24,412,61	22.60 %
(b)	Bodies Corporate	3,148,213	29.15 %
	Sub Total	5,589,474	51.75 %
<b>2</b>	Foreign		
	Individuals (Non-Residents Individuals / Foreign Individuals)	2,950	0.02 %
	Sub Total	2,950	0.02 %
	Total shareholding of Promoter and Promoter Group (A)	<b>5,592,424</b>	<b>51.78 %</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>1</b>	Institutions		
(a)	Mutual Funds / UTI	518,358	4.79 %
(b)	Financial Institutions / Banks	5,687	0.05 %
(c)	Insurance Companies	209,555	1.94 %
(d)	Foreign financial Institutions	192,843	1.78 %
(e)	Foreign Portfolio Investor	194,149	1.79 %
	Sub Total	1,120,592	10.37 %
<b>2</b>	Non-Institutions		
(a)	Trusts	158,863	1.47 %
(b)	Individuals		
(b)(i)	Individual shareholders holding nominal share capital up to Rs. 2 lakh	2,708,720	25.08 %
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	280,760	2.59 %
(c)	Foreign National	650	0.00 %
(d)	Foreign Corporate Bodies	25	0.00 %
(e)	Clearing Members	38,520	0.35 %
(f)	Non Resident Indians	442,380	4.10 %
(g)	Market Maker	150	0.00 %
(h)	Bodies Corporate	379,237	3.51 %
(i)	Hindu Undivided Family	77,679	0.72 %
	Sub Total	4,086,984	37.84 %
	Total Public shareholding (B)	<b>5,207,576</b>	<b>48.20 %</b>
	<b>Total (A)+(B)</b>	<b>10,800,000</b>	<b>100 %</b>



8.3 Pre-Amalgamation shareholding pattern of the Transferor Company No 2 is given below:

Code	Category	Pre-Amalgamation Shareholding (as of December 31, 2015)	
		No. of equity shares	As a % of total equity capital
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>1</b>	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	1	0.00%
(b)	Central Government/State Government(s)	-	-
(c)	Bodies Corporate	5,074,550	100%
(d)	Financial Institutions / Banks		
	<b>Sub Total (A)(1)</b>	5,074,551	100%
<b>2</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Qualified Foreign Investor	-	-
(e)	Others	-	-
	<b>Sub Total (A)(2)</b>	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	5,074,551	100%
<b>(B)</b>	<b>Public shareholding</b>		
<b>1</b>	<b>Institutions</b>		
(a)	Mutual Funds/UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Central Government/State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Qualified Foreign Investor	-	-
(i)	Others	-	-
	<b>Sub Total (B) (1)</b>	-	-
<b>2</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	-	-
(b)(i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	-	-
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-
(c)	Qualified Foreign Investor	-	-
(d)	<b>Any other (specify)</b>	-	-
d-i	NRI Rep	-	-
d-ii	NRI Non –Rept	-	-
d-iii	OCB	-	-
d-iv	Foreign Bodies	-	-
d-v	Foreign National	-	-
d-vi	Directors	-	-
d-vii	Clearing Members	-	-
d-viii	Trust	-	-
	<b>Sub Total (B)(2)</b>	-	-
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-
	<b>Total (A)+(B)</b>	-	-
<b>(C)</b>	<b>Shares held by custodians and against which Depository Receipts have been issued</b>	5,074,551	100%
<b>I</b>	Promoter and Promoter Group		
<b>ii</b>	Public	-	-
	<b>Sub Total (C)</b>	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	5,074,551	100%

## 9. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- 9.1 The Directors and Key Managerial Personnel (“KMP”) of the Transferor Company No 1, Transferor Company No 2 and the Transferee Company or their relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective companies, or to the extent the said Directors/KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the directors, managing director or the manager or KMP of the Applicant Company or the Transferor Company No 1 or the Transferor Company No 2 has any material interest in the Scheme. The shareholding of the present Directors and KMPs, of the Transferor Company No 1, Transferor Company No 2 and the Transferee Company and their relatives, as on December 31, 2015 is as under:

### SHAREHOLDING OF DIRECTORS AND KMP OF TRANSFEROR COMPANY NO 1, TRANSFEROR COMPANY NO 2 AND THE TRANSFEE COMPANY

Name of Director/KMP	Shares held in Applicant Company	Shares held in Transferor Company No 1	Shares held in Transferor Company No 2
<b>Blue Star Limited</b>			
Ashok M. Advani	1,03,15,107	7,95,165	-
Suneel M. Advani	58,04,258	5,17,484	-
Satish Jamdar	26,750	-	-
Vir S. Advani	50,000	35,179	-
B Thiagarajan	1,700	-	-
Gurdeep Singh	1,200	-	-
<b>Blue Star Infotech Limited</b>			
Suneel M Advani	58,04,258	5,17,484	-
Ashok M Advani	1,03,15,107	7,95,165	-
Sunil Bhatia	-	3,37,809	-
Sanjay N Vaswani	-	14,750	-
Suresh N Talwar	-	15,075	-
Naresh K Malhotra	-	3,733	-
K P T Kutty	-	2,650	-
<b>Blue Star Infotech Business Intelligence and Analytics Private Limited</b>			
Sunil Bhatia	-	3,37,809	-
Sudarshan V	-	6,600	1

## 10. APPROVALS

- 10.1 Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters dated December 9, 2015 from BSE and NSE, conveying their no-objection to the Scheme (“**Observation Letters**”). Copies of the aforesaid Observation Letters are enclosed herewith.
- 10.2 As per the terms of the Observation Letters, SEBI has given its 'no adverse objection' to the Scheme and has advised the Applicant Company to comply with the provisions of the SEBI Circular.
- 10.3 As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE on November 18, 2015. After filing of the Complaints Report, the Applicant Company has received no complaints. A copy of the aforementioned Complaints Report is enclosed herewith.
- 10.4 As required under the Competition Act 2002, the company has filed the proposed combination details with the Competition Commission of India (CCI) on October 28, 2015. The CCI has approved the proposed Combination under the provisions of Competition Act, 2002 and the Company has received the approval intimation from the CCI on December 23, 2015.
- 10.5 Further in compliance to the SEBI Circular, the Public Shareholders are also entitled to Postal Ballot including e-voting for the approval sought to the proposed Composite Scheme of Amalgamation. In terms of the SEBI Circular, the approval to the Composite Scheme of Amalgamation under postal ballot including e-voting shall be deemed to have been approved provided that the Scheme is approved by a simple majority of the Public Shareholders participating through postal ballot including e-voting.

## 11. GENERAL

- 11.1 The Scheme is conditional on and subject to:
- (a) Consummation of the IT Business Transaction;
  - (b) Consummation of the Analytics Business Transaction in terms of and in accordance with the Analytics BTA;
  - (c) approval of the Scheme by the requisite majority of each class of members of the Transferor Companies and the Transferee Company, as required under the Act and as may be directed by the High Court(s);
  - (d) the sanctions and order of the High Court(s), under Sections 391 to 394 of the Act, being obtained by the Transferor Companies and the Transferee Company;
  - (e) the Parties complying with other provisions of the listing agreement and / or Applicable Law.
  - (f) The Scheme being approved by shareholders of Transferee Company and Transferor Company No 1 passed by way of postal ballot/e-voting in terms of para I.A.9. of Circular Number CIR/CFD/CMD/16/2015 dated November 30,2015 issued by Securities and Exchange Board of India; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of Transferee Company and Transferor Company No 1 in favour of the proposal are more than the number of votes cast by the public shareholders against it
  - (g) requisite approval / no objection certificates from the Appropriate Authority(ies) required under Applicable Law, being obtained pursuant to the Scheme, for the transfer and vesting of the estate, assets, title, interest and other rights in the immoveable properties of the Transferor Companies above, in favour of the Transferee Company, unless this condition is waived by the Board of the Transferee Company; and
  - (h) certified / authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the relevant Registrar of Companies having jurisdiction.
- 11.2 Except for shares held by the Directors and KMP stated in Clause 9 above, none of the Directors and KMP in the Applicant Company, Transferor Company No. 1 or the Transferor Company No 2 or their respective relatives are in any way connected or interested in the aforesaid resolution. The Board recommends the resolution set forth above for the approval of the members.
- 11.3 In terms of the SEBI Circular mentioned above, the Applicant Company has filed a Complaints Report dated November 18, 2015 with BSE and NSE.
- 11.4 The Scheme is not prejudicial to the interests of the members of the Applicant Company.
- 11.5 There are no winding up proceedings pending against the Applicant Company as of date.
- 11.6 No investigation proceedings are pending or are likely to be pending under the provisions of Sections 235 to 251 of the Companies Act, 1956 or under the notified Sections of the Companies Act, 2013 in respect of the Applicant Company.
- 11.7 Inspection of the following documents may be had by the equity shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 11.00 am and 1.00 pm
- (a) Copy of the Order dated January 22, 2016 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No.24 of 2016 directing the convening of the meeting of the Equity Shareholders of the Applicant;
  - (b) Papers and proceeding of the Company Summons for Directions No. 24 of 2016;
  - (c) Memorandum and Articles of Association of the Applicant Company, the Transferor Company No 1 and the Transferor Company No 2;
  - (d) Audited Financial Statements of the Applicant Company for last three financial years ended March 31, 2015, March 31, 2014 and March 31, 2013;
  - (e) Audited financial statement of the Transferor Company No 1 and the Transferor Company No 2 as on 31 March 2015;
  - (f) Register of Director's Shareholdings of the Applicant Company;
  - (g) Copy of the Observation Letters dated December 9, 2015 received from BSE and NSE;
  - (h) Copy of the Complaints Report dated November 18, 2015 filed with BSE and NSE;
  - (i) Valuation Report dated September 29, 2015 jointly issued by M/s BSR & Associate LLP and SSPA& Co., recommending the Share Entitlement Ratio for the amalgamation of Transferor Company No 1 and Transferor Company No 2 with Transferee Company; and
  - (j) Fairness Opinion dated September 29, 2015 issued by Axis Capital Limited, on the Share Entitlement Ratio.

11.8 A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at the Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai 400020, Maharashtra and/or at the Advocate appearing for the Applicant Company having its office at One Forbes, A wing, 3rd Floor No.1, Dr. V. B. Gandhi Marg, Fort (Lane next to Rhythem House, Kala Ghoda) Mumbai 400 001.

Satish Jamdar  
Chairman appointed for the meeting

Date : January 22, 2016  
Place : Mumbai  
CIN : L28920MH1949PLC006870

**Registered office:** Kasturi Buildings,  
Mohan T Advani Chowk, Jamshedji Tata Road,  
Mumbai- 400020, Maharashtra

**SCHEME OF AMALGAMATION**  
**COMPOSITE SCHEME OF AMALGAMATION**  
**(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND**  
**OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)**  
**OF**  
**BLUE STAR INFOTECH LIMITED**  
**AND**  
**BLUE STAR INFOTECH BUSINESS INTELLIGENCE & ANALYTICS PRIVATE LIMITED**  
**WITH**  
**BLUE STAR LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This composite scheme of amalgamation (herein after referred to as the “Scheme”) provides for:

- (a) The amalgamation of Blue Star Infotech Limited with Blue Star Limited pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable).
- (b) Subject to satisfactory fulfillment and accomplishment of (i) above, amalgamation of Blue Star Infotech Business Intelligence & Analytics Private Limited with Blue Star Limited pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable).

**DESCRIPTION OF THE TRANSFEROR COMPANIES AND THE TRANSFEREE COMPANY**

- (a) Blue Star Infotech Limited (“**Transferor Company No 1**”) was originally incorporated under the name “My-Own Computers Private Limited” on 04 September 1997 as a private limited company under the provisions of the Companies Act, 1956 and the said name was changed to “Blue Star Infotech Private Limited” vide certificate dated 13 July 1998. On 11 September, 1998 the company converted into public limited company pursuant to which the name of the company changed to “Blue Star Infotech Limited. Blue Star Infotech Limited is a public company, limited by shares, incorporated under Corporate Identity No. L72200MH1997PLC110459 and having its registered office at 8<sup>th</sup> Floor, The Great Oasis, Plot No. D-13, MIDC, Andheri (East) Mumbai 400093, Maharashtra and is *inter alia* engaged in the business of dealing in microprocessor based mini computers and data processing system and different types of software, calculators, electronic and electrical apparatuses, equipment, gadgets including mobility, cloud computing, analytics and business intelligence, product engineering, testing, package implementation, applications services and leasing of immovable property. The equity shares of the Transferor Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- (b) Blue Star Infotech Business Intelligence & Analytics Private Limited (“**Transferor Company No 2**”) and together with Transferor Company No 1, “**Transferor Companies**”) was originally incorporated under the name “Aethna Systems Private Limited” on 27 December 2006 as a private limited company under the provisions of the Companies Act, 1956. The name of the company was changed to “Activecubes India Private Limited” on 18 January, 2008. The said name was again changed to “Blue Star Infotech Business Intelligence & Analytics Private Limited” vide certificate dated 13 October, 2014. Blue Star Infotech Business Intelligence & Analytics Private Limited is a private company, limited by shares, incorporated under Corporate Identity No. U72200KA2006PTC041312 and having its registered office at 7, 18th Main Road, 7th Block, Koramangala, Bangalore, Karnataka and is *inter alia* engaged in the business of software and hardware design, development, manufacture, consultancy, system support and maintenance, distribution and maintenance of Information Technology related products and services, including but not limited to embedded and digital signal processing software, hardware and systems. The Transferor Company No 2 is a wholly owned subsidiary of the Transferor Company No 1. The Board of Directors and Shareholders of the Transferor Company No 2 had subject to approval of Appropriate Authority has approved the shifting of the present Registered Office of the Company to Mumbai in the State of Maharashtra.
- (c) Blue Star Limited (“**Transferee Company**”) was incorporated on 20th January, 1949 under the Indian Companies Act, 1913 as a Private Limited Company limited by shares in the name of Blue Star Engineering Company (Bombay) Private Limited and the said name was changed to Blue Star Private Limited on 23 June 1969. On 28<sup>th</sup> June 1969, the company converted into public limited company pursuant to which the name of the company changed to Blue Star Limited. Blue Star Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L28920MH1949PLC006870 and having its registered office at Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai 400 020, Maharashtra and is *inter alia* engaged in the business of central air conditioning and commercial refrigeration, plumbing and fire-fighting. The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.

## RATIONALE

The rationale for the proposed Scheme is, inter alia, as follows:

- (a) To integrate and consolidate the businesses of Transferor Company No 1 and Transferor Company No 2 in a single entity and consolidate resources and assets of all the Companies for optimal deployment and enhanced overall efficiencies.
- (b) To enable better and efficient management, control and running of the businesses to attain operational efficiencies, cost competitiveness, create synergies and capitalize on the growth opportunities to the fullest extent.
- (c) To channelize resources to focus and grow the core air conditioning and refrigeration business of the Blue Star.
- (d) Utilize capital for funding growth of Group's core business and improve returns to create long term sustainable value for all shareholders.
- (e) The proposed amalgamation and vesting of the Transferor Company No 1 and the Transferor Company No 2 into the Transferee Company, with effect from the Appointed Date, is in the interest of the shareholders, creditors, employees and other stakeholders, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

## SCOPE OF THE SCHEME

The Scheme provides for:

- (a) amalgamation of Transferor Company No 1 and the Transferor Company No 2 with Transferee Company and is presented pursuant to Section 391 to 394, other applicable provisions of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013.
- (b) (i) the cancellation of investments held by the Transferee Company in form of (a) equity shares in Transferor Company No 1 and (b) equity shares in Transferor Company No 2, (ii) issue of shares of Transferee Company to other shareholders of Transferor Company No 1 and (iii) the dissolution of Transferor Company No 1 and Transferor Company No 2 without winding-up.
- (c) various other matters consequential, supplemental and / or otherwise integrally connected therewith.

## GENERAL

This Scheme is divided into the following parts:

- (a) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital of the Transferor Company No 1, Transferor Company No 2 and the Transferee Company;
- (b) Part II of the Scheme deals with the amalgamation of the Transferor Company No 1 with the Transferee Company;
- (c) Part III of the Scheme deals with the amalgamation of the Transferor Company No 2 with the Transferee Company;
- (d) Part IV of the Scheme deals with the reorganization of share capital; and
- (e) Part V of the Scheme deals with the dissolution of the Transferor Companies and the general terms and conditions applicable to the Scheme.

### PART I

#### 1. DEFINITIONS AND INTERPRETATIONS

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

“**Act**” or “**the Act**” means the Companies Act, 1956, or as applicable, the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force.

“**Analytics Employees**” mean all the employees of Transferor Company No 2 as on the Effective Date.

“**Analytics Business**” means the business of providing information technology, software development and consulting services conducted by Transferor Company No 2.

“**Analytics BTA**” means the business transfer agreement dated 29 September, 2015 entered into between the Transferor Company No 2 and the Transferor Company No 1 pertaining to the transfer of the Analytics Business to Transferor Company No 1 on a going concern and "as-is-where-is" basis, including the assets and liabilities, for a lump sum consideration without assigning value to individual assets and liabilities and subject to the terms, conditions and provisions set forth thereunder (“**Analytics Business Transaction**”).

“**Analytics Undertaking**” shall mean and include the entire business, all the undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company No 2, on a going concern basis, together with all its assets, rights, licenses and liabilities and shall include (without limitation):

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including but not limited to manufacturing facilities, land (whether leasehold or freehold), plant and machinery, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, vehicles, office equipment, computers, appliances, accessories, power lines, stocks and inventory, leasehold assets and other properties, guesthouses, godowns, warehouses, cash in hand, amounts lying in the banks to the credit of the Transferor Company No 2, investments of all kinds (including shares, scrips, stocks, bonds, debentures stocks, units, or securities of all kind and nature), claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses and approvals of whatsoever nature including but not limited to benefits of tax exemptions/benefits and/or exemption entitlements, all tax holiday, tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax credit (“MAT”), etc. and under indirect taxes such as CENVAT credit, and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company No 2 as on the Appointed Date;
- (b) all agreements, rights, contracts (including but not limited to agreements with respect to immoveable and movable properties being used by the Transferor Company No 2 by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals & exemptions and benefits, subsidies, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme does not take place, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company No 2 and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company No 2 business activities and operations and that may be required to carry on the operations of the Transferor Company No 2;
- (c) amounts claimed by the Transferor Company No 2 whether or not so recorded in the books of account of the Transferor Company No 2 from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;
- (d) all other obligations of whatsoever kind, including liabilities of the Transferor Company No 2 with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
- (e) all Analytics Employees engaged by the Transferor Company No 2 at various locations;
- (f) all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company No 2 as on the Appointed Date;
- (g) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company No 2; and
- (h) right to any claim not preferred or made by the Transferor Company No 2 in respect of any refund of tax, duty, cess or other charge, including erroneous or excess payment thereof made by the Transferor Company No 2 and any interest thereon, with regard to any Applicable Law, act or rule or Scheme made by the Appropriate Authority, and in respect of set-off, carry forward and unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under Income-tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or outside India.

“**Applicable Law**” means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority in India, including any statutory modification or re-enactment thereof for the time being in force.

**“Appointed Date”** means 1 April 2015 or such other date as may be agreed by the Transferor Company No 1, Transferor Company No 2 and the Transferee Company and approved by the High Court(s) or directed by or imposed by the High Court(s).

**“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including but not limited to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Competition Commission of India, National Company Law Tribunal (to be constituted under the Companies Act, 2013), Reserve Bank of India and the High Court(s).

**“Articles of Association”** means the articles of association of a company.

**“Board”** in relation to the Transferor Company No 1, Transferor Company No 2 and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto.

**“BSE”** means the BSE Limited.

**“BSIL Trust”** means the trust settled by Transferor Company No 1 for the purpose of implementation of the Transferor Company No 1 ESOP.

**“IT Business Transaction”** means:

- (a) the transfer of the IT Business of Transferor Company No 1 in India (which will include the Analytics Business of Transferor Company No 2 on completion of the Analytics Business Transaction in accordance with the Analytics BTA) as a going concern by way of a slump sale to the Purchaser pursuant to the Business Transfer Agreement dated 29 September 2015 entered into between the Transferor Company No 1 and the Purchaser; and
- (b) the transfer of 100% of the share capital of each of Blue Star Infotech America Inc., Blue Star Infotech (UK) Limited and Blue Star Infotech (Singapore) Pte Ltd, respectively, to the Second Purchaser pursuant to Share Purchase Agreements dated 29 September 2015 entered into between the Transferor Company No 1 and the Second Purchaser;

**“Effective Date”** means the date on which the certified or authenticated copy of the order sanctioning the Scheme passed by the High Court(s) or any other appropriate authority, as the case maybe, is/are filed with the relevant Registrar of Companies having jurisdiction. Any references in this Scheme to the date of “coming into effect of this Scheme” or upon the Scheme becoming effective” or “effectiveness of this Scheme” shall mean the Effective Date.

**“Eligible Employees”** means the employees of Transferor Company No 1 to whom options have been granted under the Transferor Company No 1 ESOP.

**“Employees”** mean all the employees of the Transferor Company No 1 as on the Effective Date.

**“High Court(s)”** means the High Court having jurisdiction over the Parties. It is hereby clarified that in the event that the provisions of the Companies Act, 2013 pertaining to scheme(s) of arrangement(s) become applicable and effective for the purposes of this Scheme, all reference to the High Court(s) shall be deemed to include reference to the National Company Law Tribunal to be constituted under the Companies Act, 2013.

**“IT Business”** means **the business of providing information technology, software development and consulting services conducted by Transferor Company No 1.**

**“Memorandum”** means memorandum of association of a company.

**“NSE”** means the National Stock Exchange of India Limited.

**“Parties”** means the Transferor Company No 1, Transferor Company No 2 and the Transferee Company, collectively.

**“Party”** means the Transferor Company No 1 or the Transferor Company No 2 or the Transferee Company, individually.

**“Purchaser”** means Infogain India Private Limited having its registered office at I-25 Jangpura Extension, New Delhi 110014.

**“Record Date”** shall be the date or dates to be fixed by the Board of the Transferee Company for the purpose of determining the names of the equity shareholders of the Transferor Company No 1 for issue of shares of the Transferee Company pursuant to this Scheme.

**“Scheme”, “the Scheme”, “this Scheme”** means this composite scheme of amalgamation in its present form or as modified by an agreement between the Parties, submitted to the High Court(s) or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court(s) or any other Appropriate Authority may direct.

**“SEBI”** means the Securities and Exchange Board of India.



**“Second Purchaser”** means Infogain Corporation, a company incorporated under the laws of USA having its office at 485 Alberto Way, Los Gatos CA 95032, USA.

**“Stock Exchanges”** means BSE and NSE, as may be applicable.

**“Transferee Company”** means Blue Star Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L28920MH1949PLC006870 and having its registered office at Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai 400 020, Maharashtra.

**“Transferor Company No 1 ESOP”** means the employees stock option scheme established by Transferor Company No 1 titled “Blue Star Infotech Employees Stock Option Scheme, 2003 (Amended 2011) (Revised 2015)”.

**“Transferor Company No 1”** means Blue Star Infotech Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L72200MH1997PLC110459 and having its registered office at 8<sup>th</sup> Floor, The Great Oasis, Plot No. D-13, MIDC, Andheri (East) Mumbai 400093, Maharashtra.

**“Transferor Company No 2”** means Blue Star Infotech Business Intelligence & Analytics Private Limited, a private company, limited by shares, incorporated under Corporate Identity No. U72200KA2006PTC041312 and having presently its registered office at 7, 18th Main Road, 7th Block, Koramangala, Bangalore, Karnataka. The Board of Directors and Shareholders of the Transferor Company No 2 had subject to approval of Appropriate Authority has approved the shifting of the present Registered Office of the Company to Mumbai in the State of Maharashtra.

**“Transferor Companies”** means the Transferor Company No 1 and the Transferor Company No 2, collectively.

**“Undertaking”** shall mean and include the entire business, all the undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company No 1, on a going concern basis, together with all its assets, rights, licenses and liabilities and shall include (without limitation):

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including but not limited to manufacturing facilities, land (whether leasehold or freehold), plant and machinery, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, vehicles, office equipment, computers, appliances, accessories, power lines, stocks and inventory, leasehold assets and other properties, guesthouses, godowns, warehouses, cash in hand, amounts lying in the banks to the credit of the Transferor Company No 1, investments of all kinds (including shares, scrips, stocks, bonds, debentures stocks, units, or securities of all kind and nature), claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses and approvals of whatsoever nature including but not limited to benefits of tax exemptions/benefits and/or exemption entitlements, all tax holiday, tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, MAT credit, etc. and under indirect taxes such as CENVAT credit, and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company No 1 as on the Appointed Date;
- (b) all agreements, rights, contracts (including but not limited to agreements with respect to immoveable and movable properties being used by the Transferor Company No 1 by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals & exemptions and benefits, subsidies, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme does not take place, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company No 1 and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company No 1 business activities and operations and that may be required to carry on the operations of the Transferor Company No 1;
- (c) amounts claimed by the Transferor Company No 1 whether or not so recorded in the books of account of the Transferor Company No 1 from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

- (d) all other obligations of whatsoever kind, including liabilities of the Transferor Company No 1 with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
- (e) all Employees engaged by the Transferor Company No 1 at various locations;
- (f) all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company No 1 as on the Appointed Date;
- (g) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company No 1; and
- (h) right to any claim not preferred or made by the Transferor Company No 1 in respect of any refund of tax, duty, cess or other charge, including erroneous or excess payment thereof made by the Transferor Company No 1 and any interest thereon, with regard to any Applicable Law, act or rule or Scheme made by the Appropriate Authority, and in respect of set-off, carry forward and unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under Income- tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or outside India.

1.2 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income-tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.3 In this Scheme, unless the context otherwise requires:

- 1.3.1 words denoting singular shall include plural and vice versa;
- 1.3.2 reference in the Scheme to “coming into effect of this Scheme” or “upon scheme becoming effective” shall mean from the Effective Date;
- 1.3.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.3.4 references to the word “include” or “including” shall be construed without limitation;
- 1.3.5 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.3.6 unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 1.3.7 references to dates and times shall be construed to be references to Indian dates and times;
- 1.3.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.3.9 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 1.3.10 references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

## 2. SHARE CAPITAL

2.1 The share capital of the Transferor Company No 1 as on 31 March 2015 is as under:

<b>Authorised Share Capital</b>	<b>Amount (Rs)</b>
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
<b>Total</b>	<b>20,00,00,000</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>	<b>Amount (Rs)</b>
1,08,00,000 Equity Shares of Rs. 10 each	10,80,00,000
<b>Total</b>	<b>10,80,00,000</b>

The equity shares of the Transferor Company No 1 are listed on BSE and NSE. Subsequent to 31 March 2015 as on the date of the Scheme being approved by the Board of Directors of the Transferor Company No 1 there is no change in authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No 1.

2.2 The share capital of the Transferor Company No 2 as on 31 March 2015 is as under:

<b>Authorised Share Capital</b>	<b>Amount (Rs)</b>
69,80,000 Equity Shares of Rs. 10 each	6,98,00,000
5,20,000 Cumulative Compulsorily Convertible Preference shares of Rs. 10 each	52,00,000
<b>Total</b>	<b>7,50,00,000</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>	<b>Amount (Rs)</b>
50,74,551 Equity Shares of Rs. 10 each	5,07,45,510
<b>Total</b>	<b>5,07,45,510</b>

Subsequent to 31 March 2015 as on the date of the Scheme being approved by the Board of Directors of the Transferor Company 2 there is no change in authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No 2.

2.3 The share capital of the Transferee Company as on 31 March 2015 is as under:

<b>Authorised Share Capital</b>	<b>Amount (Rs)</b>
10,000 7.8% Cumulative Convertible Preference Shares of Rs. 100 each	10,00,000
14,87,00,000 Equity Shares of Rs. 2 each	29,74,00,000
16,000 Unclassified Shares of Rs. 100 each	16,00,000
<b>Total</b>	<b>30,00,00,000</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>	<b>Amount in (Rs)</b>
8,99,36,105 Equity Shares of Rs. 2 each	17,98,72,210
<b>Total</b>	<b>17,98,72,210</b>

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to 31 March 2015 as on the date of the Scheme being approved by the Board of Directors of the Transferee Company there is no change in authorized, issued, subscribed and paid-up equity share capital of the Transferee Company.

2.4 Date of taking effect and operative date

The Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the High Court(s), or made as per Clause 21 of the Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

## PART II

### 3. AMALGAMATION OF THE TRANSFEROR COMPANY NO 1 WITH THE TRANSFEE COMPANY

3.1 Upon the Scheme becoming effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertaking, the Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the Transferor Company No 1 or any part thereof. Provided however, any reference in any security documents or arrangements to which the Transferor Company No 1 is a party and under which the assets of the Transferor Company No 1 stand offered as security for any financial assistance or obligation, shall be construed as reference to the assets pertaining to the Undertaking of the Transferor Company No 1 only as are vested in the Transferee Company by virtue of this Scheme. Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company No 1, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 of the Act in respect of this Scheme, the Transferee Company shall at all times be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including all the immovable properties) of the Transferor Company No 1 in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other Appropriate Authority, where any such property is situated.

- 3.2 With respect to the assets forming part of the Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company No 1 without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.
- 3.3 With respect to the assets of the Undertaking other than those referred to in Clause above, the same 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 Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company No 1 and all the rights, title and interests of the Transferor Company No 1 in any leasehold properties in relation to the Undertaking shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties of the Undertaking, the Transferee Company will enter into novation agreements, if it is so required.
- 3.4 Without prejudice to the aforesaid, upon the Scheme coming into effect and with effect from the Appointed Date, the Undertaking, including all immovable property (including but not limited to the land, buildings, offices, factories, sites and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company No 1, whether freehold or leasehold (including but not limited to land, buildings, factories, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company No 1, without any act or deed to be done or executed by the Transferor Company No 1 and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the ownership or the title to, or interest in the immovable properties shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court(s) and upon the Scheme being effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company No 1 and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.
- Notwithstanding any provision to the contrary, upon the Effective Date and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Transferor Company No 1 under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record of such transactions.
- 3.5 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme and in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company No 1, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company No 1, be transferred to and vest in Transferee Company.
- 3.6 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements (including the agreements relating to the IT Business Transaction) and other instruments of whatsoever nature to which the Transferor Company No 1 is a party to or beneficiary of, subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto or beneficiary thereof. The Transferee Company will, if required, enter into a novation agreement in relating to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company No 1 on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon coming into effect of this Scheme.
- 3.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme, 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 otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company No 1 is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. 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 No 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company No 1, to be carried out or performed.
- 3.8 In so far as the various incentives, tax exemption and benefits, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Transferor Company No 1 are concerned as on the Appointed Date, including income tax benefits and exemptions, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Effective Date.
- 3.9 Upon coming into effect of this Scheme, all debts, liabilities, duties and obligations (including those under the agreements and documents relating to the IT Business Transaction) of the Transferor Company No 1 shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the

Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company No 1 and it shall not be necessary to obtain the consent of any person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.10 (a) All debts, liabilities, duties and obligations of the Transferor Company No 1 as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of the Transferor Company No 1 which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Transferee Company.
- (b) Where any of the liabilities and obligations attributed to the Transferor Company No 1 on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been, for and on behalf of the Transferee Company. Where after the Appointed Date and prior to the Effective Date, the Transferor Company No 1 has taken any further loans, liabilities or obligations, such further loans, liabilities or obligations shall also be deemed to have been, for and on behalf of the Transferee Company, and the Transferee Company will assume liability for the same.
- (c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, the Transferor Company No 1 and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Maharashtra at Mumbai to give formal effect to the above provisions.
- (d) If and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company No 1 and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company No 1 and the Transferee Company, from the Appointed Date.
- (e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company No 1 and the Transferee Company from the Appointed Date.
- (f) Any tax liabilities under the Income-tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Company No 1 operates, Central Sales Tax Act, 1956, any other State's sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes / duties / levies / cess (hereinafter referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Company No 1's accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company.
- (g) Any refund under the Tax Laws due to the Transferor Company No 1 consequent to the assessment and which have not been received by the Transferor Company No 1 as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- (h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company No 1 is entitled to in terms of the applicable Tax Laws of the Union and State Governments, including but not limited to advances recoverable in cash or kind or for value, and deposits with any government/other authority or any third party/entity, shall be available to and vest in the Transferee Company.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc, the Transferor Company No 1 shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court(s) having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company No 1 to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.11 Without prejudice to the provisions of this Scheme, upon this Scheme coming into effect, all inter-party transactions between the Transferor Company No 1 and the Transferee Company shall be considered as intra-party transactions for all purposes, from the Appointed Date.

3.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company No 1 and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company No 1 in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company No 1 to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

- 3.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company No 1 would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company No 1 in the name of the Transferor Company No 1 in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company No 1 after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company No 1 for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company No 1. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company No 1 in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company No 1 shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of the Scheme.
- 3.14 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 including as a result of an amendment of law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification(s) will however not affect the other parts of the Scheme.
- 3.15 Upon coming into effect of this Scheme, the borrowing limits of the Transferor Company No 1 in terms of Section 180 (1) (c) of the Act shall be deemed without any further act or deed to have been enhanced by the borrowing limits approved for Transferee Company by the Board of Directors of 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. PERMITS, CONSENTS AND LICENSES**

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company No 1, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company No 1 and under the relevant license and or permit and / or approval, as the case may be, and the Transferee Company shall keep a record of such transactions.

#### **5. EMPLOYEES**

- 5.1 Upon the Scheme coming into effect, all Employees of the Transferor Company No 1 in service on the Effective Date, shall deemed to have become the employees of the Transferee Company with effect from the Appointed Date or their respective joining date, or whichever is later, on the same terms and conditions on which they are engaged by the Transferor Company No 1 without any interruption of service as a result of the amalgamation of the Transferor Company No 1 with the Transferee Company. The Transferee Company agrees that the services of all such Employees with the Transferor Company No 1 prior to the amalgamation of the Transferor Company No 1 with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible. It is hereby clarified that the accumulated balances, if any, standing to the credit of the Employees in the existing provident fund, gratuity fund and superannuation fund of which the Employees of Transferor Company No 1 are members shall be transferred, subject to applicable laws, to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the appropriate authorities, by the Transferee Company. The accumulated balances, if any, standing to the credit of the former employees of Transferor Company No 1 in the existing provident fund of Transferor Company No 1 shall be transferred to the account of the relevant provident fund authorities (including the Regional Provident Fund Commissioner having jurisdiction).
- 5.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company No 1 would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company No 1.
- 5.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, subject to applicable laws, the existing trusts created for such funds by the Transferor Company No 1 shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the Employees of the Transferor Company No 1 will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.
- 5.4 Without prejudice to the aforesaid, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company No 1.

## 6. EMPLOYEES STOCK OPTION

- 6.1 Upon the Scheme becoming effective, the vesting of the options granted under the Transferor Company No 1 ESOP shall accelerate, in accordance with the provisions of Transferor Company No 1 ESOP.
- 6.2 The Eligible Employees holding options (accelerated pursuant to Clause 6.1 above) shall be required to exercise such options within a period of 90 (ninety) days from the Effective Date.
- 6.3 Upon exercise of the options by the Eligible Employees under Clause 6.1, the BSIL Trust shall transfer fully paid up equity shares of the Transferee Company in accordance with the following manner:
- For every 10 (Ten) option(s) held under Transferor Company No 1 ESOP, the BSIL Trust shall transfer 7(Seven) fully paid up equity shares of Rs. 2 (Rupees Two) each of the Transferee Company.
- 6.4 No fractional shares shall be transferred by the BSIL Trust to the Eligible Employees in respect of fractional entitlements, if any, by the BSIL Trust, to which the Eligible Employee may be entitled on exercising of options (accelerated pursuant to Clause 6.1 above). Any fraction arising on transfer of shares by the BSIL Trust as above shall be rounded off to the next integer.
- 6.5 In the event that the Eligible Employees fail to exercise the options in accordance with Clause 6.2 above within 90 (ninety) days from the Scheme becoming effective, the options vested shall lapse.
- 6.6 Immediately upon expiry of 90 (ninety) days from the Effective Date, the Nomination and Remuneration Committee of Transferee Company and / or the BSIL Trust may sell the shares of the Transferee Company that continue to be held by the BSIL Trust in the event of failure of the Eligible Employees to exercise the options granted in accordance with Clause 6.2 (“**Unexercised Shares**”).
- 6.7 The sale proceeds received by the Trust from sale of Unexercised Shares shall be transferred to the Transferee Company and the BSIL Trust shall stand dissolved.

## 7. LEGAL PROCEEDINGS

- 7.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called “the **Proceedings**”) by or against the Transferor Company No 1 be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company 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 No 1 as if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company No 1.
- 7.2 The transfer and vesting of the Undertaking under the Scheme and the continuation of the proceedings by or against the Transferee Company under Clause 7.1 above shall not affect any transaction or proceeding already completed by the Transferee Company on and after the Appointed Date and till the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company No 1 as acts, deeds and things done and executed by and on behalf of the Transferee Company.

## 8. CONSIDERATION

- 8.1 Upon the Scheme becoming effective and in consideration of the amalgamation of the Transferor Company No 1 into the Transferee Company, including the transfer and vesting of the Undertaking in the Transferee Company, the Transferee Company shall, without any further act, deed, issue and allot 7 (Seven) fully paid up equity shares of Rs. 2 (Rupees Two Only) each of the Transferee Company each credited as fully paid up for every 10 (Ten) fully paid up equity shares of Rs. 10 (Rupees Ten Only) to each member of the Transferor Company No 1, (other than the Transferee Company and its nominees) whose name is recorded in the register of members of the Transferor Company No 1 and whose names appear as the beneficial owners of the shares of the Transferor Company No 1 in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives, or successors in title as may be recognized by the Board of Directors of the Transferee Company), as on the Record Date in accordance with the terms of the Scheme (“**New Equity Shares**”). The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company No 1 is hereinafter referred to as the “**Share Exchange Ratio**”.]
- 8.2 The New Equity Shares issued and allotted in terms of Clause 8.1 above shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading as on the Effective Date, including the Stock Exchanges. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws or regulations for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange(s). The New Equity Shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu in all respects with the then existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.

- 8.3 In case any shareholder's holding in the Transferor Company No 1 is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- 8.4 The Transferee Company shall apply for listing of the New Equity Shares issued in terms of Clause 8.1 above on the Stock Exchanges in terms of the Applicable Law, upon the receipt of the order of High Court(s) and in compliance of the Applicable Law.
- 8.5 Unless otherwise determined by the Board of the Transferee Company, the allotment of New Equity Shares in terms of Clause 8.1 shall be done within the prescribed statutory period from the Effective Date.
- 8.6 The New Equity Shares to be issued pursuant to this Scheme by the Transferee Company in respect of the equity shares of Transferor Company No 1 which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of High Court(s) or otherwise, be held in abeyance by Transferee Company.
- 8.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company No 1, the Board of the Transferee Company at its sole discretion, shall be empowered in appropriate cases, prior to or even after the Record Date, as the case may be, to effectuate such a transfer in the Transferor Company No 1 as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
- 8.8 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Company No 1 as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Sections 62 of the Companies Act, 2013 and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 8.9 Upon coming into effect of this Scheme and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company No 1, both in dematerialized form and in physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company No 1, directly issue and dispatch the new share certificates of the Transferee Company.
- 8.10 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company No 1 in dematerialized form, provided all details relating to their accounts with the depository participants are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company No 1 in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.
- 8.11 The Transferee Company shall obtain prior approval of Appropriate Authorities before issuing New Equity Shares to non-resident shareholders of the Transferor Company No 1, if required under the Applicable Law.

### **PART III**

#### **9. AMALGAMATION OF THE TRANSFEROR COMPANY NO 2 WITH THE TRANSFEE COMPANY**

- 9.1 Subject to satisfactory fulfillment and accomplishment of Part II above, upon Scheme becoming effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Analytics Undertaking, the Analytics Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the Transferor Company No 2 or any part thereof. Provided however, any reference in any security documents or arrangements to which the Transferor Company No 2 is a party and under which the assets of the Transferor Company No 2 stand offered as security for any financial assistance or obligation, shall be construed as reference to the assets pertaining to the Analytics Undertaking of the Transferor Company No 2 only as are vested in the Transferee Company by virtue of this Scheme. Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company No 2, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under



the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 of the Act in respect of this Scheme, the Transferee Company shall at all times be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including all the immovable properties) of the Transferor Company No 2 in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other Appropriate Authority, where any such property is situated.

- 9.2 With respect to the assets forming part of the Analytics Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company No 2 without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.
- 9.3 With respect to the assets of the Analytics Undertaking other than those referred to in Clause 9.2 above, the same 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 Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company No 2 and all the rights, title and interests of the Transferor Company No 2 in any leasehold properties in relation to the Analytics Undertaking shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties of the Analytics Undertaking, the Transferee Company will enter into novation agreements, if it is so required.
- 9.4 Without prejudice to the aforesaid, upon the Scheme coming into effect and with effect from the Appointed Date, the Analytics Undertaking, including all immovable property (including but not limited to the land, buildings, offices, factories, sites and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company No 2, whether freehold or leasehold (including but not limited to land, buildings, factories, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company No 2, without any act or deed to be done or executed by the Transferor Company No 2 and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the ownership or the title to, or interest in the immovable properties shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court(s) and upon the Scheme being effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company No 2 and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.
- Notwithstanding any provision to the contrary, upon the Effective Date and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Transferor Company No 2 under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record of such transactions.
- 9.5 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme and in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company No 2, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company No 2, be transferred to and vest in Transferee Company.
- 9.6 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements including the Analytics BTA and other instruments of whatsoever nature to which the Transferor Company No 2 is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into a novation agreement in relating to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company No 2 on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon coming into effect of this Scheme.
- 9.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Analytics Undertaking occurs by virtue of this Scheme, 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 otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company No 2 is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. 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 No 2 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company No 2, to be carried out or performed.

- 9.8 In so far as the various incentives, tax exemption and benefits, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Transferor Company No 2 are concerned as on the Appointed Date, including income tax benefits and exemptions, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Effective Date.
- 9.9 Upon coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Company No 2 shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company No 2 and it shall not be necessary to obtain the consent of any person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- 9.10 (a) All debts, liabilities, duties and obligations of the Transferor Company No 2 as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of the Transferor Company No 2 which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Transferee Company.
- (b) Where any of the liabilities and obligations attributed to the Transferor Company No 2 on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been, for and on behalf of the Transferee Company. Where after the Appointed Date and prior to the Effective Date, the Transferor Company No 2 has taken any further loans, liabilities or obligations, such further loans, liabilities or obligations shall also be deemed to have been, for and on behalf of the Transferee Company, and the Transferee Company will assume liability for the same.
- (c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, the Transferor Company No 2 and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies having jurisdiction, to give formal effect to the above provisions.
- (d) If and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company No 2 and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company No 2 and the Transferee Company, from the Appointed Date.
- (e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company No 2 and the Transferee Company from the Appointed Date.
- (f) Any tax liabilities under the Income-tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Company No 2 operates, Central Sales Tax Act, 1956, any other State's sales tax / value added tax laws, or service tax, or corporation tax, or other Tax Laws to the extent not provided for or covered by tax provision in the Transferor Company No 2's accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company.
- (g) Any refund under the Tax Laws due to the Transferor Company No 2 consequent to the assessment and which have not been received by the Transferor Company No 2 as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- (h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company No 2 is entitled to in terms of the applicable Tax Laws of the Union and State Governments, including but not limited to advances recoverable in cash or kind or for value, and deposits with any government/other authority or any third party/entity, shall be available to and vest in the Transferee Company.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc, the Transferor Company No 2 shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court(s) having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company No 2 to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 9.11 Without prejudice to the provisions of this Scheme, upon this Scheme coming into effect, all inter-party transactions between the Transferor Company No 2 and the Transferee Company shall be considered as intra-party transactions for all purposes, from the Appointed Date.
- 9.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company No 2 and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company No 2 in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company No 2 to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 9.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company No 2 would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company No 2 in the name of the Transferor Company No 2 in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company No 2 after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company No 2 for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company No 2. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company No 2 in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company No 2 shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of the Scheme.
- 9.14 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 including as a result of an amendment of law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification(s) will however not affect the other parts of the Scheme.
- 9.15 Upon coming into effect of this Scheme, the borrowing limits of the Transferor Company No 2 in terms of Section 180 (1) (c) of the Act shall be deemed without any further act or deed to have been enhanced by the borrowing limits approved for Transferee Company by the Board of Directors of 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.

## **10. PERMITS, CONSENTS AND LICENSES**

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company No 2, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company No 2 and under the relevant license and or permit and / or approval, as the case may be, and the Transferee Company shall keep a record of such transactions.

## **11. ANALYTICS EMPLOYEES**

- 11.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company undertakes to engage all the Analytics Employees of the Transferor Company No 2 on the same terms and conditions on which they are engaged by the Transferor Company No 2 without any interruption of service as a result of the amalgamation of the Transferor Company No 2 with the Transferee Company. The Transferee Company agrees that the services of all such Analytics Employees with the Transferor Company No 2 prior to the amalgamation of the Transferor Company No 2 with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Analytics Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Analytics Employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Analytics Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company No 2.
- 11.2 It is clarified that save as expressly provided for in this Scheme, the Analytics Employees who become the employees of the

Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Transferor Company No 2 with any union / employee of the Transferor Company No 2.

## **12. LEGAL PROCEEDINGS**

- 12.1 If any Proceedings by or against the Transferor Company No 2 be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Analytics Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferor Company No 2 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 No 2 as if the Scheme had not been made. On and from the Effective Date, the Transferor Company No 2 may initiate any legal proceeding for and on behalf of the Transferor Company No 2.
- 12.2 The transfer and vesting of the Analytics Undertaking under the Scheme and the continuation of the proceedings by or against the Transferee Company under Clause 12.1 above shall not affect any transaction or proceeding already completed by the Transferee Company on and after the Appointed Date and till the Effective Date to the end and intent that the Transferee Company accepts all 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.

## **13. CONSIDERATION**

Upon coming into effect of this Scheme, and pursuant to Part II, the Transferee Company and its nominee holding 100% of the equity share capital of the Transferor Company No 2, equity shares of the Transferor Company No 2 held directly by the Transferee Company shall be deemed to be cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.

## **PART IV**

### **REORGANIZATION OF THE SHARE CAPITAL OF THE TRANSFEE COMPANY**

## **14. COMBINATION OF AUTHORISED CAPITAL**

- 14.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Companies will get amalgamated with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 14.2 The existing capital clause contained in the Memorandum and Articles of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as set out below:

*"The Authorised Share Capital of the Company is Rs. 57,50,00,000 (Rupees Fifty Seven Crore and Fifty Lakhs only) divided into (a) 28,36,00,000 Equity Shares of Rs. 2/- each, (b) 5,20,000 Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each (c) 6,000 7.8% tax free Cumulative Preference Shares of Rs. 100/- each with rights as mentioned in Articles of 4(ii) and 5(i) of the Articles of Association of the Company; (d) 4,000 7.8% tax free Cumulative Preference Shares of Rs. 100/- each with rights as mentioned in Articles of 4(ii) and 5(ii) of the Articles of Association of the Company; (e) 16,000 Unclassified Shares of Rs. 100/- each with the rights, privileges and conditions attached there to as are provided by the Articles of Association of the Company for time being with power to increase modify and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and attach thereto respectively such preferential, deferred qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or aggregate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."*

- 14.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the applicable provision of the Companies Act, 1956.

## **PART V**

### **GENERAL PROVISIONS AND DISSOLUTION OF THE TRANSFEROR COMPANIES**

## **15. DIVIDENDS**

- 15.1 The Transferor Company No 1, Transferor Company No 2 and the Transferee Company shall be entitled to pay dividends, whether interim or final, that have already been announced or are in ordinary course, to their respective shareholders in respect of the

accounting period ending [31 March 2015] consistent with the past practice. No further dividends can be recommended/ declared by the Transferor Companies. Any further dividend recommended/ declared by the Transferee Company would make provisions for such dividend payment on the additional shares to be issued pursuant to the Scheme.

- 15.2 On and from the Effective Date, the profits of the Transferor Companies, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 15.3 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and/or the Transferee Company, as the case may be.

## **16. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF THE TRANSFEEE COMPANY**

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

- 16.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of account with effect from the Appointed Date.
- 16.2 The Amalgamation of the Transferor Companies shall be accounted for in the books of accounts of the Transferee Company as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India, as notified under Section 133 of the Companies Act, 2013.
- 16.3 The investments held by the Transferee Company in Transferor Company, if any shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 16.4 The Transferee Company shall record issuance of Shares at fair value pursuant to Clause 8.1 .
- 16.5 In case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 16.6 All inter-corporate deposits, loans, investments and advances, outstanding balances or other obligations between the Transferor Companies and the Transferee Company shall be cancelled and there shall be no further obligation/ outstanding in that behalf.

## **17. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEEE COMPANY**

Unless otherwise stated hereunder or unless as may be required to comply with the terms of the IT Business Transaction and / or the Analytics BTA, with effect from the Appointed Date and up to and including the Effective Date:

- 17.1 The Transferor Companies shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Undertaking / Analytics Undertaking 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 Undertaking / Analytics Undertaking with utmost prudence until the Effective Date.
- 17.2 With effect from the date of the Board meeting of the Transferee Company and the Transferor Companies approving the Scheme and up to and including the Effective Date, the Transferor Companies shall preserve and carry on its business 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 the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any 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 (i) in the ordinary course of business, or (ii) pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies, or (iii) to implement any action approved / taken by the Transferor Companies but yet to be implemented, or (iv) pursuant to the IT Business Transaction . Save and except any matters being undertaken (i) in the ordinary course of business, or (ii) pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies, or (iii) to implement any action approved / taken by the Transferor Companies but yet to be implemented, or (iv) pursuant to the IT Business Transaction and / or the Analytics BTA, a matter may be undertaken by the Transferor Companies or the Transferee Company, only with the prior written consent of any of the persons authorised by the Board of the Transferor Companies or the Transferee Company.
- 17.3 All the profits and income accruing or arising to the Transferor Companies and losses, costs, charges, expenditure arising or incurred by the Transferor Companies (including taxes, if any, accruing or paid in relation to any profits or income) shall, for all purposes, be treated and be deemed to be and accrue as the profits, income, losses, MAT Credit, costs, charges or expenditure (including taxes), as the case may be, of the Transferee Company.

- 17.4 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, undertake, other than in accordance with the IT Business Transaction and / or the Analytics BTA, (i) any material decision in relation to its business and affairs and operations; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities.
- 17.5 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not vary the terms and conditions of employment of any of its employees, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to such date.
- 17.6 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not, without the prior written approval of any of persons authorised by the Board of the Transferee Company, make any change in its capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division, consolidation or re-organisation, or in any other manner.
- 17.7 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferee Company 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.
- 17.8 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.
- 17.9 Notwithstanding anything stated in this Scheme, upon the Scheme becoming effective, and if required, the Transferee Company is authorized to execute all such deeds and documents, whatsoever, that may be required and / or ought to have been executed by the Transferor Companies, as if the Transferor Companies were in existence.

#### **18. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon coming into effect of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of the Transferee Company and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **19. DISSOLUTION OF THE TRANSFEROR COMPANIES**

Upon this Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up and without any further act by the parties to the Scheme. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the relevant Registrar of Companies.

#### **20. APPLICATIONS/PETITIONS TO THE HIGH COURT(S) AND APPROVALS**

- 20.1 The Transferor Companies and the Transferee Company shall dispatch, make and file all applications and petitions under Sections 391 to 394 and other applicable provisions of the Act before the High Court(s) for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Companies without being wound up.
- 20.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company may require to own the Undertaking and Analytics Undertaking and to carry on the business of the Transferor Companies.

#### **21. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 21.1 The Transferor Companies and the Transferee Company, through their respective Boards or such other person or persons, as the respective Boards may authorize, including any committee or sub-committee thereof may, in their full and absolute discretion, make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations: (i) which the respective Boards of the Transferor Companies and the Transferee Company or any other person or persons, committee or sub-committee which the respective Board may authorize, as the case may be, deem fit, (ii) which the High Court(s), Stock Exchanges(s), SEBI and any other Appropriate Authority may deem fit to suggest / impose / direct, and (iii) effect any other modification or amendment which the High Court(s) and any other Appropriate Authority may consider necessary or desirable and give such directions as they

may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme, 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 or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Companies or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

21.2 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 the Transferee Company 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 difficulty 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.

22. Upon coming into effect of this Scheme, the Transferee Company shall be entitled to file / revise its Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax under Section 115JB of the Income-tax Act, 1961, credit of Tax Deducted at Source, credit of foreign tax paid/ withheld, etc., if any, as may be required consequent to the implementation of the Scheme.

23. The Transferee Company 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 the Transferee Company may require to carry on the business of the Transferor Companies.

#### 24. **CONDITIONS PRECEDENT**

24.1 The Scheme is conditional on and subject to:

- (a) Consummation of the IT Business Transaction;
- (b) Consummation of the Analytics Business Transaction in terms of and in accordance with the Analytics BTA;
- (c) the sanction or approval of the Competition Commission of India and other sanctions and approvals (as may be required by law) in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- (d) approval of the Scheme by the requisite majority of each class of members of the Transferor Companies and the Transferee Company, as required under the Act and as may be directed by the High Court(s);
- (e) the sanctions and order of the High Court(s), under Sections 391 to 394 of the Act, being obtained by the Transferor Companies and the Transferee Company;
- (f) the Parties complying with other provisions of the listing agreement and / or Applicable Law.
- (g) The Scheme being approved by shareholders of Transferee Company and Transferor Company No 1 passed by way of postal ballot/e-voting in terms of para 5.16 of Circular Number CIR/CFD/DIL/5/2013 dated February 4th, 2013 issued by Securities and Exchange Board of India read with para 7 of Circular Number CIR/CFD/DIL/8/2013 dated 21st May, 2013 issued by Securities and Exchange Board of India; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of Transferee Company and Transferor Company No 1 in favour of the proposal are more than the number of votes cast by the public shareholders against it;
- (h) requisite approval / no objection certificates from the Appropriate Authority(ies) required under Applicable Law, being obtained pursuant to the Scheme, for the transfer and vesting of the estate, assets, title, interest and other rights in the immovable properties of the Transferor Companies set out in Clauses 3.4 and 9.4 above, in favour of the Transferee Company, unless this condition is waived by the Board of the Transferee Company; and
- (i) certified / authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the relevant Registrar of Companies having jurisdiction.

24.2 It is hereby clarified that submission of the Scheme to the High Court(s) and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferee Company may have under or pursuant to all appropriate and Applicable Law.

24.3 On the approval of this Scheme by the shareholders of the Transferor Companies and the Transferee Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

**25. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause 24 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority, the Scheme shall become null and void, and each party shall bear and pay its respective costs, charges and expenses in connection with the Scheme.

If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company through their respective Board of Directors, affect the validity or implementation of the other provisions of this Scheme.

**26. COSTS, CHARGES AND EXPENSES**

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Companies and the Transferee Company respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne and paid solely by the Transferee Company. Stamp duty on the order of the High Court(s), if any and to the extent applicable, shall also be borne and paid by the Transferee Company.



The Company Secretary  
**Blue Star Ltd.**  
Kasturi Buildings, Mohan T Advani Chowk,  
Jamshedji Tata Road, Mumbai - 400020

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Blue Star InfoTech Ltd. and Blue Star Infotech Business Intelligence & Analytics Private Ltd. with Blue Star Ltd.**

We are in receipt of Draft Scheme of Arrangement between Blue star InfoTech Ltd. and Blue star Infotech business Intelligence & Analytics Private Ltd. with Blue star Ltd.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated December 8, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company to ensure that all the additional information submitted by company after filing the scheme with the stock exchange is displayed from the date of receipt of this letter on the website of the listed along with various documents submitted pursuant to the circulars."**
- **"Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
Nitin Pujari  
Manager

  
Lalit Phatak  
Asst. Manager



Ref: NSE/LIST/53379

December 9, 2015

The Company Secretary  
Blue Star Limited  
Kasturi Building,  
Mohan T. Advani Chowk,  
Jamshedji Tata Road,  
Mumbai - 400020

**Kind Attn.: Mr. Vijay Devadiga**

Dear Sir,

**Sub: Observation letter for draft Composite Scheme of Amalgamation of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence & Analytics Private Limited with Blue Star Limited**

This has reference to draft Composite Scheme of Amalgamation (under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013) of Blue Star Infotech Limited (Transferor Company 1) and Blue Star Infotech Business Intelligence & Analytics Private Limited (Transferor Company 2) with Blue Star Limited (Transferee Company) and their respective shareholders and creditors submitted to NSE vide your letter dated October 13, 2015.

Based on our letter reference no Ref: NSE/LIST/50895 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated December 8, 2015, has given following comments on the draft Composite Scheme of Amalgamation:

- 1. The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, is displayed from the date of receipt of this letter on the website of the Company;*
- 2. The companies shall duly comply with various provisions of the Circulars.*

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from December 9, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Limited

  
 Radhika Ropalekar  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

**B S R & Associates LLP**  
Chartered Accountants  
Lodha Excelus, 1st Floor  
Apollo Mills Compound  
N.M.Joshi Marg, Mahalaxmi  
Mumbai – 400011

**SSPA & Co**  
Chartered Accountants  
1st Floor, "Arjun", Plot No. 6A  
V.P.Road, Andheri(W)  
Mumbai 400058

*The Board of Directors*  
**Blue Star Limited**  
Kasturi Building, Jamshedji Tata Road,  
Mumbai - 400 020,  
India

*The Board of Directors*  
**Blue Star Infotech Limited**  
8th Floor, The Great Oasis,  
Plot No D-13, MIDC, Andheri (East),  
Mumbai – 400 093,  
India

29 September 2015

**Sub: Recommendation of equity share exchange ratio for the proposed amalgamation of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence and Analytics Private Limited with Blue Star Limited ("Proposed Amalgamation") jointly by B S R & Associates LLP ("B S R") and SSPA & Co. ("SSPA")**

Dear Sirs,

We refer to the engagement letter dated 30 June 2015 and addendum to the engagement letter dated 14 September 2015 with B S R wherein Blue Star Limited ("BSL") and Blue Star Infotech Limited ("BSIL") (collectively referred to as the "Clients", "Companies", or "You") have requested B S R to recommend an equity share exchange ratio in connection with the Proposed Amalgamation of BSIL and its wholly owned subsidiary Blue Star Infotech Business Intelligence & Analytics Private Limited ("BSIB") with BSL ("Proposed Amalgamation"); and the engagement letter dated 18 September 2015 with SSPA wherein BSL and BSIL have also requested SSPA to recommend an equity share exchange ratio for the Proposed Amalgamation of BSIL and BSIB with BSL (together referred to as "Specified Companies").

B S R and SSPA are collectively referred to as the "Valuers" or "we" or "us", and individually referred to as "Valuer" in this joint Valuation Report ("Valuation Report"). Further, BSIB, being a wholly-owned subsidiary of BSIL, would also be the beneficiary to this Joint Valuation Report.

**SCOPE AND PURPOSE OF THE VALUATION REPORT**

We understand that the Board of Directors of the Companies propose to amalgamate BSIL and BSIB with BSL. The Appointed Date for the Proposed Amalgamation is 1 April 2015. This is proposed to be achieved by way of a scheme of amalgamation under Section 391 – 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/ or the Companies Act, 2013. Under the Scheme of Proposed Amalgamation, as consideration for their equity shares in BSIL, the shareholders of BSIL will be issued equity shares of BSL. As given to understand by the Management, BSIL is contemplating to sell its entire IT Business and Analytics Business (together referred to as "Businesses") through a business transfer agreement for cash. Subject to satisfactory fulfillment and accomplishment of the transfer of Businesses, there will be an amalgamation of BSIL with BSL. Thereafter, BSIB will amalgamate with BSL, subject to satisfactory fulfillment and accomplishment of the transfer of Businesses.



amalgamation of BSIL with BSL. Further, with reference to the information and explanation provided by the Management, we understand that the Scheme is to be implemented in different parts; wherein one of the parts, which refers to the amalgamation of BSIL with BSL, as a result of which BSIB will become the wholly owned subsidiary of BSL, further in the other part of the said Scheme, the amalgamation of BSIB with BSL will be concluded and all the equity shares of BSIB held by BSL shall be cancelled and deemed to be cancelled without any further application, act or deed. Moreover, BSL shall not be required to issue / allot any shares to the members of BSIB and their will not be any change in the shareholding pattern of BSL. Hereafter, taking in to consideration the above mentioned facts, we are of the view that there is no obligation to carry out valuation of BSIB as there is an amalgamation of wholly owned subsidiary with its to be parent company, i.e. BSL.

B S R and SSPA have been requested by the Board of Directors of the Companies to submit a letter recommending an equity share exchange ratio, as at date of this report, in connection with the Transaction. This Valuation Report may be placed before the audit committee, as per SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013, as amended by CIR/CFD/DIL/8/2013 dated 21 May 2013 and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

The Valuers have been appointed severally and not jointly and have worked independently in their analysis while arriving at a consensus on equity share exchange ratio, are issuing this Valuation Report.

BSIL informed us that they have appointed ICICI Securities Limited ("ISEC") to provide fairness opinion on the recommended equity share exchange ratio for the purpose of the aforesaid amalgamation. Similarly, BSL informed us that they have appointed Axis Capital Limited ("Axis") to provide fairness opinion on the recommended a equity share exchange ratio for the purpose of the aforesaid amalgamation.

We have carried out a relative valuation of the equity shares of BSL and BSIL with a view to arrive at the equity share exchange ratio of BSL and BSIL for the Proposed Amalgamation.

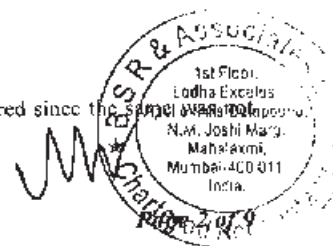
This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

#### SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Companies ("Management"):

- Audited financial statements of the Companies for the historical period from their publicly available annual reports<sup>1</sup>;
- Quarterly financial information as published by the Companies;
- Consolidated Management Business Plan for BSL;
- Standalone Management Business Plan for BSIL and its subsidiaries;

<sup>1</sup> For BSL, Audited Financial Accounts (Consolidated) as on 31 March 2015 has been considered since the same is not available for 30 June 2015



- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Composite Scheme of Amalgamation ("Scheme");
- Other information, explanations and representations that were required and provided by the Management
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Clients. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquires, as we considered necessary.

#### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report. Further, based on the consolidated balance sheet of BSL as on 31 March 2015 and adjusted standalone provisional balance sheet as on 30 June 2015 post considering the aforesaid transfer of Businesses.

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 29 September 2015 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share exchange ratio. While we have provided our recommendation of the equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the equity share exchange ratio of the equity shares of BSIL and BSL. You acknowledge and agree that you have the final responsibility for the determination of the equity share exchange ratio at which the Proposed Amalgamation shall take place and factors other than our Valuation Report will need to be taken into account in determining the equity share exchange ratio; these will include your own assessment of the Proposed Amalgamation and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.



In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

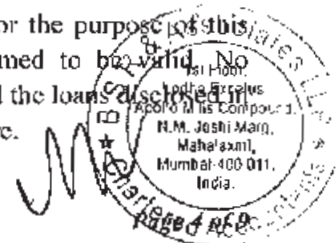
Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management of the Companies have indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation Report assumes that the Specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in Period Balance Sheet of the Specified Companies. Our conclusion of value assumes that the assets and liabilities of the Specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

This Valuation Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Valuation Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to only the Board of Directors of the Companies which have retained us, and nobody else. Each of us have been appointed severally and not jointly and we will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Proposed Amalgamation, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation.

## BACKGROUND OF THE SPECIFIED COMPANIES

### Blue Star Limited

BSL, a public limited company, is engaged in the central air-conditioning, commercial refrigeration, plumbing and firefighting services. The equity shares of BSL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and has its registered office at Kasturi Building, Janshedji Tata Road, Mumbai - 400 020, India. It reported consolidated total revenue of INR 31,904.3 million with a net profit (after adjustment for minority interest) of INR 541.8 million for the year ended 31 March 2015.

The shareholding pattern of BSL as at 30 June 2015 is as follows:

Category	% shareholding
Promoters and Promoter Group	39.46
Institutions – FII	6.54
Institutions – DII	21.17
Non Institutions	32.83
<b>Total</b>	<b>100.0</b>

Source: BSL

### Blue Star Infotech Limited

BSIL is an information technology and software services company offering technology, consulting and outsourcing services in India and internationally. The equity shares of BSIL are listed on BSE and NSE and has its registered office at 8th Floor, The Great Oasis, Plot No D-13, MIDC, Andheri (East),





Mumbai – 400 093, India. It reported consolidated total revenue of INR 2,706.4 million with a net profit of INR 181.6 million for the year ended 31 March 2015.

The shareholding pattern of BSIL as at 30 June 2015 is as follows:

Category	% shareholding
Promoters and Promoter Group	51.78
Institutions – FI	-
Institutions – DII	2.21
Non Institutions	46.01
<b>Total</b>	<b>100.0</b>

Source: BSE

**Blue Star Infotech Business Intelligence and Analytics Private Limited (formerly known as Activecubes India Private Limited)**

BSIB, incorporated in 2006 in Bengaluru, India, is a wholly owned subsidiary of BSIL. It is a business intelligence and analytics services provider company with business in the US and India. Its services spans key areas such as sales, marketing, supply chain, operations, and risk management. The company provides its solutions to global clients across financial services, consumer packaged goods, retail, telecom, and health care.

**APPROACH - BASIS OF AMALGAMATION**

The Proposed Amalgamation contemplates the amalgamation of BSIL and BSIB with BSL pursuant to the Scheme.

Arriving at the equity share exchange ratio for the Proposed Amalgamation of BSIL with BSL, this would require determining the value of the equity shares of BSIL in terms of the value of the equity shares of BSL. These values are to be determined independently but on a relative basis, and without considering the Proposed Amalgamation.

There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case, to the extent relevant and applicable, including:

1. Comparable Companies' Multiples method
2. Market Price method
3. Discounted Cash Flows method
4. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions,



the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for Proposed Amalgamation of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

#### **Comparable Companies' Multiple (CCM) / Guideline Company method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Though we have analysed EV/Sales and EV/EBITDA of comparable companies of both BSL and BSIL for our valuation analysis, we have not assigned any weights to this method as BSL and BSIL are listed stocks, fairly traded with reasonable volumes.

#### **Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of BSL and BSIL are listed on BSE and NSE and there are regular transactions in their equity shares with reasonable volumes. In the circumstances, the share price of BSL and of BSIL over an appropriate period has been considered for determining the value of BSL and BSIL under the market price methodology.

#### **Discounted Cash Flows ("DCF") Method**

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

*Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

*Appropriate discount rate to be applied to cash flows i.e. the cost of capital.*



This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained generally from DCF analysis, the amount of loans is adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share.

For the purpose of DCF valuation, the free cash flow forecast of BSL is based on Management Business Plan as provided by the management of BSL. We have not used DCF method for BSIL because, as given to understand by the management of BSIL, BSIL is contemplating to sell its entire Businesses through a business transfer agreement for cash. Therefore, post this transaction, BSIL would be left only with cash, surplus asset and other non-operating excluded assets and liabilities not forming part of the aforesaid transaction. Hence, DCF method for BSIL has not been considered appropriate.

We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the management of BSL and the Management Business Plan for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders of BSL, value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent, borrowings, cash receivable on exercise of outstanding employee stock options ("ESOPs"), surplus assets, contingent liabilities, value of investments, proposed dividend (including DDT) and other matters. The total value is then divided by fully diluted equity shares (considering ESOPs) to arrive at the value per equity share.

#### Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability and hence, we have not considered this method for valuation for BSL.

As discussed in the DCF method above, BSIL would be left with cash, surplus asset and other non-operating excluded assets and liabilities not forming part of the aforesaid transaction, hence NAV method for BSIL will be considered as appropriate.



**BASIS OF AMALGAMATION**

The basis of amalgamation of BSIL and BSIB into BSL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending an equity share exchange ratio of equity shares it is necessary to arrive at a single value for the equity shares of BSIL and of BSL. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

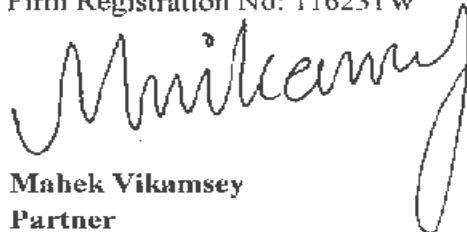
We have assigned appropriate weightages to the value per equity share of BSIL and BSL, arrived using the Market Price Method, DCF method and NAV method, to value the equity shares of BSL and BSIL.

The Valuers have been appointed severally and not jointly and have worked independently in their analysis and after arriving at a consensus on equity share exchange ratio, are issuing this Valuation Report.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the equity share exchange ratio of equity shares for the amalgamation of BSIL into BSL at 7 (seven) equity shares of BSL of INR 2 each fully paid up for every 10 (ten) equity shares of BSIL of INR 10 each fully paid up.

Respectfully submitted.

**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No: 116231W

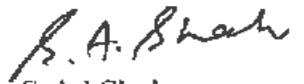


**Mahek Vikamsey**  
Partner  
Membership No: 108235

Dated: 29 September 2015



**For SSPA & Co.**  
Chartered Accountants  
Firm Registration No: 128851W



**Sujal Shah**  
Partner  
Membership No: 045816

Dated: 29 September 2015



29<sup>th</sup> September, 2015

The Board of Directors,  
Blue Star Limited,  
Bandbox House,  
4th Flr, 254 D,  
Dr Annie Besant Road,  
Worli, Mumbai - 400 030

Dear Members of the Board:

**I. Engagement Background**

We understand that the Board of Directors of Blue Star Limited is considering the amalgamation of Blue Star Infotech Limited (“Transferor Company 1/ BSIL”) with Blue Star Limited (“Transferee Company / BSL”). The proposed reorganization is to be carried out pursuant to a Composite scheme of Amalgamation under section 391-394 of the Companies Act, 1956 and other relevant provisions of the Act (including corresponding provisions of the Companies Act, 2013 as may be applicable). Further, we understand that the Board of Directors of BSL is also considering amalgamation of Blue Star Infotech Business Intelligence & Analytics Private Limited (“Transferor Company 2/BSIBIA”), currently a wholly owned subsidiary of BSIL, with itself, subject to satisfactory fulfilment and accomplishment of amalgamation of BSIL with BSL. It may be noted that upon amalgamation of Transferor Company 1 with Transferee Company, the entire share capital of BSIBIA will be held by the Transferee Company.

The scheme envisages an amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company as per terms and conditions more fully set forth in the scheme of Amalgamation to be placed before the Board for their approval.

In consideration of the amalgamation of the Transferor Company 1 into the Transferee Company pursuant to the Scheme of Amalgamation, for every 10 ( Ten) equity shares of the face value of Rs. 10 each held by the shareholders of the Transferor Company 1, the Transferee Company shall issue and allot 7 ( Seven) equity share of the face value of Rs. 2 each fully paid up (hereinafter referred to as the “Share Exchange Ratio”).



**Axis Capital Limited (Erstwhile “Axis Securities and Sales Limited”)**

SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.  
CIN No. U51900MH12005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &  
Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.  
Tel.: (022) 4325 1199, Fax No. (022) 4325 3000, Website: www.axiscapital.co.in



In connection with the aforesaid, you requested our Fairness Opinion (“Opinion”) as of the date hereof, as to the fairness of the Share Exchange Ratio to the Equity Shareholders of the Transferee Company.

## II. Basis of Opinion

In the Rationale of the Scheme of Amalgamation, it was showcased that the proposed amalgamation will consolidate group level resources and assets for optimal deployment and enhanced efficiencies and administratively simplify management of underlying businesses and office property portfolio within the Group and realize available synergies

Further it will provide capital funding for the growth of Group’s core business and improve returns to create long term sustainable value for all shareholders. It will also enable better and efficient management, control and running of the businesses to attain operational efficiencies, cost competitiveness, create synergies and will be beneficial for capitalizing on the growth opportunities to the fullest extent.

A brief history of each of the aforesaid companies is as under -

- (a) Blue Star Limited (hereinafter referred to as “**Transferee Company / BSL**”) is a public company, incorporated under the provisions of the Companies Act 1956. The equity shares of BSL are listed on the Bombay Stock Exchange and the National Stock Exchange of India. BSL is engaged in the business of central air conditioning and commercial refrigeration, plumbing and fire-fighting.
- (b) Blue Star Infotech Limited (hereinafter referred to as “**Transferor Company 1/ BSIL**”) is a public company, incorporated under the provisions of the Companies Act 1956. The equity shares of BSIL are listed on BSE Limited and the National Stock Exchange of India Limited. BSIL is engaged in the business of dealing in microprocessor based mini computers and data processing system and different types of software, calculators, electronic and electrical apparatuses, equipment, gadgets including mobility, cloud computing, analytics and business intelligence, product engineering, testing, package implementation, applications services and leasing of immovable property. We have been given to understand that Transferor Company 1 has entered into business transfer agreement pertaining to the transfer of the IT Business on a going concern and “as-is-where-is” basis, including the assets and liabilities, for a lump sum consideration without assigning value to individual assets and liabilities and subject to the terms, conditions and provisions set forth under the Transfer Agreement.
- (c) Blue Star Infotech Business Intelligence & Analytics Private Limited (“**Transferor Company No 2 / BSIBIA**”), originally incorporated under the name “Activecubes India

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Private Limited”, is a private limited company incorporated under the provisions of the Companies Act, 1956. BSIBIA is in the business of dealing in microprocessor based mini computers and data processing system and different types of software, calculators, electronic and electrical apparatuses, equipment, gadgets including mobility, cloud computing, analytics and business intelligence, product engineering, testing, package implementation, applications services.

The key features of the scheme provided to and relied upon by us for framing an Opinion on Share Exchange Ratio in consideration of the amalgamation of BSIL with BSL are as under:

1. Upon the scheme becoming effective, all the assets and liabilities will stand transferred from the Transferor Company 1 to the Transferee Company at book values
2. Investment held by the Transferee Company in form of equity shares in Transferor Company 1 will be cancelled
3. As consideration for the transfer, equity shares in the Transferee Company shall be issued to the other equity shareholders of the Transferor Company 1
4. All the Shareholders of the Transferor Company 1 shall become shareholders of the Transferee Company
5. Every equity shareholder of Transferor Company 1 shall receive 7 ( Seven) equity shares of Rupees Two each of Transferee Company for every 10 ( Ten) equity shares of Rupees Ten each held in Transferor Company 1 as on the Record date for the implementation of the scheme
6. Any inter se contracts between BSIL and BSL shall stand adjusted and vest in BSL upon sanction of the scheme and upon the scheme becoming effective
7. The said equity shares in BSL to be issued to the other shareholders of BSIL shall rank pari passu in all respect with the existing equity shares of the Transferee Company.
8. Subject to satisfactory fulfilment and accomplishment of amalgamation of BSIL into BSL, BSIBIA will amalgamate into BSL pursuant to provisions of Section 391 to 394 of Companies Act, 1956 and other applicable provisions of the Companies Act, 2013.
9. Share Exchange Ratio is based on the joint valuation report dated 29th September 2015 submitted by M/s BSR & Associates LLP (“BSR”) and SSPA & Co. (“SSPA”) appointed by the Board.
10. The appointed date for the amalgamation of BSIL into BSL is April 1, 2015

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of “fairness” for purposes of this Opinion.

A handwritten signature in black ink, appearing to be 'S. S. S.', written in a cursive style.

### III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Transferor Company 1 and the Transferee Company including the valuation report prepared by BSR & Associates LLP and SSPA & Co. and a Draft of the Composite Scheme of Amalgamation.

We have relied upon the accuracy and completeness of all information and documents provided to us, including:

- The audited financial statements of BSL as on March 31, 2015 and unaudited financial statements of BSL as on June 30, 2015
- The audited financial statements of BSIL as on March 31, 2015 and unaudited financial statements of BSIL as on June 30, 2015
- The financial projections of BSL for the period Financial Year (FY) 2016 to FY2020 and management information as provided to us by the management of BSL
- Net Cash position of BSIL consolidated as of 29<sup>th</sup> September after considering net sale consideration to be received by BSIL upon sale of its entire IT business along with net asset value of other assets including real estate.
- Other information, explanations and representations provided by the management of the companies.

The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferor Company 1 /BSIL or Transferor Company 2 /BSIBIA or the Transferee Company/ BSL and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Transferor Company 1 /BSIL or Transferor Company 2 /BSIBIA or the Transferee Company/ BSL and / or its subsidiaries, whether at current prices or in the future. No investigation of the Companies claim to title of assets has been made for the purpose of the exercise and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the account. Therefore, no responsibility whatsoever is assumed for matters of a legal nature.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where shares of the Transferee Company are being issued as







consideration to the shareholders of the Transferor Company 1, it is not the absolute per share values that are important for framing an opinion but the relative per share values of the Transferee Company vis-a-vis share value of the Transferor Company.

In rendering our Opinion, we have assumed, that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Transferor Company 1, the Transferor Company 2 or the Transferee Company and / or its subsidiaries and their respective shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the scheme on the Transferor Company 1 and / or its subsidiaries, the Transferor Company 2 or the Transferee Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory including all SEBI regulations or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the amalgamation of BSIL and BSIBIA with BSL as contemplated in the scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Composite Scheme of Amalgamation other than the fairness, from financial point of view, of the Share Exchange Ratio.

We have in the past provided, and may currently or in the future provide, investment banking services to BSL and/or its subsidiaries or their respective affiliates that are unrelated to the proposed scheme, for which services we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may invest in securities of BSL and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers subject to compliance of SEBI (Prohibition of Insider Trading) Regulations and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of BSL in connection with its consideration of the scheme and for none other. Neither Axis Capital Ltd., nor its

A handwritten signature in black ink, appearing to be 'Anand', written in a cursive style.



affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The fee for our services is not contingent upon the results of the proposed amalgamations. This Opinion is subject to the laws of India.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the scheme or any matter related thereto.

#### IV. Conclusion

In respect of BSIL amalgamation with BSL, based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Exchange Ratio is fair to the equity shareholders of BSL.

Further, in respect of BSIBIA amalgamation with BSL, we are of the opinion, that no fresh shares are being issued to the shareholders of BSIBIA as per the valuation report since the entire share capital of BSIBIA held by BSL (post amalgamation of BSIL with BSL) will be extinguished/cancelled on the effective date without any further act or deed.

Very truly yours,

For Axis Capital Ltd.

A handwritten signature in black ink, appearing to read 'Lalit Ratadia', written over a horizontal line.

**Lalit Ratadia**  
**Managing Director**  
**Investment Banking**



**Blue Star Limited**  
Kasturi Buildings,  
Mohan T Advani Chowk,  
Jamsheji Tata Road,  
Mumbai 400 020, India.  
Tel : +91 22 6665 4000  
Fax : +91 22 6665 4152  
www.bluestarindia.com

**Date: 18<sup>th</sup> November, 2015**

**BSE Limited**  
Corporate Relationship Department  
PhirozeJeejeebhoy Towers  
Dalal Street  
Fort  
Mumbai- 400 001  
BSE Scrip Code: 500067

Dear Sir,

**Re: Composite Scheme of Amalgamation between Blue Star Limited and Blue Star Infotech Limited and Blue Star Infotech Business Intelligence & Analytics Private Limited and their respective shareholders and creditors.**

&

**Re: Our Application under Clause 24(f) of the Equity Listing Agreement submitted on 16<sup>th</sup> October, 2015**

&

**Re: Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013**

**Re: Complaints Report**

We refer to our letter submitted on 16<sup>th</sup> October, 2015 under Clause 24(f) of the Equity Listing Agreement and subsequently uploaded on your website on October 28, 2015.

1. In accordance with Clause 5.15 of the SEBI circular dated 4<sup>th</sup> February 2013, we hereby confirm that we have not received any complaints directly either at our Registered Office or Corporate Office or through E-mail. We further hereby confirm that our Registrar and Transfer Agent, Link Intime India Pvt. Ltd. has also not received any complaints in this regard.

Registered Office: Kasturi Buildings, Mohan T Advani Chowk, Jamsheji Tata Road, Mumbai 400 020, India. Tel : +91 22 6665 4000 Fax : +91 22 6665 4152  
CIN NO: L28920MH1949PLC006870


Blue Star Limited

2. We further confirm that we have not been forwarded any complaints by the National Stock Exchange of India Limited, BSE Limited or the Securities and Exchange Board of India in this regard.
3. We are hereby enclosing the Complaints Report indicating NIL complaints received on the draft scheme submitted with the application referred to in para 1 above.
4. The Complaints Report will also be uploaded on the website of the Company at <http://www.bluestarindia.com/investors/composite-scheme-of-amalgamation.asp>, as required under Clause 5.11 of the above mentioned SEBI Circular.

Thanking you.

Yours Faithfully,

For **Blue Star Limited**



**Vijay Devadiga**  
**Company Secretary**  
Encl.: a/a

**Complaints Report**

(Commencing from the date of uploading the documents under Clause 24 (f) of the Listing Agreement on the stock exchange i.e. October 28, 2015 till the date of expiry of 21 days from the same i.e. November 17, 2015)

## 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.	NIL	Not Applicable	Not Applicable
2.	NIL	Not Applicable	Not Applicable
3.	NIL	Not Applicable	Not Applicable

Thanking you.

Yours Faithfully,

For **BLUE STAR LIMITED,**



**Vijay Devadiga**  
Company Secretary



Blue Star Limited  
Kasturi Buildings,  
Mohan T Advani Chowk,  
Jamshedji Tata Road,  
Mumbai 400 020, India.  
Tel : +91 22 6665 4000  
Fax : +91 22 6665 4152  
www.bluestarindia.com

**Date: 18<sup>th</sup> November, 2015**

**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra- Kurla Complex  
Bandra (East)  
Mumbai- 400 051  
NSE Scrip Code: **BLUESTARCO**

Dear Sir,

**Re: Composite Scheme of Amalgamation between Blue Star Limited and Blue Star Infotech Limited and Blue Star Infotech Business Intelligence & Analytics Private Limited and their respective shareholders and creditors.**

**&**

**Re: Our Application under Clause 24(f) of the Equity Listing Agreement submitted on 16<sup>th</sup> October, 2015**

**&**

**Re: Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013**

**Re: Complaints Report**

We refer to our letter submitted on 16<sup>th</sup> October, 2015 under Clause 24(f) of the Equity Listing Agreement and subsequently uploaded on your website on October 27, 2015.

1. In accordance with Clause 5.15 of the SEBI circular dated 4<sup>th</sup> February 2013, we hereby confirm that we have not received any complaints directly either at our Registered Office or Corporate Office or through E-mail. We further hereby confirm that our Registrar and Transfer Agent, Link Intime India Pvt. Ltd. has also not received any complaints in this regard.

Blue Star Limited

2. We further confirm that we have not been forwarded any complaints by the National Stock Exchange of India Limited, BSE Limited or the Securities and Exchange Board of India in this regard.
3. We are hereby enclosing the Complaints Report indicating NIL complaints received on the draft scheme submitted with the application referred to in para 1 above.
4. The Complaints Report will also be uploaded on the website of the Company at <http://www.bluestarindia.com/investors/composite-scheme-of-amalgamation.asp>, as required under Clause 5.11 of the above mentioned SEBI Circular.

Thanking you.

Yours Faithfully,

For **Blue Star Limited**



**Vijay Devadiga**  
**Company Secretary**  
Encl.: a/a

**Complaints Report**

(Commencing from the date of uploading the documents under Clause 24 (f) of the Listing Agreement on the stock exchange i.e. October 27, 2015 till the date of expiry of 21 days from the same i.e. November 16, 2015)

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.	NIL	Not Applicable	Not Applicable
2.	NIL	Not Applicable	Not Applicable
3.	NIL	Not Applicable	Not Applicable

Thanking you.

Yours Faithfully,

For **BLUE STAR LIMITED,**



**Vijay Devadiga**  
Company Secretary





**BLUE STAR LIMITED**

(CIN: L28920MH1949PLC006870)

**Registered Office :** Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai- 400020, Maharashtra.

Tel:+91 22 66654000 Fax: +91 22 66654151,

E-mail: [investorcomplaints@bluestarindia.com](mailto:investorcomplaints@bluestarindia.com), Website: [www.bluestarindia.com](http://www.bluestarindia.com)

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 24,OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 and other applicable provisions of the Companies Act 1956, and the Companies Act 2013;

And

In the matter of the Composite Scheme of Amalgamation under sections 391 to 394 read with the Companies Act 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, of Blue Star Infotech Limited and Blue Star Infotech Business Intelligence & Analytics Private Limited with Blue Star Limited and their respective shareholders and creditors.

Blue Star Limited )  
CIN No L28920MH1949PLC006870 )  
a company incorporated under the )  
Companies Act, 1956 and having its )  
Registered Office at Kasturi Buildings, )  
Mohan T Advani Chowk, Jamshedji )  
Tata Road, Mumbai 400020, )  
Maharashtra )..... Applicant Company

**PROXY FORM**

I/We \_\_\_\_\_, the undersigned, being the Equity Shareholder of Blue Star Limited , the Applicant Company do hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held on Saturday, February 27 2016 at 12.30 p.m. at Jai Hind College Hall, 23-24, "A Road", Churchgate, Mumbai - 400020 for the purpose considering and, if thought fit, approving, the arrangement embodied in the Composite Scheme of Amalgamation between Blue Star Infotech Limited and Blue Star Infotech Business Intelligence & Analytics Private Limited and Blue Star Limited, and their respective shareholders and creditors ("Scheme") and at such meeting, and any adjournment /adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (here, if for insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'either with our without modification(s)' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)\*, as my/ our proxy may approve  
.\*Strike out what is not necessary

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Name \_\_\_\_\_ Address \_\_\_\_\_

(For Demat holding) : DP ID. \_\_\_\_\_ Client ID. \_\_\_\_\_

(For Physical holding) : Folio No. \_\_\_\_\_ No. of Shares held: \_\_\_\_\_

Signatures of Sole / First Holder/ Second Holder /Third Holder

Signature of Proxy Holder : \_\_\_\_\_



(sign across the stamp)

**Notes:**

- 1. This form in order to be effective should be duly completed and deposited at the registered office of the Applicant Company not less than 48 hours before the commencement of the Court Convened Meeting.
- 2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Applicant Company. In case a proxy is proposed to be appointed by a member not holding more than 10% of the total share capital of the Applicant Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
- 3. Those members who have multiple folios with different joint holders may use copies of this Attendance slip/ Proxy.

## VENUE OF THE MEETING

Jai Hind College Hall, 23-24  
'A' Road, Churchgate,  
Mumbai 400 020.

