

SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

**PCS POSITIONING SYSTEMS (INDIA) LIMITED
(‘THE FIRST TRANSFEROR COMPANY’)**

AND

**PCS INTERNATIONAL LIMITED, MAURITIUS
(‘THE SECOND TRANSFEROR COMPANY’)**

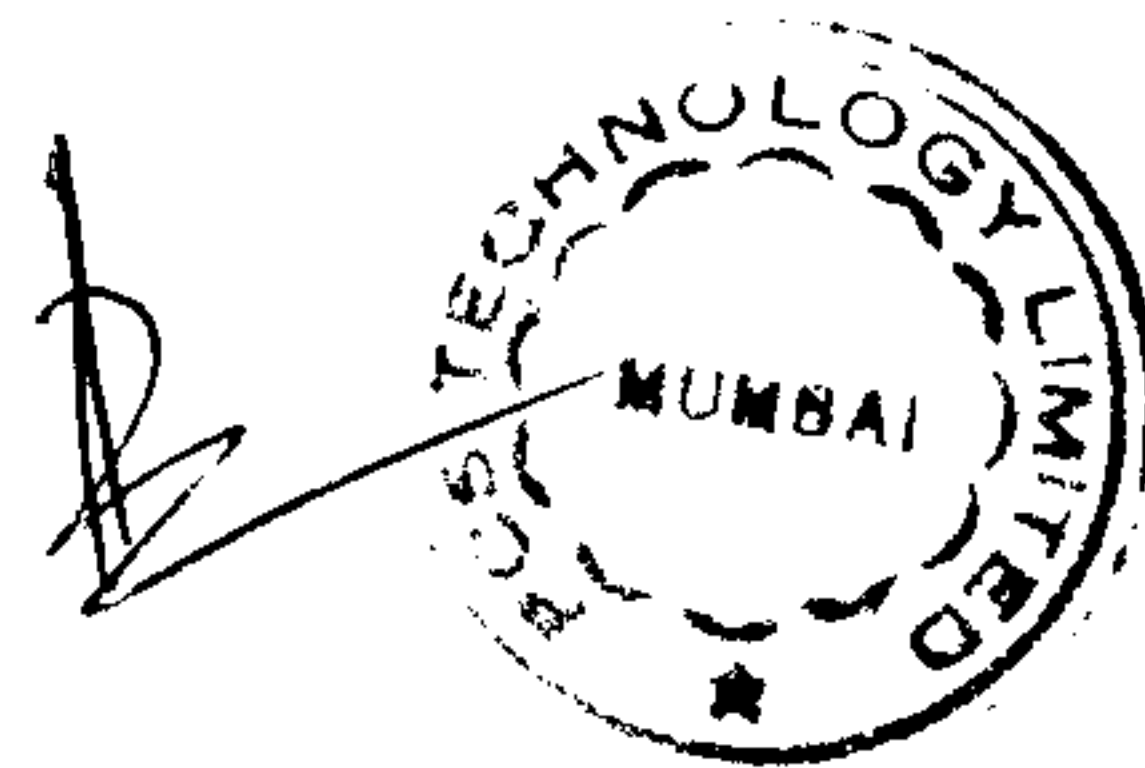
AND

**PCS TECHNOLOGY LIMITED
(‘THE TRANSFEREE COMPANY’)**

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78 AND 100 TO 103
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956**



I. PREAMBLE

This Scheme of Amalgamation and Arrangement ("**Scheme**") (more particularly described hereinafter) is presented pursuant to Sections 391 to 394 read with Section 78 and 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956.

Following are the parties to the Scheme:

Sr. No.	Name of the Company
1	PCS Positioning Systems (India) Limited (hereinafter referred to as "the First Transferor Company" or "PPSIL") – a Company incorporated under the Companies Act, 1956, having its registered office at S No 1-A, F-1 Irani Market Compound, Yerawada, Pune - 411006, Maharashtra.
2.	PCS International Limited, Mauritius (hereinafter referred to as "Second Transferor Company" or "PIL Mauritius") - a Company incorporated under the Mauritius Companies Act, 2001, and holds a Category 2 Global Business Licence issued by the Financial Services Commission. Its registered office at C/o. Multiconsult Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.
3.	PCS Technology Limited (hereinafter referred to as "the Transferee Company" or "PTL") - a Company incorporated under the Companies Act, 1956, having its registered office at Office No. 1, Gate No. 478, Alandi Markaal Road, Taluka Khed, Alandi District, Pune – 412106, Maharashtra. PTL is listed on Bombay Stock Exchange and Pune Stock Exchange.
4.	"Transferor Companies" means the First Transferor Company and the Second Transferor Company referred to collectively.

This Scheme provides for the transfer to and vesting in the Transferee Company of (i) the Undertaking of the First Transferor Company (more particularly described hereinafter in Part A of this Scheme) and (ii) the PIL Mauritius Undertaking of the Second Transferor Company (more particularly described in Part B of this Scheme), in each case, in accordance with the Applicable Laws in the Relevant Jurisdictions (as defined hereinafter).

Part A of this Scheme relates to the merger of the First Transferor Company with the Transferee Company.



Part B of this Scheme relates to the merger of the Second Transferor Company with the Transferee Company.

Upon implementation of the provisions contained in the Companies Bill, 2012 if the Scheme has been filed with the High Court of Judicature at Bombay and is pending disposal, the procedure to be followed from the date of such implementation would be as prescribed under the rules thereunder as may be applicable.

This Scheme also makes provisions for various other matters consequential or related thereto and otherwise integrally connected therewith with the end and intent of increasing shareholder value.

II. RATIONALE AND PURPOSE OF THE SCHEME

The First Transferor Company and the Second Transferor Company are wholly owned subsidiaries of the Transferee Company engaged in similar business activities i.e. Computer Hardware, IT and IT enabled services.

The amalgamation of the First Transferor Company and the Second Transferor Company with the Transferee Company will result in simplification of corporate structure leading to elimination of duplication in administrative cost and eliminating the overlapping business or businesses which are no longer pursued by the Transferor Companies.

The proposed consolidation will, inter-alia, result in the following benefits:

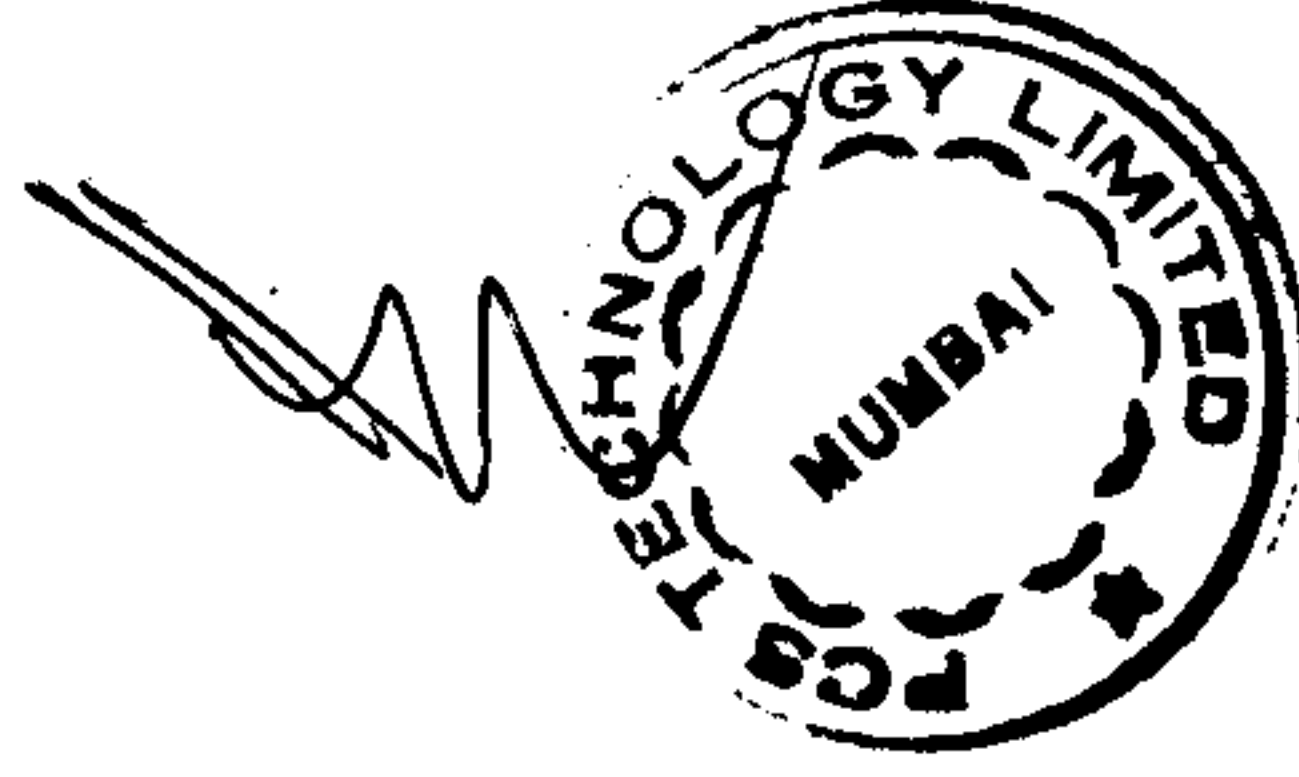
- i. Better administration of the businesses;
- ii. Concentrated effort and focus by the senior management to grow the business by eliminating duplicative communication and burdensome co-ordination efforts across multiple entities and countries.

Further, the Transferee Company had initiated a financial restructuring with respect to its unproductive activities. There continues to remain certain stressed assets in respect of the said activities and accordingly the financials of the Transferee Company require restructuring. For achieving the restructuring as aforesaid, in addition to taking over the business assets and liabilities of the Transferor Companies, it is also proposed to write off some of the assets which are either unserviceable or not required for the rest of the business of the Transferor Company or may not be realizable as explained in this Scheme

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III. EFFECTIVE DATE:

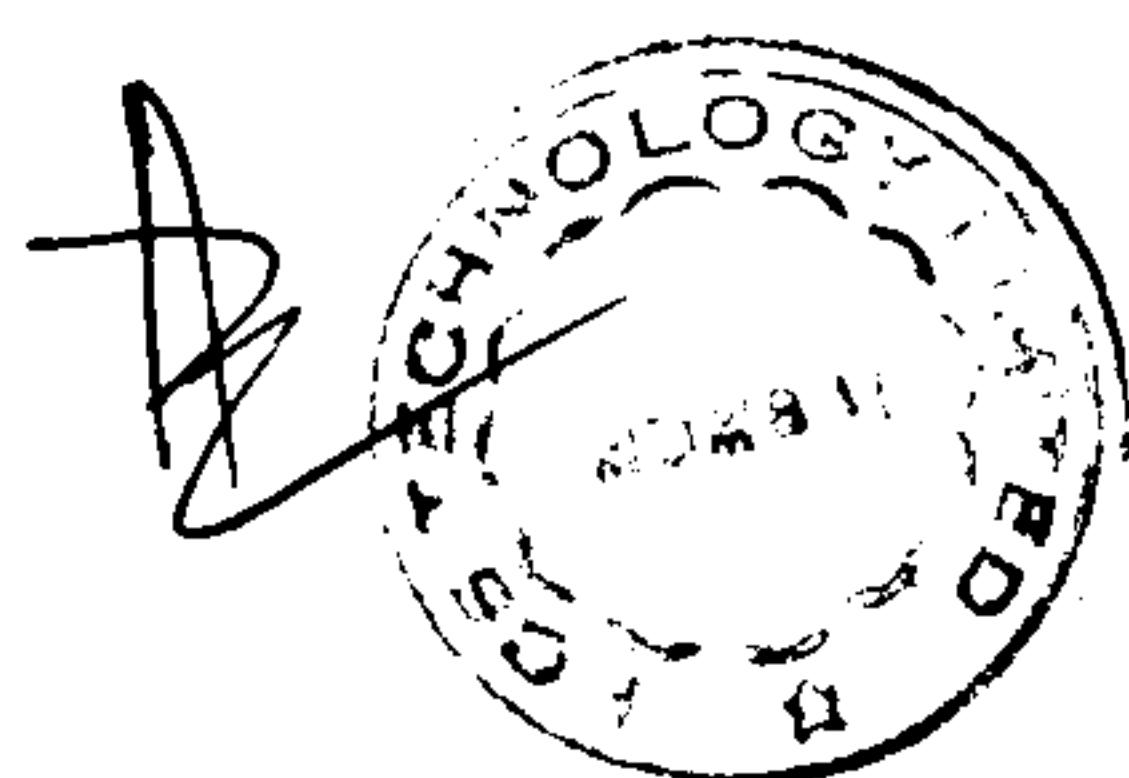
This Scheme shall become effective on and from the date on which all the conditions referred to in Clause 15 of Part A of this Scheme and in Clause 14 of Part B of this Scheme have been fulfilled.



PART A**1. DEFINITIONS AND INTERPRETATION**

In Part A of this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:

- 1.1 **"Act"** means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof from time to time.
- 1.2 **"Appointed Date"** means the 31st day of March, 2014 or such other date as may be approved by the High Court of Judicature at Bombay.
- 1.3 **"Appropriate Authority"** means any governmental, statutory, regulatory, departmental or public body, including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Company Law Board, courts of India.
- 1.4 **"Assets"** shall mean and include the entire business of the First Transferor Company and shall include without limitation the following:
 - (a) all properties wherever situated, whether movable or immovable, tangible or intangible, corporeal or incorporeal, intellectual property, whether in possession or reversion, present or contingent, fixed assets including land, building whether on lease or not, capital work-in-progress including expenses incurred to be capitalized and advances for assets, debtors, current assets, investments, deposits, buildings, electronic installations, offices, furniture, fixtures, office equipment, appliances, accessories, claims, bank accounts and all cash appertaining or relatable to the First Transferor Company as on the Appointed Date;
 - (b) all permits, rights, entitlements including import quotas, industrial and other licenses, sales tax and excise duty licenses, licenses with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, rights of way, powers, authorities, allotments, approvals and consents, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the First Transferor Company, including but without being limited to all patents, trademarks, trade names, copy rights, brands, goodwill and other commercial rights of



any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases of land properties, tenancy rights, ownership flats, authorizations, registrations and entitlements like electricity, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water, gas connections, other fuel and power, and electronic and other services, reserves, provisions, funds, financial assets, benefits of all agreements and deposits, any tax benefits direct or indirect including advance tax paid or any tax deducted in respect of any income received and all other interests belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the First Transferor Company as on the Appointed Date; and

- (c) all records, files, papers, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, sales/ credit/ pricing information, and other records, whether in physical form or electronic form in connection with or relating to the First Transferor Company as on the Appointed Date.
- 1.5 **"Board of Directors"** or **"Board"** means the Board of Directors of PPSIL and PTL, as the case may be and shall include a duly constituted committee thereof.
- 1.6 **"High Court"** means the High Court of Judicature at Bombay and shall be deemed to include the National Company Law Tribunal, wherever and when applicable.
- 1.7 **"Liabilities"** in relation to the First Transferor Company shall mean and include all debts, liabilities, loans, borrowings, bills payable, security deposits, interest accrued, contingent liabilities and all other liabilities, duties, undertakings, contractual obligations, guarantees given and obligations of the First Transferor Company as on the Appointed Date along with any charge, encumbrance, lien or security thereon including:
- (a) liabilities on account of loans and advances from unsecured creditors, contingent liabilities not provided in the books of the First Transferor Company, and such additional liabilities pertaining to the First Transferor Company incurred since the Appointed Date.
- (b) obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment.
- 1.8 **"Scheme of Amalgamation and Arrangement"** or **"this Scheme"** or **"the Scheme"** means this Scheme of Amalgamation and Arrangement in its present form submitted to the High Court or any other Appropriate Authority with any modification(s) thereof made under clause 18 of



Part A of this Scheme or with such other modification(s) / amendment(s) as may be directed by the High Court or any other appropriate authority.

1.9 "SEBI" means Securities and Exchange Board of India

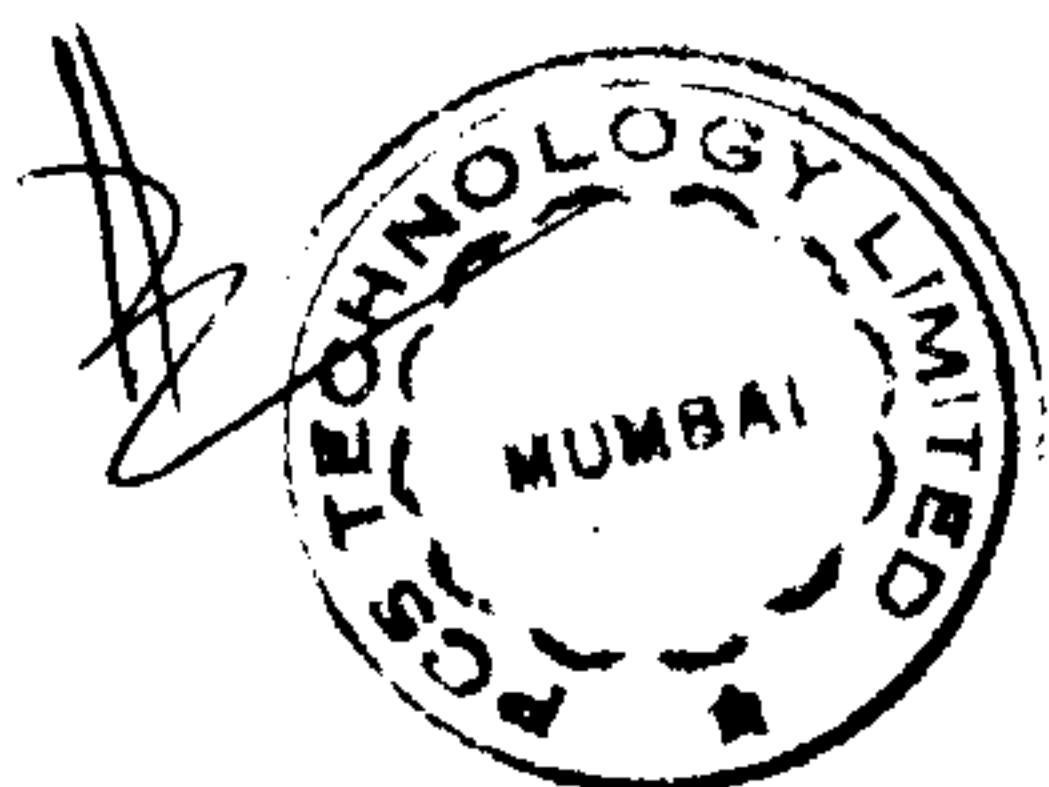
1.10 "Undertaking" means the activity / business of the First Transferor Company on a going concern basis and shall include Assets and Liabilities of the First Transferor Company.

Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "coming into effect of this Scheme" shall mean the Effective Date. The expressions which are used in Part A of this Scheme and not defined in Part A of this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification, or re-enactment thereof, from time to time and in particular, wherever reference is made to the High Court in Part A of this Scheme, the reference would include, wherever appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the High Court under the Act.

Part A of 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 any term(s) or provision(s) of Part A of this Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and Part A of this Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme, except to the extent required to give effect to Part A of this Scheme.

In Part A of this Scheme, unless the context otherwise requires:

- i. words denoting the singular shall include the plural and vice versa;
- ii. words importing any gender include every gender;
- iii. headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- iv. references to the word "include" or "including" shall be construed without limitation;
- v. references to dates and times shall be construed to be reference to Indian dates and times;
- vi. reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph of this Scheme; and
- vii. reference to a document includes an amendment or supplement to, or replacement or novation of that document.



2. OPERATIVE DATE

- 2.1 Part A of this Scheme, as set out herein in its present form shall be effective from the Appointed Date, but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of PPSIL as on 31st March 2013 is as under:

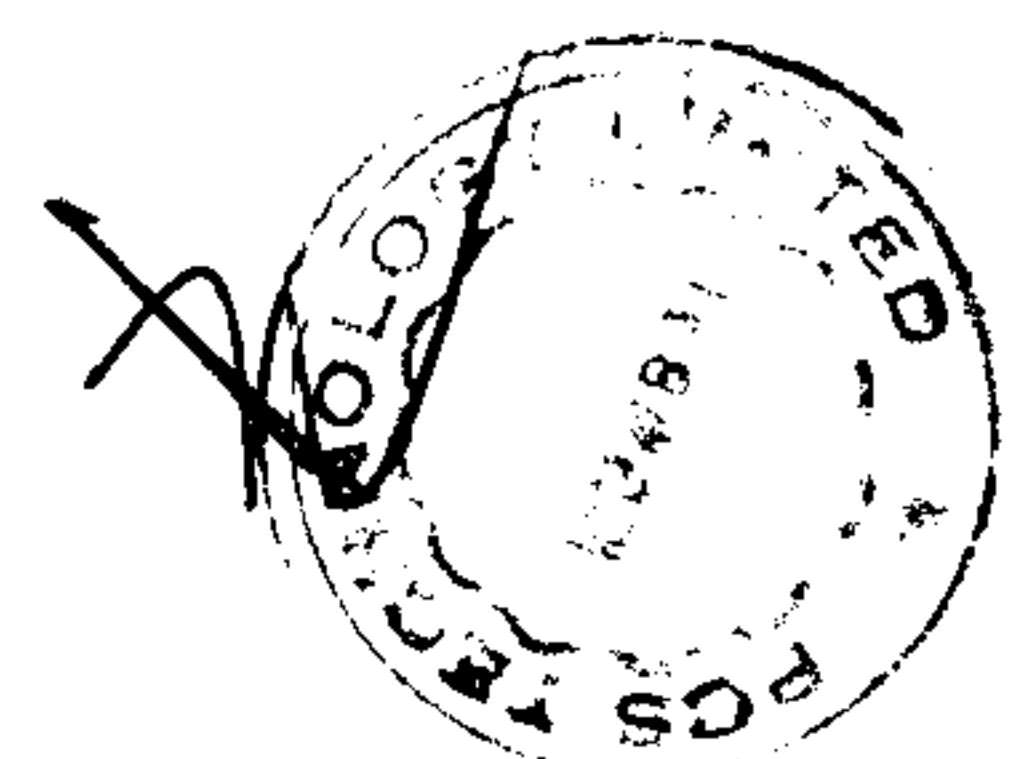
Particulars	Amount in INR
<u>Authorized capital:</u>	
3,000,000 Equity Shares of Rs. 10/- each	30,000,000
<u>Issued, Subscribed and Paid –up capital:</u>	
1,760,000 Equity Shares of Rs. 10/- each, fully paid up	17,600,000

There is no change in the issued, subscribed and paid –up share capital of PPSIL after the aforesaid date. The entire Issued, Subscribed and Paid-up Share Capital of PPSIL is held by PTL and its nominees.

- 3.2 The authorized, issued, subscribed and paid-up share capital of PTL as on 31st March 2013 is as under:

Particulars	Amount in INR
<u>Authorized capital:</u>	
21,025,000 Equity Shares of Rs. 10/- each	210,250,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs. 10 each	39,750,000
Total	250,000,000
<u>Issued, Subscribed and Paid –up capital:</u>	
20,950,677 Equity Shares of Rs. 10/- each fully paid –up	209,506,770
3,975,000 9% Redeemable, Non-Convertible & Non-Cumulative Preference Share of Rs. 10 each	39,750,000
Total	249,256,770

There is no change in the issued, subscribed and paid–up share capital of PTL after the aforesaid date.



4. TRANSFER AND VESTING OF UNDERTAKING

4.1 On and with effect from the Appointed Date and subject to the provisions of Part A of this Scheme in relation to the mode of transfer and vesting, the Undertaking of the First Transferor Company as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) With effect from the Appointed Date, the whole of the Undertaking of the First Transferor Company including all its properties and assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of whatsoever nature such as registrations, licenses, lease, tenancy rights, if any, and all other rights, title, interest, contracts, consents, approvals, or powers of every kind, nature and descriptions and wheresoever situated, shall, under the provisions of Sections 391 and 394 read with Section 78 and Section 100 to 103 and all other applicable provisions, if any, of the Act and pursuant to the orders of the High Court of Judicature at Bombay sanctioning Part A of this Scheme and without any further act or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the assets of the Transferee Company and to vest all the right, title and interest therein to the Transferee Company.
- (b) The Transferee Company may, at any time after coming into effect of Part A of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation/ notice in favour of any other party to any contract or arrangement to which the First Transferor Company is a party, as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of Part A of this Scheme be deemed to be authorised to execute any such writings on behalf of the First Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the First Transferor Company to be carried out or performed.
- (c) With effect from the Appointed Date, all liabilities, debts, duties, obligations of every kind, nature and description of the First Transferor Company shall, under the provisions of Sections 391 and 394 read with Section 78 and Section 100 to 103 of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date, the liabilities, debts, duties, obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or

arrangement by virtue of which such liabilities, debts, duties and obligations have arisen, in order to give effect to the provisions of this clause.

(d) It is agreed that all debts, loans, advances or deposits owed to the First Transferor Company will stand assigned to the Transferee Company on and from the Appointed Date.

4.2 If and to the extent there are inter - corporate loans, deposits or balances between the First Transferor Company 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 accounts and records of the Transferee company if required, for such adjustments of debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter -corporate loans, deposits or balances between the First Transferor Company and the Transferee Company.

4.3 All the licenses, approvals, permits, registration and membership of the First Transferor Company of any governmental or regulatory agencies, any trade associations, chambers of commerce or any charitable or other trusts as trustee or beneficiary shall be transferred to and vested in and become the licenses, approvals, permits, registration and membership of the Transferee Company and the Transferee Company shall continue to enjoy the benefits, rights and be liable for all obligations and liabilities as are available to or binding upon the First Transferor Company in whose favour such licenses etc. have been issued or granted and the name of the First Transferor Company shall be deemed to have been substituted by the name of the Transferee Company.

5. CONDUCT OF ACTIVITIES / BUSINESS BY THE FIRST TRANSFEROR COMPANY TILL EFFECTIVE DATE AND RELATED ISSUES

5.1 For the period beginning on and from the Appointed Date and ending on the Effective Date: -

- (a) The First Transferor Company shall carry on and be deemed to have carried on all its activities and shall be deemed to have held and possessed of and shall continue to hold and stand possessed of all the assets, properties and liabilities for and on account of and in trust for the Transferee Company. The First Transferor Company hereby undertakes to hold the assets, properties and liabilities with utmost prudence until the Effective Date.
- (b) All the profits or income accruing or arising to the First Transferor Company and all costs, charges, expenditure, taxes or losses arising or incurred on/by the First Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the



profits, income, costs, charges, expenditure, taxes or losses of the Transferee Company, as the case may be.

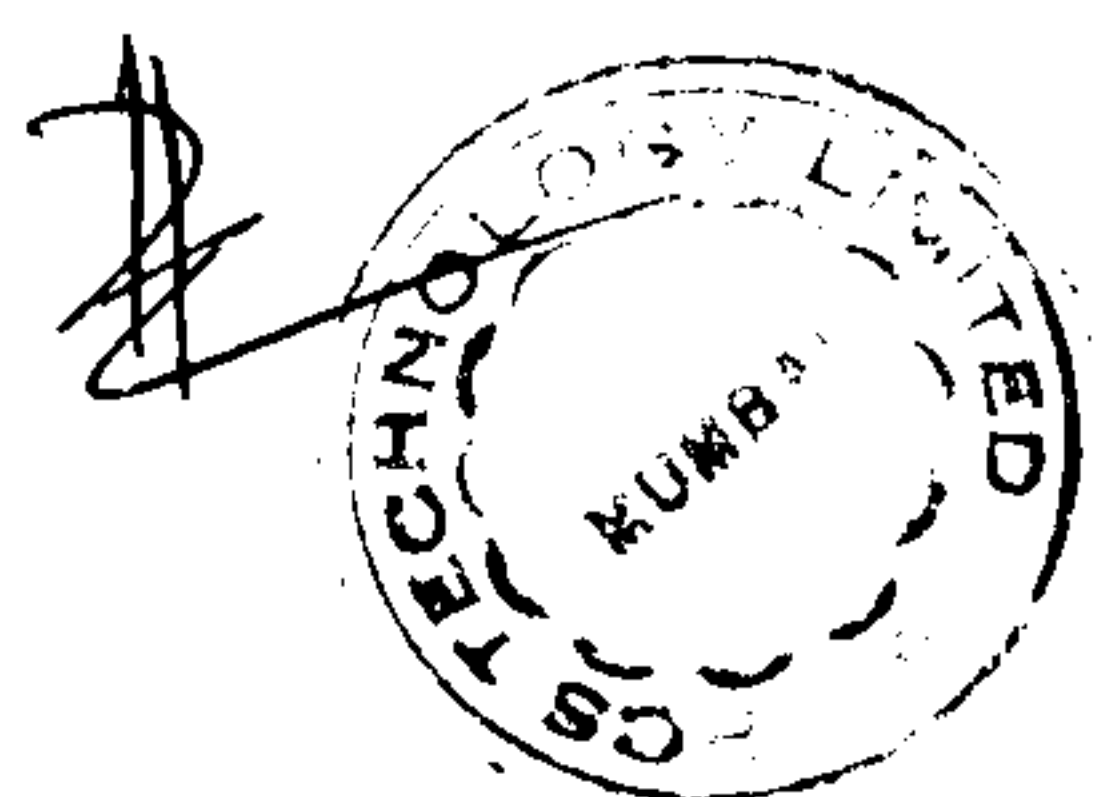
- (c) The First Transferor Company shall carry on its activities until the Effective Date with reasonable diligence, and business prudence and shall not, without the prior consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Assets or any part thereof, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the First Transferor Company.

Provided however, the First Transferor Company shall in the ordinary course of business be entitled to borrow in the form of loans if deemed necessary by it and further consent for this purpose will not be required of the Transferee Company in that behalf.

- (d) The First Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company, undertake any new business.
- (e) It is hereby clarified that the restrictions mentioned in sub-clause c) and d) be applicable from the date of approval of the present Scheme by the respective Board of Directors of the First Transferor Company and the Transferee Company and not from the Appointed Date.

6. LEGAL PROCEEDINGS

- 6.1 All suits, actions, writ petitions, appeals, revisions or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the First Transferor Company pending and/or arising on or before the Effective Date shall not abate, nor be discontinued or nor be in any way prejudicially affected by reason of the transfer of the Undertaking of the First Transferor Company pursuant to Part A of this Scheme but the proceedings be continued, prosecuted and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the First Transferor Company as if Part A of this Scheme had not been made.
- 6.2 After the Appointed Date, if any proceedings are taken by or against the First Transferor Company, it shall prosecute or defend the same, as the case may be, at the cost of the Transferee Company.
- 6.3 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the First Transferor Company referred to in Clause 6.1 above, transferred to its name



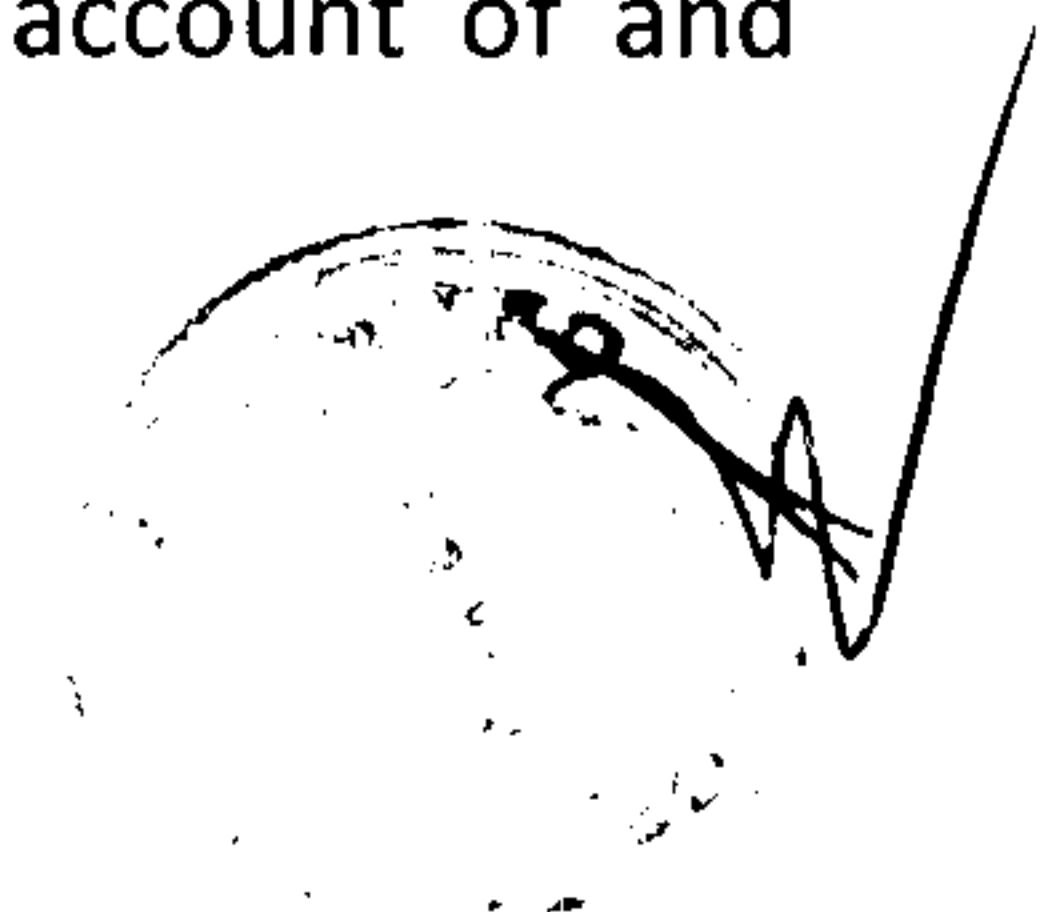
and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the First Transferor Company.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 7.1 Upon the coming into effect of Part A of this Scheme and subject to the provisions of Part A of this Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the First Transferor Company is a party or to the benefit of which the First Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be and may be enforced as fully and effectually as if, instead of the First Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any multipartite agreements, arrangements, confirmations or novations to which the First Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this clause, if so required or necessary.
- 7.2 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of Part A of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the First Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of such Transferee Company, and such Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to such Transferee Company. For this intent and purpose, if required, pending sanction of Part A of this Scheme, the First Transferor Company shall make applications to and obtain relevant approvals from the concerned governmental authorities as may be necessary in this behalf.

8. TREATMENT OF TAXES

- 8.1 Any tax liability under the Income-tax Act, 1961, Central Sales Tax Act, 1956, Value Added Tax laws of the States, Service Tax, or other applicable laws/regulations, dealing with taxes/duties/levies [hereinafter in this clause referred to as "Tax Laws"] allocable or related to the business of the First Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to and shall become liabilities of the Transferee Company. Any surplus in the provision for taxation/duties/levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company.



- 8.2 Upon Part A of this Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of Part A of this Scheme.
- 8.3 Any refund under the Tax Laws due to the First Transferor Company consequent to the assessments made on the First Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 8.4 Without prejudice to the generality of the above, all benefits including under income tax etc. to which the First Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

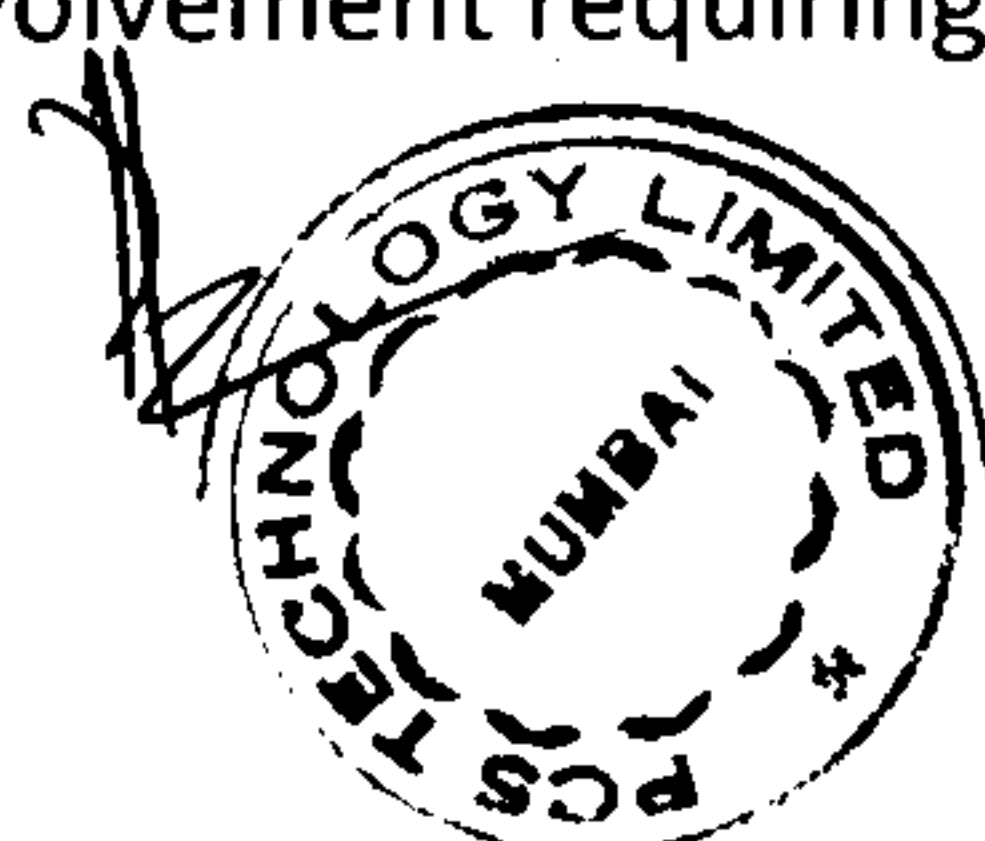
- 9.1 The transfer of all assets and liabilities and the licences and permits, membership etc. under clause 4 above and the continuance of proceedings by or against the Transferee Company under clause 6 above shall not affect any transaction or proceedings already concluded by the First Transferor Company on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the First Transferor Company in respect thereto as done and executed on behalf of itself.

10. NO ISSUE OF SHARES

- 10.1 The Transferee Company and its nominees are holding the entire issued, subscribed and paid-up share capital of the First Transferor Company. Hence, no consideration shall be payable by the Transferee Company upon the amalgamation of the First Transferor Company.
- 10.2 The equity shares held by the Transferee Company and its nominees, in the First Transferor Company shall stand cancelled without any further act, application or deed.

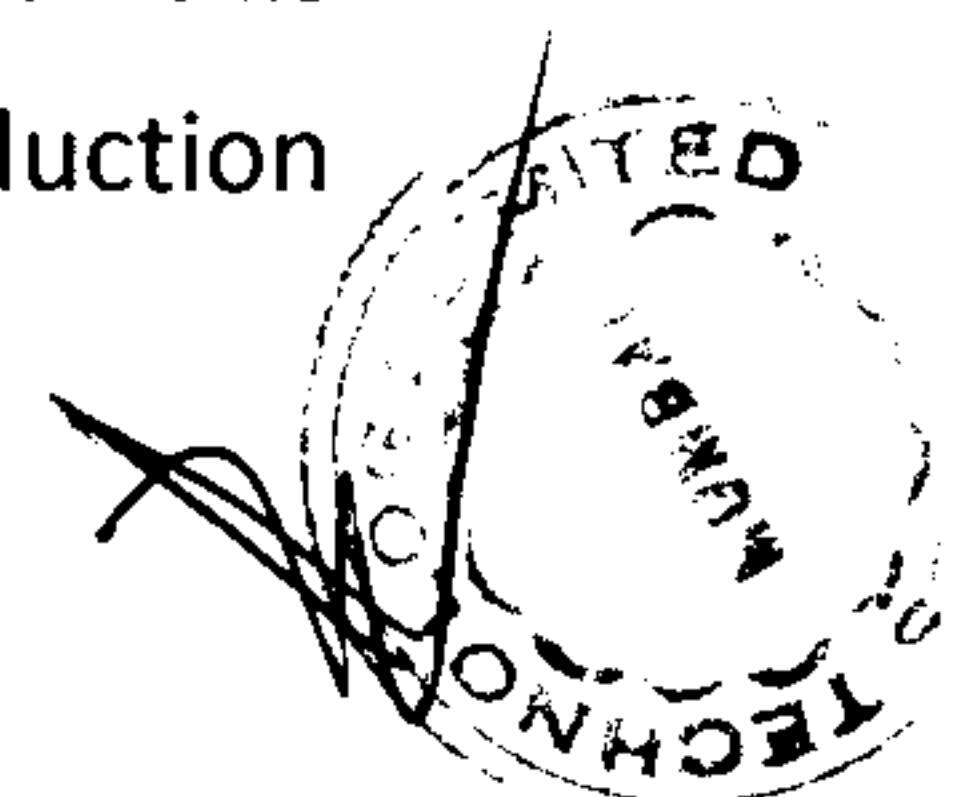
11. STAFF, WORKMEN AND EMPLOYEES OF THE FIRST TRANSFEROR COMPANY

- 11.1 Since the First Transferor Company is managed by its Directors only, there will not be any involvement requiring transfer of the staff, workmen or employees.



12. ACCOUNTING

- 12.1 The Transferee Company shall follow Purchase Method for accounting of amalgamation as per Accounting Standard – 14 on Accounting for Amalgamation issued by the Institute of Chartered Accountants of India and as notified under Section 211 (3C) of the Act, subject to the following:
- 12.2 All assets recorded in the books of the First Transferor Company and transferred to and vested in Transferee Company pursuant to Part A of this Scheme shall be recorded by Transferee Company at their respective fair values, in its books.
- 12.3 All the liabilities recorded in the books of the First Transferor Company and transferred to and vested in Transferee Company pursuant to Part A of this Scheme shall be recorded by Transferee Company at their respective fair values, in its books.
- 12.4 Upon coming into effect of Part A of this Scheme, the book value of shares held by the Transferee Company as on the Appointed Date, in the First Transferor Company shall be cancelled.
- 12.5 If and to the extent there are inter-corporate loans, deposits or balances as between the First Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and corresponding suitable effect shall be given in the books of account and records of the Transferee Company.
- 12.6 The difference in the value of net assets of First Transferor Company recorded by the Transferee Company, after giving effect to clause 12.4 above and after adjusting for certain assets of the Transferee Company as may be decided by the Management, in aggregate not exceeding INR 65 crores, be charged to the Profit & Loss Account (including profits for the year) and consequently amounts standing in the balance in Securities Premium Account, Capital Reserve Account, General Reserve Account and surplus available in Profit & Loss Account, be withdrawn in the same sequence, and credited to the Profit & Loss of the financial year.
- 12.7 The utilization of the Securities Premium Account as stated in Clause 12.6 above shall be effected as an integral part of Part A of this Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the Bombay High Court sanctioning Part A of this Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without the need on the part of the Company to carry out any further act or deed.



12.8 In case of any difference in the accounting policy between the First Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Profit & Loss Account to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

13. COMBINATION OF AUTHORIZED CAPITAL

13.1 Upon this Scheme coming into effect, the Authorized Share Capital of the First Transferor Company as mentioned in Clause 3.1 above, or such amount as may be on the Appointed Date, shall be added to the Authorized Share Capital of the Transferee Company, as on the Appointed Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Transferee Company shall be amended accordingly.

13.2 Under the accepted principle of single window clearance, it is hereby provided that the aforesaid alteration in the Memorandum of Association of the Transferee Company viz. change in the capital clause by increase in the capital, referred above, shall become operative on the scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, will be deemed to have resolved and accorded the relevant consents as required respectively under Section 16, 31, 94 and 394 of the Act or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act, and the Transferee Company will file necessary forms with the Registrar of the Companies

13.3 Consequent upon the amalgamation, the authorized, subscribed and paid-up share capital of the Transferee Company will be as under:

Particulars	Amount in INR
Authorized capital:	
24,025,000 Equity Shares of Rs. 10/- each	240,250,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs. 10 each	39,750,000
Total	280,000,000

14. APPLICATIONS TO THE HON'BLE HIGH COURT OF BOMBAY

- 14.1 The Transferee Company and the First Transferor Company shall, with all reasonable dispatch, make applications to the High Court of Judicature at Bombay under Section 391 of the Act seeking orders for dispensing with or convening, holding and conducting of the meetings of the members and/or creditors of the First Transferor Company and the Transferee Company, as may be directed by the High Court of Judicature at Bombay.
- 14.2 On Part A of this Scheme being agreed to, by requisite majorities of the members and/or creditors of the First Transferor Company and the Transferee Company, as applicable and as directed by the High Court of Judicature at Bombay, the First Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the High Court of Judicature at Bombay for sanctioning Part A of this Scheme of Amalgamation under Sections 391 and 394 read with Section 78 and 100 to 103 of the Act, and for such other order or orders, as the said High Court may deem fit for carrying this Scheme into effect and for dissolution of the First Transferor Company without winding-up.

15. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

Notwithstanding any other provision of this Scheme, Part A of this Scheme is specifically conditional upon and subject to all the following:

- 15.1 Approval of and agreement to Part A of this Scheme by the requisite majority of each class of the respective members and creditors of the First Transferor Company as well as the Transferee Company, in terms with the applicable provisions of the Act and guidelines issued by SEBI as amended and updated from time to time, as may be considered necessary to give effect to Part A of this Scheme, including approval of the Scheme by majority of public shareholders through e-voting/postal ballot.
- 15.2 The sanction of the High Court of Judicature at Bombay being obtained by the Transferee Company under Sections 391 and 394 read with Sections 78 and 100 to 103 and other applicable provisions of the Act.
- 15.3 The certified copies of order of the High Court of Judicature at Bombay under Sections 391 and 394 read with Sections 78 and 100 to 103 of the Act sanctioning Part A of this Scheme being filed with the Registrar of Companies, Pune, Maharashtra.



16. DISSOLUTION OF FIRST TRANSFEROR COMPANY

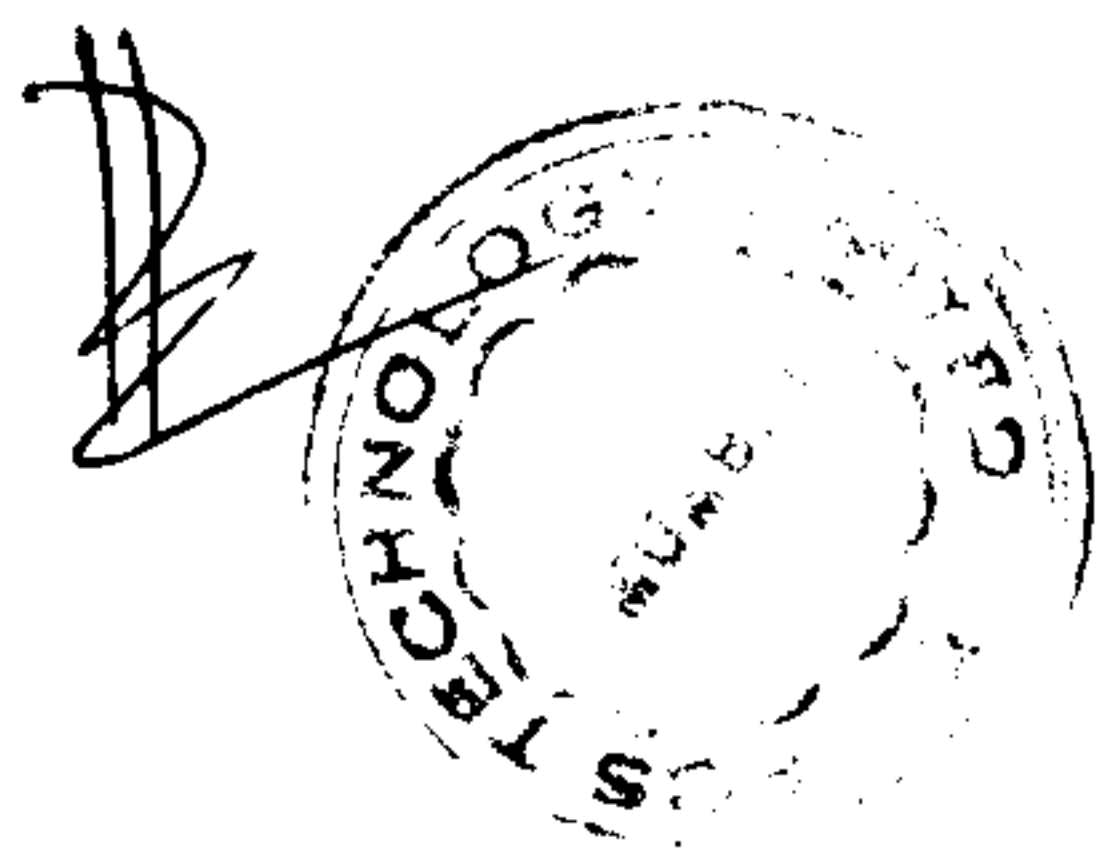
- 16.1 On Part A of this Scheme coming into effect, the First Transferor Company shall, without any further act or deed, stand dissolved without winding up and all the assets and liabilities will stand vested in and belong to the Transferee Company.
- 16.2 On and with effect from the Effective Date as defined in clause 1.6, the name of the First Transferor Company shall be struck off from the records of the relevant Registrar of Companies.

17. MODIFICATION OR AMENDMENT TO PART A OF THIS SCHEME

- 17.1 The First Transferor Company and the Transferee Company through its respective Board of Directors/ its authorized officers are hereby empowered and authorized to assent from time to time to any modifications or amendments or substitution of Part A of this Scheme or to any conditions or limitations which the High Court of Judicature at Bombay or any other statutory authorities may impose and to settle all doubts or difficulties that may arise for carrying out Part A of this Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Part A of this Scheme into effect.
- 17.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the directors of the Transferee Company are authorized to give such directions as are necessary including directions for settling any question of doubt or difficulty that may arise after the dissolution of the First Transferor Company.

18. COSTS, CHARGES & EXPENSES

- 18.1 All costs, charges and expenses of the First Transferor Company and the Transferee Company in relation to or in connection with Part A of this Scheme and for carrying out and implementing/ completing the terms and provision of Part A of this Scheme and/ or incidental to the completion of the amalgamation of the undertaking of the First Transferor Company in pursuance of Part A of this Scheme shall, except as specifically provided herein, be borne and paid solely by the Transferee Company.



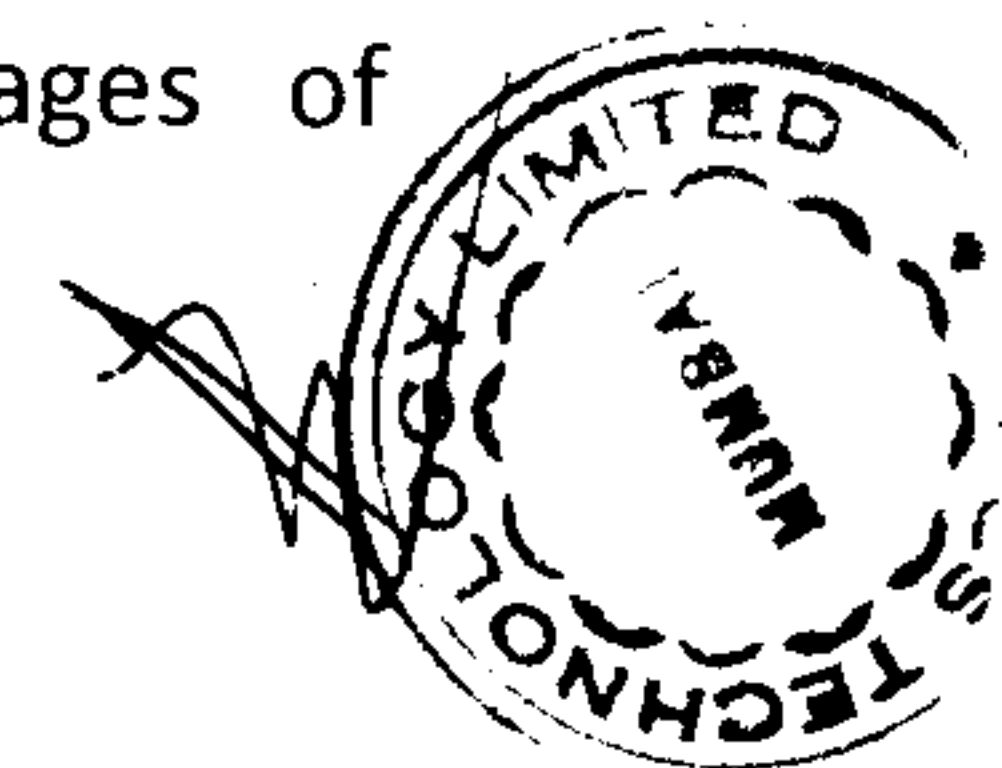
PART B

Part B of the Scheme relates to the merger of the Second Transferor Company with the Transferee Company on terms as set out below:

1. DEFINITIONS

In Part B of this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:

- 1.1 "**Act**" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof from time to time.
- 1.2 "**Appropriate Authority**" means any governmental, statutory, regulatory, departmental or public body or authority of the Relevant Jurisdiction, including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Pune and Mauritius, as the case may be and courts of India.
- 1.3 "**Appointed Date**" means the 31st day of March, 2014 or such other date as may be approved by the High Court of Judicature at Bombay.
- 1.4 "**Applicable Law(s)**" means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.5 "**Assets**" shall mean and include the entire business of the Second Transferor Company and shall include without limitation the following:
 - (a) all properties wherever situated, whether movable or immovable, tangible or intangible, corporeal or incorporeal, intellectual property, whether in possession or reversion, present or contingent, advances for assets, debtors, current assets, investments, deposits, claims, bank accounts and all cash appertaining or relatable to the Second Transferor Company as on the Appointed Date and such additional assets pertaining to the Second Transferor Company acquired since the Appointed Date;
 - (b) all permits, rights, entitlements including import quotas, industrial and other licenses, sales tax and excise duty licenses, and licenses with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, rights of way, powers, authorities, allotments, approvals and consents, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of



whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favor of or enjoyed by the Second Transferor Company, including but without being limited to all patents, trade marks, trade names, copy rights, brands, goodwill and other commercial rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases of land properties, tenancy rights, ownership flats, authorizations, registrations and entitlements like electricity, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water, gas connections, other fuel and power, and electronic and other services, reserves, provisions, funds, financial assets, benefits of all agreements and deposits, any tax benefits direct or indirect including advance tax paid or any tax deducted in respect of any income received and all other interests belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Second Transferor Company as on the Appointed Date; and

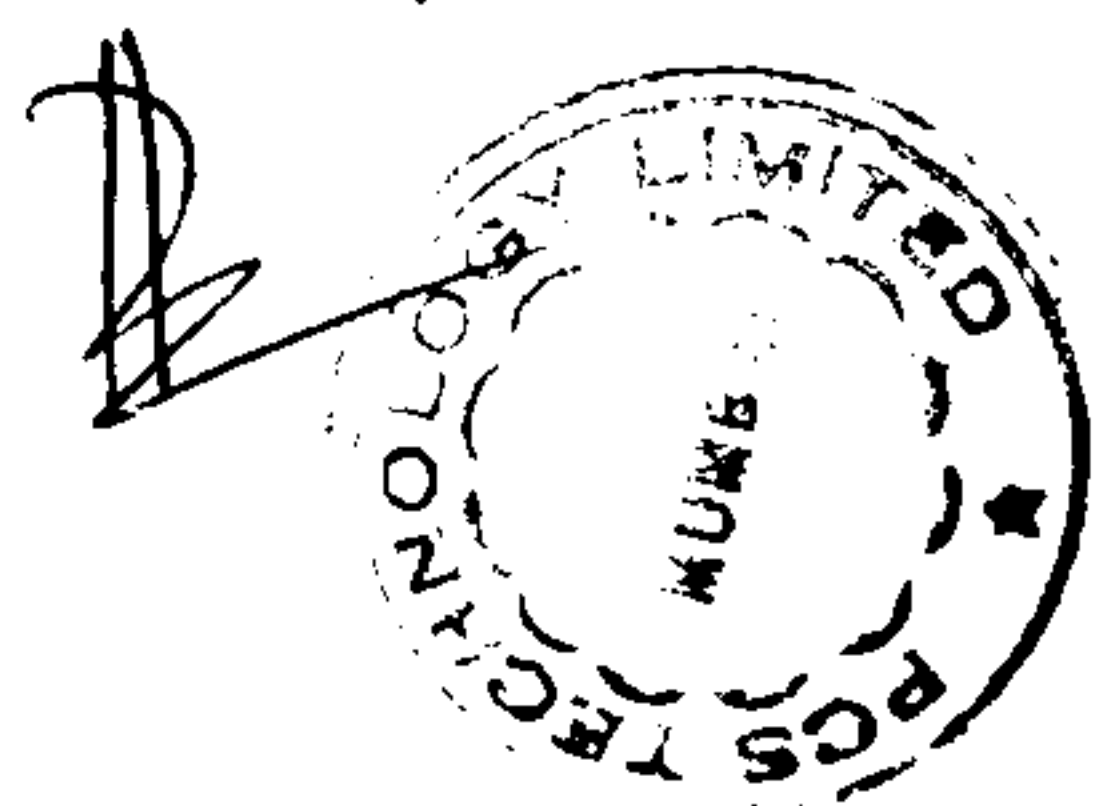
- (c) all records, files, papers, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, sales/ credit/ pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Second Transferor Company as on the Appointed Date.

1.6 **"Board of Directors"** or **"Board"** means the Board of Directors of the Second Transferor Company and the Transferee Company, as the case may be and shall include a duly constituted committee thereof.

1.7 **"High Court"** means the High Court of Judicature at Bombay and shall be deemed to include the National Company Law Tribunal, wherever and when applicable.

1.8 **"Liabilities"** in relation to the Second Transferor Company shall mean and include all debts, liabilities, loans, borrowings, bills payable, public deposits, security deposits, interest accrued, contingent liabilities and all other liabilities, duties, undertakings, contractual obligations, guarantees given and obligations of the Second Transferor Company as on the Appointed Date along with any charge, encumbrance, lien or security thereon including:

- (a) liabilities on account of loans and advances from unsecured creditors, contingent liabilities not provided in the books of the Second Transferor Company, and such additional liabilities pertaining to the Second Transferor Company incurred since the Appointed Date.
- (b) obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment.



- 1.9 **“Mauritius Act”** means the Mauritius Companies Act 2001 or any statutory modification or re-enactment thereof for the time being in force.
- 1.10 **“PIL Mauritius Undertaking”** means the activity / business of the PCS International Limited, Mauritius on a going concern basis and shall also include Assets / Liabilities of PCS International Limited, Mauritius.
- 1.11 **“Relevant Jurisdiction”** means the territories of the Republic of India and Mauritius.
- 1.12 **“Scheme of Amalgamation and Arrangement”** or **“this Scheme”** or **“the Scheme”** means this Scheme of Amalgamation and Arrangement in its present form submitted to the High Court or any other Appropriate Authority in the Relevant Jurisdiction with modification(s) thereof made under clause 17 of Part B of this Scheme or with such other modification(s) / amendment(s) as the High Court/Registrar of Companies, Mauritius or any other Appropriate Authority may direct, but subject to the requirements of any other Applicable Law.
- 1.13 **“SEBI”** means Securities and Exchange Board of India

Any references in Part B of this Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “coming into effect of this Scheme” shall mean the Effective Date. The expressions which are used in Part B of this Scheme and not defined in Part B of this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification, or re-enactment thereof, from time to time and in particular, wherever reference is made to the High Court in Part B of this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the High Court under the Act.

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 any term(s) or provision(s) of Part B of this Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and Part B of this Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme, except to the extent required to give effect to the Scheme.

In Part B of this Scheme, unless the context otherwise requires:

- i. words denoting the singular shall include the plural and vice versa;

