



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

Enriching Lives

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014] and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

NOTICE is hereby given that pursuant to Section 110, and other applicable provisions, if any, of the Act, read with the Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modification or re-enactment thereof for the time being in force) and circulars bearing numbers CIR/CFD/DIL/5/2013 dated February 4, 2013, CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by Securities and Exchange Board of India ("SEBI Circulars") and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following resolutions are proposed to be passed by way of Postal Ballot or e-voting by the shareholders of the Company.

Statement of material facts pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out the relevant information concerning the resolutions is annexed.

SPECIAL RESOLUTION

1. APPROVAL FOR INSERTION OF NEW CLAUSE IN THE OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY.

To pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and Rules framed thereunder, if any, consent of the Members be and is hereby accorded for the alteration of Memorandum of Association with respect to the objects of the Company by insertion of new clause no.43 (A) with and sub clauses (i) to (iii) as follows:

- i) To develop, plan, design, manufacture, assemble, erect, repair, dismantle, market, sell, buy, trade, distribute, lease, store, import, export, service, supervise, construct, commission, execute, license, operate and maintain a full range of system engineering / designing and support services including consultation, licensing technology and know-how, survey, design & engineering, detailed project report (DPR), other related documentation, and use of the same for various project applications and related plant and machinery, equipment and components, parts, controls, drivers and accessories thereof.
- ii) To carry on the business of providing, programming and dealing in the services of business process outsourcing, software solutions, information technology including designing and developing customized software and hardware, networking, hiring, transferring or licensing, dealing in computer hardware and software, computer programming, system software, data processing, data entry, data warehousing, apparatus, appliance, systems, software procedures, peripheral products and other IT equipment and providing of Intranet, extranet and internet service provider (ISP) and application service provider related services, hardware program products, commercial operations, communication, system analysis and to provide virtual network services, backbone solutions and to design simulation hardware description languages, test vector translation and tool integration, designing and developing business applications software involving local areas networks and multi tasking operating system and graphical user interface, relations, database management systems, object oriented data base management systems and interactive multimedia, preparing advertisements and publishing the information, advertisement on internet, conducting exhibition of internet, online promotion, search engine optimization and web designing and development, in India and abroad.

- iii) To provide advice, consultancy services and solutions in the areas of process planning and design, project management, enterprise resource planning [ERP] support and implementation, compliance/audit trail, internal audit, e-commerce applications, business process outsourcing, information architecture and mapping, documentation, remote/outsourced team management using product / application engineering technology and to undertake, perform, carry out work, tasks, processes, assignments related to information technology enabled services independently or as may be subcontracted or outsourced to or by the Company, in the form of software product development and management services, software solutions, software/ hardware programming, software systems, data processing, data base management systems, data warehousing, information technology, networking, web development and multimedia designing, in India and abroad.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such actions as may be necessary, desirable and expedient and to do all such necessary acts and deeds that may be incidental or pertinent to give effect to the aforesaid resolution.”

ORDINARY RESOLUTION

2. APPROVAL OF SCHEME OF AMALGAMATION OF KIRLOSKAR SYSTECH LIMITED WITH KIRLOSKAR BROTHERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS.

To pass with or without modification(s), the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956, and the Companies Act, 2013, if any and subject to the approval of the Hon'ble High Court of Judicature at Bombay, the Scheme of Amalgamation (the Scheme) between Kirloskar Systech Limited (Amalgamating/Transferor Company) with Kirloskar Brothers Limited (Amalgamated/Transferee Company) and their respective shareholders, as circulated along with this notice, be and is hereby approved including any modification(s) which may be required, imposed or ordered by the Hon'ble High Court of Judicature at Bombay or by Regional Director or by any authority under any law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in implementing the Scheme.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removing any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as “The Board”, which term shall deem to include any Committee or any person(s) which the Board may constitute or nominate to exercise its powers, including the powers conferred under the above resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties that may arise with regard to the implementation of the Scheme, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary as to give effect to the Scheme or to carry out such modifications/directions as may be ordered by the Hon'ble High Court of Judicature at Bombay or any other authority under any law to implement the Scheme.”

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

Sandeep Phadnis
Company Secretary

Pune : January 8, 2016

NOTES :

1. Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), statement of material facts for the items mentioned in the Notice are annexed.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members / Statements of beneficial ownership maintained by the Depositories, i.e., National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on the close of business hours on Friday, January 8, 2016.
3. The Postal Ballot Notice is also being sent by e-mail to those Members who have registered their e-mail addresses with the Company /Registrar and Transfer Agent or with their Depository Participants (“DP”) unless any Member has requested for a physical copy of the same. Members who have not registered their e-mail address will receive the Postal Ballot Notice along with the Postal Ballot Form (“Ballot Form”) through permitted mode.
4. The Postal Ballot Notice is uploaded on the website of the Company, i.e., www.kirloskarpumps.com and on the website of NSDL, i.e., www.evoting.nsdl.com.

5. The Board has appointed Mr. S. V. Deulkar, Partner, SVD and Associates a Practicing Company Secretary, Pune as a Scrutinizer to conduct the Postal Ballot and e-voting exercise in a fair and transparent manner.
6. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering e-voting facility to its shareholders as an alternate mode to exercise their right to vote in respect of the proposed resolutions. The Company has engaged the services of NSDL to provide the e-voting facility, which is available at <https://www.evoting.nsdl.com>. The instructions for e-voting are given below.
7. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. However, in case Members cast their vote by Ballot Form and e-voting, then e-voting shall prevail and voting done by Ballot Form will be treated as invalid.

Voting instructions:

A) Voting through Ballot Form:

1. Please complete and sign the Ballot Form (any other form or photocopy thereof will be treated as invalid) and send it in an attached self-addressed postage pre-paid Business Reply Envelope (if posted from India), so as to reach the Scrutinizer, viz. Mr. S. V. Deulkar, Partner, SVD and Associates C/O Link Intime India Limited, at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 on or before 5:00 pm, on Friday, February 19, 2016. Any Ballot Form received after the said date shall be treated as if the reply from the Member has not been received.
2. Member may send the Ballot Form by courier or registered post or delivers it in person at his/her own expense, such Ballot Form will also be accepted.
3. The Ballot Form should be signed by the Member as per the specimen signature registered with the Company/Depository Participants. In case of joint holding, the Ballot Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney ("POA") holder may vote on behalf of a Member, enclosing a duly attested copy of the POA.
4. Institutional shareholders are requested to send the scanned copy of relevant Board resolution / POA together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer at deulkarcs@gmail.com with a copy marked to evoting@nsdl.co.in.
5. Votes should be cast either in favour or against, by putting the tick (3) mark in the appropriate column provided in the Ballot Form.
6. A Member need not use all the votes or cast all the votes in the same way.
7. A Member may request for a duplicate physical copy of Ballot Form, if so required, by sending an e-mail to grievance.redressal@kbl.co.in mentioning his/her Folio / DP ID and Client ID No.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Ballot Form will also be rejected if it is received in torn, defaced or mutilated condition.

B) Voting through electronic means:

1. The e-voting shall commence on Wednesday i.e. January 20, 2016 at 9.00 a.m. and end on Friday i.e. on February 19, 2016 at 5.00 p.m. E-voting shall not be allowed beyond February 19, 2016 after 5.00 p.m. The e-voting module shall be disabled by NSDL for voting thereafter.
2. In case of Members, who have registered their e-mail IDs with the Company :
 - i . For Members who are not registered with NSDL for e-voting, will receive an e-mail from NSDL containing their user ID and password for e-voting along with the Postal Ballot notice. Please note that the password is an initial password and needs to be changed on initial login.
 - ii . If you are already registered with NSDL for e-voting, then you can use your existing user ID & password for login.

- iii . For voting, you should log on to <https://www.evoting.nsdl.com> and click on 'Shareholder – Login' during the period mentioned in point No. B 1 above.
 - iv . Enter user ID and password or initial password and click login.
 - v . In case of initial login, password change menu will appear. Please change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Kindly note your new password for all future purposes. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
 - vi . Click on 'e-voting: Active Voting Cycles'.
 - vii . Select the 'Electronic Voting Event Number' (EVEN) of Kirloskar Brothers 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 appear. Once you have cast your vote on the resolution, you will not be allowed to modify it.
3. In case of other Members:
- You will receive login ID and password in the enclosed Ballot Form. Please follow steps from 2 (iii) to (x) for casting vote electronically.
4. In case of any queries relating to e-voting, you may refer the 'Frequently Asked Questions' (FAQs) and e-voting user manual for Members available at 'Downloads' section at www.evoting.nsdl.com.
5. The Scrutinizer shall, after conclusion of voting period, will first count the votes cast through the Ballot Form and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and not later than 7 days from the last date of the receipt of the postal ballot.
6. The result shall be declared by placing it, along with the Scrutinizer's report on the website of the Company i.e. at www.kirloskarpumps.com

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

Sandeep Phadnis
Company Secretary

Pune : January 8, 2016

Statement of material facts as required under Section 393 of Companies Act, 1956 read with Section 102 of the Companies Act, 2013:

Item No. 1

The Committee of the Board of Directors of Kirloskar Brothers Limited (KBL/Company) has approved a Scheme of Amalgamation of Kirloskar Systech Limited (KSL), a wholly owned subsidiary of the Company subject to the approval of the Hon'ble High Court of Judicature at Bombay and their respective shareholders. Post amalgamation all the assets and liabilities of KSL will vest with KBL and KBL will carry forward the business of KSL. KSL is engaged in the business of System Engineering and Information Technology solutions.

In order to enable the Company to carry on the businesses of KSL, it is required to alter the 'Object clause' of Memorandum of Association (MOA) of the Company.

The alteration in the Object clause of MOA would require approval from the shareholders of the Company by way of a Special Resolution in terms of Section 13 of the Companies Act, 2013. Further, in terms of Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, the approval of the Members shall be taken by way of Postal Ballot. Also in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to provide an e-voting facility to its Members in respect of all shareholders' resolutions.

The Board of Directors of the Company has accorded its approval to the alteration of the MOA subject to the requisite approval by the Members, at their meeting held on October 28, 2015 and recommend the same for the approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are interested / concerned or deemed to be interested / concerned, financially or otherwise, in the above resolution

Copies of the MOA existing and incorporating proposed change, are available for inspection by the Members' at the Registered Office of the Company during the business hours i.e. between 9:00 a.m. to 5:30 p.m. The inspection can be conducted by giving a prior intimation of at least 24 hours in advance.

Item No. 2

KSL is a wholly owned subsidiary of the Company. Substantial income of KSL is generated by providing services to the Company. With a view to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to merge and amalgamate all the undertaking of KSL into the Company. This will facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

Since all the issued and subscribed share capital of KSL is held by KBL, the entire share capital of KSL would stand extinguished and cancelled after the scheme becoming effective and there will be no exchange or issue of new shares to the existing shareholders of KSL and hence, the shareholding pattern of the KBL would remain unchanged.

The detailed pre and post amalgamation shareholding pattern of KBL and KSL are given below;

Kirloskar Brothers Limited (Transferee Company):

Category of Shareholder		Pre-amalgamation, as on September 30, 2015		Post-amalgamation (Expected)	
		Number of shares	Percentage of shareholding (%)	Number of shares	Percentage of shareholding (%)
(A)	Shareholding of Promoter and Promoter Group				
1	Individual / HUF	30,968,589	39.00	30,968,589	39.00
2	Bodies Corporate	19,329,956	24.34	19,329,956	24.34
	Total(A)	50,298,545	63.34	50,298,545	63.34
(B)	Shareholding of Public				
1	Institutions				
	Mutual Funds	4,146,021	5.22	4,146,021	5.22
	Financial Institutions / Banks	3,577,749	4.51	3,577,749	4.51
	Foreign Institutional Investors	5,828,299	7.34	5,828,299	7.34
	Foreign Portfolio Investors (Corporate)	55,608	0.07	55,608	0.07
	Sub. Total (B)(1)	13,607,677	17.14	13,607,677	17.14
2	Non- Institutions				
	Bodies Corporate	3,020,324	3.80	3,020,324	3.80
	Individuals	12,195,566	15.36	12,195,566	15.36
	Non Resident Indian	249,038	0.31	249,038	0.31
	Clearing members	26,189	0.03	26,189	0.03
	Foreign National	4,792	0.01	4,792	0.01
	Trust	6,795	0.01	6,795	0.01
	Sub. Total (B)(2)	15,502,704	19.52	15,502,704	19.52
	Total (B)	29,110,381	36.66	29,110,381	36.66
	Total (A) + (B)	79,408,926	100.00	79,408,926	100.00

Kirloskar Systech Limited (Transferor Company):

Category of Shareholder		Pre-amalgamation, as on September 30, 2015		Post-amalgamation (Expected)	
		Number of shares	Percentage of shareholding (%)	Number of shares	Percentage of shareholding (%)
(A)	Shareholding of Promoter and Promoter Group				
	*Bodies Corporate	90,000	100.00	0	0
	Total(A)	90,000	100.00	0	0
(B)	Shareholding of Public	0	0	0	0
	Total (B)	0	0	0	0
	Total (A) + (B)	90,000	100.00	0	0

* This includes 6 nominee Shareholders of the Promoter Company.

The Audit and Finance Committee and the Committee of Board of Directors of KBL have approved and recommended the proposed scheme for the requisite approval by the Members of the Company.

The copy of the draft Scheme of Amalgamation of KSL with KBL and their respective shareholders also forms part of the 'Statement of material facts'.

In terms of SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with CIR/CFD/DIL/8/2013 dated May 21, 2013, requires Members approval by way of voting through Postal Ballot or e-voting, to the scheme submitted to the Hon'ble High Court for its sanction. The scheme shall be acted upon only if the voter 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 has received observation letters from BSE Limited and National Stock Exchange of India Limited on January 4, 2016, copies of the same are enclosed herewith.

The Company has obtained a 'Fairness Opinion' dated October 20, 2015 from 'Inga Capital Pvt. Limited'.

The copies of the complaint report and the fairness opinion are also enclosed herewith.

The Committee of Board of Directors of the Company under its delegated authority has accorded its approval to the Scheme of Amalgamation of KSL with the Company, at its meeting held on September 28, 2015 and recommends the same for the approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives, are interested / concerned, financial or otherwise, or deemed to be interested / concerned in the above resolution.

A copy of the Scheme of Amalgamation and statement of material facts containing explanatory statement may be obtained from the Registered Office of the Company or from the office of the Advocate M/s. Hemant Sethi & Co. having their office at '309, New Bake House, 2nd Floor, Maharashtra Chamber of Commerce Lane, Behind Rhythm house, Kala Ghoda, Mumbai – 400 001

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

Sandeep Phadnis
Company Secretary

Pune :January 8, 2016

SCHEME OF AMALGAMATION
OF
KIRLOSKAR SYSTECH LIMITED
(Amalgamating Company)
WITH
KIRLOSKAR BROTHERS LIMITED
(Amalgamated Company)
AND THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

1. PRELIMINARY

- 1.1 This Scheme of Amalgamation is presented for the Amalgamation of Kirloskar Systech Limited, (hereinafter referred to as "the **Amalgamating/Transferor Company**"), a company incorporated under the Companies Act, 1956 and a company under Section 2(20) of the Companies Act, 2013, and having its registered office at Udyog Bhavan, Tilak Road, Pune-411002 in the State of Maharashtra, India, with Kirloskar Brothers Limited, (hereinafter referred to as "the **Amalgamated/ Transferee Company**") is a public company limited by shares incorporated under the Indian Companies Act, 1913 and a company under Section 2(20) of the Companies Act, 2013, having its registered office at Udyog Bhavan, Tilak road, Pune-411002. The equity shares of the Amalgamated Company are listed on NSE and BSE (hereinafter defined).
- 1.2 The Amalgamating Company is in the business of providing Engineering Services and IT Services.
- 1.3 The Amalgamated Company inter-alia carries on the business of manufacturing of pumps, valves and is involved in activities of undertaking turnkey EPC contracts.

2 PURPOSES OF AMALGAMATION

The Amalgamating Company is 100% subsidiary of the Amalgamated Company. Substantial income of Amalgamating Company is generated by providing services to the Amalgamated Company. With a view to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to merge and amalgamate all the undertaking of the Amalgamating Company into Amalgamated Company.

The amalgamation of the undertaking of the Amalgamating Company into the Amalgamated Company will facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

3 DEFINITIONS

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

- 3.1 "**Act**" means the Companies Act, 1956, or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the respective Board of Directors, including any Committee thereof of the Amalgamating Company and the Amalgamated Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 unless stated otherwise. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall unless a different intention appears be construed as references to the provisions so re-enacted.
- 3.2 "**Appointed Date**" For the purpose of this Scheme and the Income Tax Act, 1961, the "Appointed Date" means 1st April, 2015;
- 3.3 "**Effective Date**" means last of the date on which authenticated / certified copies of the Order of the High Court sanctioning the Scheme has been filed with the concerned Registrar of Companies, Pune, Maharashtra by the Amalgamating Company and the Amalgamated Company if required ;

- 3.4 **"High Court"** shall mean the High Court of Judicature at Bombay. In the event of the National Company Law Tribunal (hereinafter referred to as **"the Tribunal"**) being constituted by the Central Government by a Notification in the Official Gazette and the proceedings initiated under Sections 391 to 394 of the Companies Act, 1956 relating to these scheme being transferred to the Tribunal, the words "High Court" shall deem to mean and include the Tribunal, as the context may require.
- 3.5 **"Amalgamated Company" or "the Transferee Company"** means Kirloskar Brothers Limited, a public limited company having its registered office at Udyog Bhavan, Tilak Road, Pune-411002;
- 3.6 **"Amalgamating Company" or "the Transferor Company"** means Kirloskar Systech Limited, a company having its registered office at Udyog Bhavan, Tilak Road, Pune-411002;
- 3.7 **"Board of Directors" or "Board"** in relation to each of the Amalgamating Company and the Amalgamated Company including any committee thereof, as the case may be, means the board of directors of such company.
- 3.8 **"Scheme of Amalgamation" or "this Scheme" or "the Scheme"** means this Scheme of Amalgamation of Amalgamating Company with Amalgamated Company in its present form or as may be modified from time to time or as may be approved or directed by the High Court of Judicature at Bombay.
- 3.9 **"SEBI Circular"** means the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 (which provides clarifications with respect to the aforementioned circular), both issued by the Securities and Exchange Board of India.
- 3.10 **"Stock Exchanges"** means National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- 3.11 **"Undertaking"** shall mean and include all the undertaking and businesses of Amalgamating Company as a going concern comprising of:
- 3.11.1 All the assets, undertakings and the entire businesses and all the properties, whether movable or immovable, profits including but not limited to the insurance commission, tangible and intangible, corporeal or incorporeal, intellectual property, whether in possession or reversion, present or contingent, fixed assets, capital work-in-progress including expenses incurred to be capitalized and earnest monies or deposits or advances for assets, financial assets, inventories, stock in trade, debtors, current assets, investments, loans, if any and advances, powers, authorities, allotments, approvals or consents or licenses or permissions of whatsoever nature and from whatever government, central or state or local self-government, or arm or department or division or statutory authority/body or corporation-sole of or constituted by any such government, domain name, tenancy rights, tenancy licenses, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated, if any and belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all product patents, process patents, trademarks, copy rights, and other industrial, commercial and intellectual properties, trade names, and other commercial rights of any nature whatsoever including any applications filed for securing of any such intellectual property whether in India or abroad, if any and rights and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and electronic, email, internet, leased line connections and installations, if any and other services, reserves, provisions, funds, benefits of all agreements and all other interests belonging to or in the ownership or, power or possession or in the control of or vested in, subsisting upon or granted in favour of or enjoyed by the Amalgamating Company, if any under sale or purchase agreements, agreements for lease or licensor hire purchase or landing contracts or security arrangements or guarantees. Additionally, all plants, machinery, vehicles whether motor vehicles or otherwise, equipments, including without limitation, measuring devices, whether used for surveying or otherwise, furniture, fixtures, whether used in the buildings, or otherwise as owned, leased or in possession of the Amalgamating Company (hereinafter collectively referred to as **"Assets"**).
- 3.11.2 All debts, liabilities, borrowings, if any and bills payable, interest accrued, contingent liabilities and all other liabilities, duties, undertakings, contractual obligations, guarantees given and obligations if any of the Amalgamating Company of every kind, nature and description whatsoever and howsoever (hereinafter referred to as **"Liabilities"**).
- 3.11.3 Without prejudice to the generality of Sub-clause 3.11.1 and 3.11.2 above, the undertaking of Amalgamating Company shall include all Amalgamating Company's Assets including claims or obligation, consents /approvals / certifications/ permissions of whatsoever nature including those relating to employees and Technical Know-how agreement, if any, or otherwise with any person/ institution/ company or any association anywhere in the world, enactments, lease-hold rights and, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different Taxation and other Laws may belong to or be available to Amalgamating Company, rights and powers of every kind, nature and description of whatsoever

probabilities, liberties, and approval of, whatsoever nature and wherever situated, belonging to or in ownership, power or possession or control or entitlement of Amalgamating Company including but limited to buildings and structures, offices, residential and other premises, capital work in progress, if any and furniture, fixtures, office equipment, appliances, accessories, power lines, depots, deposits, all assets, cash balances with banks, contingent rights or benefits, receivables, earnest moneys, advances or deposits, if any paid by Amalgamating Company, financial assets, hire purchase contracts and assets, if any, marketing tie-ups or marketing networks or marketing rights, benefit of any security arrangements or under any guarantees, reversions, exemptions, incentives, deferrals, tenancies in relation to the offices and/or residential properties for the employees or other persons, if any and all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, benefits of assets or properties or other interest held in trust, registrations and all other interests of whatsoever nature.

3.11.4 The 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 terms or provisions of the 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 upto the Effective Date, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the 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.

3.11.5 The words importing the singular include the plural; words importing any gender include every gender.

Any word or expression used and not defined in the Scheme but defined in the Act shall have meaning respectively assigned to them in the Act.

4 OPERATIVE DATE – EFFECTIVE DATE

The Scheme, though operative from the Appointed Date, shall become effective from the Effective Date. Reference in this Scheme to the date of "coming into effect of this Scheme" shall mean the Effective Date.

5 SHARE CAPITAL

5.1 The authorized, issued, subscribed and paid-up share capital of the Amalgamating Company as per the audited accounts as on 31st March 2015 is as under:

Particulars	Rupees
CAPITAL:	
<u>Authorised:</u>	
2,50,000 Equity Shares of Rs. 10/- each.	2,500,000
<u>Issued, Subscribed and Paid –up:</u>	
50,000 Equity Shares of Rs. 10/- each	500,000
Out of the above	
40,000 equity shares of Rs 10/- each were allotted as fully paid up pursuant to contract for consideration other than cash	400,000
TOTAL	900,000

The entire share capital of Amalgamating Company is held by the Amalgamated Company in its own name and jointly with its nominees(s) since its Incorporation. The Amalgamating Company is 100% subsidiary of the Amalgamated Company. Subsequent to 31st March, 2015 there has been no change in the capital structure of the Amalgamating Company.

5.2 The authorized, issued, subscribed and paid-up share capital of the Amalgamated Company as per the audited accounts as on 31st March 2015 is as under:

Particulars	Rupees
CAPITAL:	
<u>Authorised:</u>	
250,000,000 Equity Shares of Rs. 2/- each	500,000,000
<u>Issued, Subscribed and Paid up:</u>	158,776,352
79,388,176 Equity Shares of Rs. 2/- each	
Subscribed & Fully Paid up	

Subsequent to 31st March, 2015 there has been change in the capital structure of the Amalgamated Company due to allotment of 20,750 equity shares of Rs.2/- each on exercise of options under ESOS.

The authorized, issued, subscribed and paid-up share capital of the Amalgamated Company post above allotment as on date, is as under:

Particulars	Rupees
CAPITAL:	
<u>Authorised:</u>	
250,000,000 Equity Shares of Rs. 2/- each	500,000,000
<u>Issued, Subscribed and Paid up:</u>	158,817,852
79,408,926 Equity Shares of Rs. 2/- each	
Subscribed & Fully Paid up	

6 TRANSFER AND VESTING OF UNDERTAKING

- 6.1 On and from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the entire business and whole of the Undertaking of the Amalgamating Company as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Amalgamated Company in such a manner that:
 - 6.1.1 all the Assets of the Amalgamating Company immediately before the amalgamation become the property of the Amalgamated Company by virtue of the amalgamation;
 - 6.1.2 all the Liabilities of the Amalgamating Company immediately before the amalgamation become the Liabilities of the Amalgamated Company by virtue of the amalgamation;
- 6.2 Without limiting the generality of the foregoing, on and from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of the Amalgamating Company as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Amalgamated Company in the following manner:
 - 6.2.1 With effect from the Appointed Date, the whole of the businesses and the undertaking of the Amalgamating Company and all the Assets of the Amalgamating Company, including the Assets specified in Clause 6.2.2 and Clause 6.2.3, of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, without any further act or deed be transferred to and vested in and deemed to be transferred to and vested in the Amalgamated Company as a going concern so as to become, as from the Appointed Date, the Assets and Liabilities of the Amalgamated Company and to vest all the right, title and interest therein to the Amalgamated Company.
 - 6.2.2 With effect from the Appointed Date, all the moveable Assets including plant & machinery, furniture & fixtures, office equipments, vehicles, computers, air conditioner, electric installation, fire extinguisher, inventories, cash in hand of the Amalgamating Company, capable of transfer by physical delivery or by endorsement and/ or delivery shall be so delivered or endorsed and/ or delivered as the case may be to the Amalgamated Company to the end and intent that the property therein passes to the Amalgamated Company, on such delivery or endorsement and/ or delivery in pursuance of the provisions of Sections 391 - 394 and other applicable provisions of the Act.
 - 6.2.3 In respect of the movable properties of the Amalgamating Company (other than those specified in Clause 6.2.2 above) including sundry debtors, receivables, bills, credits, loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits with government, semi-government authorities, local and other authorities and bodies or with any company or other person, the Amalgamated 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, give notice in such form as it may deem fit and proper, to each of such person, debtor or depositor, as the case may be, that pursuant to the High Court having sanctioned the Scheme, such debt, loan, advance, bank balance, or deposit be paid or made good or held on account of the Amalgamating Company as the person entitled thereto to the end and intent that the right of the Amalgamating Company to recover or realize all such debts (including the debts payable by such person or depositor to the Amalgamating/Transferor Company) stands without any further act or deed, transferred and assigned to the Amalgamated/Transferee Company and that appropriate entries should be passed in its books to record the aforesaid change.
 - 6.2.4 The Amalgamated Company may, at any time after coming into effect 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 Amalgamating Company is party or any writings as may be

necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to implement or carry out all such formalities or compliance referred to above on the part of the Amalgamating Company to be carried out or performed.

6.2.5 With effect from the Appointed Date, all debts, Liabilities, duties, obligations of every kind, nature and description of the Amalgamating Company shall, under the provisions of sections 391 and 394 of the Act without any further act or deed be transferred to or be deemed to be transferred to the Amalgamated Company so as to become as from the Appointed Date the debts, Liabilities, duties, obligations of the Amalgamated 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 debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

6.3 If and to the extent there are inter-corporate loans, deposits, receivables or balances between the Amalgamating Company and the Amalgamated 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 Amalgamated 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, receivables or balances between the Amalgamating Company and the Amalgamated Company.

6.4 The transfer and/ or vesting of the properties as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the aforesaid Assets or any part thereof of the Amalgamating Company.

Provided however, that any reference in any security documents or arrangements, to which the Amalgamating Company is a party, to the Assets of the Amalgamating Company which it has offered or agreed to be offered as security for any financial assistance or obligations, to any secured creditors of the Amalgamating Company, shall be construed as reference only to the Assets of the Amalgamating Company as are vested in the Amalgamated Company by virtue of the aforesaid Clause, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, to any of the Assets or to any of the other units or divisions of the Amalgamated Company, unless specifically agreed to by the Amalgamated Company with such secured creditors.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Scheme and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Scheme has become effective or otherwise.

6.5 With effect from the Effective Date, the Amalgamated Company shall carry on and shall be authorized to carry on the business carried on by the Amalgamating Company in addition to the business of the Amalgamated Company.

6.6 All licenses, approvals, permits, registration and membership of the Amalgamating Company, of/from any governmental or regulatory agencies including Reserve Bank of India, any trade associations, chambers of commerce or any charitable or other trusts as trustee or beneficiary, if any shall be transferred to and vested in and become the licenses, approvals, permits and registration and membership of the Amalgamated Company and the Amalgamated Company shall continue to enjoy the benefits, rights and be liable for all obligations and liabilities as are available to or binding upon the Amalgamating Company in whose favour such licences, etc. have been issued or granted and the name of the Amalgamating Company shall be deemed to have been substituted by the name of the Amalgamated Company.

6.7 The transfer and/ or vesting of all the Assets and Liabilities of the Amalgamating Company to the Amalgamated Company and the continuance of all the contracts or proceedings by or against the Amalgamated Company shall not affect any contract or proceedings relating to the Assets or the Liabilities, tenancy rights, licenses already concluded by the Amalgamating Company on or after the Appointed Date.

7 BUSINESS AND PROPERTY OF THE AMALGAMATING COMPANY TO BE HELD IN TRUST FOR THE AMALGAMATED COMPANY

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

7.1 The Amalgamating Company shall carry on and be deemed to have carried on all its business and 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 Amalgamated Company. The Amalgamating Company hereby undertakes to hold the Assets, properties and Liabilities with utmost prudence until the Effective Date.

- 7.2 All the profits or income accruing or arising to the Amalgamating Company and all costs, charges, expenditure, taxes or losses arising or incurred by the Amalgamating Company shall, for all purposes, be treated and be deemed to be and accrue as the profits, income, costs, charges, expenditure, taxes or losses, as the case may be, of the Amalgamated Company.
- 7.3 The Amalgamating Company shall carry on its business and activities until the Effective Date with reasonable diligence, and business prudence and shall not, without the prior consent of the Amalgamated 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 Amalgamating Company.

Provided however, the Amalgamating 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 Amalgamated Company in that behalf.

- 7.4 The Amalgamating Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.
- 7.5 The Amalgamating Company shall not, without the prior written consent of the Board of Directors of the Amalgamated Company, undertake any new business or substantial expansion of their existing business. However the Amalgamating Company shall be entitled to declare dividend.
- 7.6 The Amalgamating Company shall not make any change in their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organisation or in any other manner whatsoever other than the changes pursuant to any prior commitments, obligations or arrangements or acts and deeds already made except by mutual consent of the Board of Directors of the Amalgamated Company and the Amalgamating Company.

8 LEGAL PROCEEDINGS

- 8.1 All suits, actions, appeals, writ petitions, revisions or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Amalgamating Company pending and/or arising on or before the Effective Date, if any shall not abate, not be discontinued or not be in any way prejudicially affected by reason of the transfer of the business of the Amalgamating Company pursuant to this Scheme but the Proceedings be continued, prosecuted and enforced by or against the Amalgamated 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 Amalgamating Company as if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company shall initiate, continue and defend any Proceedings which were earlier in the name of the Amalgamating Company.
- 8.2 On and from the Appointed Date but on or before the Effective Date, if any Proceedings are taken against or initiated by the Amalgamating Company, the same shall be defended by the Amalgamating Company for and on behalf of the Amalgamated Company.

9 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

The Transfer and vesting of the Assets, properties and Liabilities under Clause 6 above and the continuance of the proceedings mentioned in Clause 8 above shall not in any manner affect the transactions or proceedings already concluded by or against the Amalgamating Company:

- 9.1 All acts, contracts, agreements, deeds, bonds or any other instruments executed by the Amalgamating Company on or before the Appointed Date shall be in full force and effect against or in favor of the Amalgamated Company as the case may be and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary thereto.
- 9.2 All acts, contracts, agreements deeds, bonds or any other instruments executed by the Amalgamating Company after the Appointed Date but before the Effective Date shall be in full force and effect against or in favor of the Amalgamated Company as the case may be and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary thereto.
- 9.3 Upon the Scheme coming into effect and subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Amalgamating Company are / is a party or to the benefit of which the Amalgamating 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 favor of the Amalgamated Company as the case may be and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary thereto. The Amalgamated 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 Amalgamating Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause, if so required or becomes necessary.

- 9.4 As a consequence of the amalgamation of the Amalgamating Company with the Amalgamated Company in accordance with this Scheme, the recording of change of name from the Amalgamating Company to the Amalgamated Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.
- 9.5 The Amalgamated Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Amalgamating Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company, implement or carry out all such formalities or compliances referred to above on the part of the Amalgamating Company, as the case may be, to be carried out or performed.
- 9.6 For the removal of doubts, it is expressly made clear that the dissolution of the Amalgamating Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Amalgamating Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Amalgamating Company shall be construed as reference only to the Amalgamated Company with effect from the Appointed Date.

10 TREATMENT OF TAXES

- 10.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Service Tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "**Tax Laws**") dealing with taxes/ duties/ levies allocable or related to the business of the Amalgamating 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 Amalgamated Company.
- 10.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Amalgamating Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Amalgamated Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Amalgamating Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
- 10.3 Any refund under the Tax Laws due to Amalgamating Company consequent to the assessments made on Amalgamating 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 Amalgamated Company.
- 10.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Amalgamating 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 Amalgamated Company.

11 SAVING OF CONCLUDED TRANSACTIONS

The transfer of all the Assets and Liabilities and the licenses and permits and membership etc. under Clause 6 above and the continuance of proceedings by or against the Amalgamated Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

12 CONSIDERATION

The Amalgamating Company is a 100% subsidiary of the Amalgamated Company and its entire equity share capital is held by the Amalgamated Company in its own name and jointly with its nominees under Section 49 of the Companies Act 1956 (corresponding Section 187 of the Companies Act, 2013). Accordingly, there would be no

issue of equity shares of the Amalgamated Company to the shareholders (including those holding the shares as nominees of the Amalgamated Company) of the Amalgamating Company. Pursuant to the merger of the Amalgamating Company with the Amalgamated Company, the investment in the equity shares of the Amalgamating Company, appearing in the books of account of the Amalgamated Company will stand cancelled.

13 STAFF, WORKMEN AND EMPLOYEES OF THE AMALGAMATING COMPANY

- 13.1 All staff, workmen and employees of the Amalgamating Company in permanent service on the Effective Date shall become the staff, workmen and employees of the Amalgamated Company on such date without any break or interruption in service and on the terms and conditions not in any way less favourable to them than those subsisting with reference to the Amalgamating Company as the case may be on the said date.
- 13.2 It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Schemes created or existing for the benefit of the staff, workmen and employees of the Amalgamating Company are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever related to the administration or operation of such schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such schemes and Funds as per the terms provided in the respective Trust Deeds/ other documents. To this end and intent all the rights, duties, powers and obligations of the Amalgamating Company in relation to such Funds/ Schemes shall become those of the Amalgamated Company. It is clarified that the services of the staff, workmen and employees of the Amalgamating Company will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
- 13.3 The Amalgamating Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

14 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Amalgamated Company shall account for the amalgamation as under:

- i) The Amalgamated Company shall account for the Amalgamation of the Amalgamating Company as per the Accounting Standard 14 – Accounting for Amalgamations (AS14) - Pooling of interest method as stated in the Companies (Accounting Standards) Rules, 2006 read with General Circular No 8/2014 dated 4 April, 2014 issued by the Ministry of Corporate Affairs and any amendments thereto.
- ii) The Amalgamated Company shall record all the assets and liabilities including reserves of the Amalgamating Company transferred to and vested in the Amalgamated Company pursuant to this Scheme, at their respective book values as appearing in the books of Amalgamating Company.
- iii) Upon coming into effect of this Scheme, to the extent that there are inter-corporate loans or balances between the Amalgamating Company and the Amalgamated Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Amalgamating Company and the Amalgamated Company for the reduction of any assets or liabilities, as the case may be.
- iv) The investment in shares of the Amalgamating Company, appearing in the books of account of the Amalgamated Company shall, without any further act or deed, stand cancelled.
- v) The difference between the share capital of the Amalgamating Company and the book value of investments of Amalgamating Company in the Amalgamated Company shall be adjusted to Reserves in the books of the Amalgamated Company.
- vi) Adjustment for differences in accounting policies.

In case of any differences in the accounting policy between the Amalgamating Company and the Amalgamated Company, the impact of the same till the Amalgamation will be quantified and adjusted in Statement of Profit and Loss of the Amalgamated Company in accordance with AS-5 to ensure that the financial statements of the Amalgamated Company reflects the financial position on the basis of consistent accounting policy.

15. BOARD OF DIRECTORS OF THE AMALGAMATING COMPANY

The Board of Directors (or any committee/ sub-committee thereof) of the Amalgamating Company, upon the Scheme becoming effective, shall without any further act, instrument and deed stand dissolved. All the Directors of the Amalgamating Company shall cease to be Directors of the Amalgamating Company on coming into effect of

this Scheme. However, if any such Director is a Director of the Amalgamated Company he would continue to hold his office in the Amalgamated Company.

16. APPLICATION TO THE HON'BLE HIGH COURT OF BOMBAY

- 16.1 The Amalgamating Company and if required the Amalgamated Company shall with all reasonable dispatch, make applications to the jurisdictional High Court under Section 391 of the Act seeking orders for dispensing with or, if required, convening, holding and conducting of the meetings of the members and/or creditors of the Amalgamating Company as may be directed by the High Court.
- 16.2 On the Scheme being agreed to by the requisite majorities of the members of the Amalgamating Company, if so directed to be taken by the High Court, the Amalgamating Company shall, with all reasonable dispatch, apply to the High Court of Judicature at Bombay for sanctioning the Scheme of Amalgamation under Sections 391 and 394 of the Act, and for such other order or orders, as the High Court may deem fit for carrying this Scheme into effect and for dissolution of the Amalgamating Company without winding up.

17. FILING / AMENDMENT OF RETURNS

Amalgamated Company is expressly permitted to file/revise its income tax, wealth tax, service tax, VAT, Sales tax, Excise, Cenvat/MODVAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. Amalgamated Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that all the taxes/duties paid by the Amalgamating Company shall be deemed to be the taxes/ duties paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit for such taxes deducted / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Amalgamating Company.

18. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

This Scheme is specifically conditional upon and subject to:

- 18.1 Approval of required majority of class of persons of Transferor company or Transferee company, if required or as may be directed by the High Court.
- 18.2 The requisite approval from the shareholders of the Transferee Company would be obtained by way of postal ballot.
- 18.3 The Scheme will be sanctioned by public shareholders of the Transferee Company by voting through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.
- 18.4 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 term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- 18.5 The sanction or approval under any law or of the Central Government or any other Agency, Department or Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 18.6 The approval of, and agreement to the Scheme by the requisite majority of members of the Amalgamating Company or by the Amalgamated Company, if required as may be directed by the High Court on the Application made for directions under Section 391 of the Act for dispensing/calling meetings and necessary resolutions being passed under the Act for the purpose.
- 18.7 The sanction of the High Court being obtained by the Amalgamating Company and if required by the Amalgamated Company under Sections 391 and 394 and other applicable provisions of the Act.
- 18.8 The authenticated /certified copies of order of the High Court sanctioning the Scheme being filed with the concerned Registrar of Companies, Pune .

19. EFFECT OF NON-APPROVALS

In the event of any of the approvals or conditions enumerated in clause 18 above not being obtained or complied or for any reasons this Scheme cannot be implemented then the Board of Directors of the Amalgamating Company and the Amalgamated Company shall waive such conditions as they consider appropriate to give effect appropriately and, as far as possible, to this Scheme and failing such agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay, then the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred, inter-se, between the Amalgamating Company and the Amalgamated Company or their shareholders or creditors or any other person.

20. DISSOLUTION OF AMALGAMATING COMPANY

On the Scheme coming into effect, the Amalgamating Company shall, without any further act or deed, stand dissolved without winding up.

21. MODIFICATION, WITHDRAWAL OR AMENDMENT TO THE SCHEME

- 21.1 Subject to approval of High Court, the Amalgamating Company and the Amalgamated 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 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 the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Scheme into effect.
- 21.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Directors of the Amalgamated Company or such other person who are so authorised may give and is/ are authorized to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise after the dissolution of the Amalgamating Company.
- 21.3 The Amalgamating Company and the Amalgamated Company through its respective Board of Directors/ its authorized officers are hereby empowered and authorized to withdraw this scheme prior to the effective date in any manner and at any time.

22. COSTS, CHARGES & EXPENSES

All costs, charges and expenses of the Amalgamating Company and the Amalgamated Company in relation to or in connection with this Scheme and for carrying out and implementing/ completing the terms and provision of the Scheme and/ or incidental to the completion of the Amalgamation of the undertaking of the Amalgamating Company in pursuance of this Scheme shall, except as specifically provided herein, be borne and paid solely by the Amalgamated Company.

In the event mentioned in Clause 20 above, each party shall bear their respective costs, charges and expenses in connection with the Scheme. If the cost cannot be identified, the same shall be share equally between the Amalgamating Company and the Amalgamated Company.

STRICTLY PRIVATE & CONFIDENTIAL

October 20, 2015

**The Board of Directors,
Kirloskar Brothers Limited
Udyog Bhavan, Tilak Road,
Pune, Maharashtra - 411002**

Dear Sirs,

Re: Fairness Opinion in connection with the amalgamation of Kirloskar Systech Limited with Kirloskar Brothers Limited.

We have been requested by the management of Kirloskar Brothers Limited (hereinafter referred to as "KBL" or as the "Company") to give fairness opinion in connection with the amalgamation of Kirloskar Systech Limited (hereinafter referred to as "KSL") with the Company (together referred to as "Companies"). We have been informed that the appointed date for proposed amalgamation is April 1, 2015.

1. BACKGROUND

1.1 Kirloskar Brothers Limited & Kirloskar Systech Limited

KBL is company listed with the BSE and NSE and is engaged in the business of manufacturing of pumps, valves and is involved in activities of undertaking turnkey EPC contracts.

KSL is in the business of providing engineering Services and IT Services. KSL is a 100% subsidiary of KBL.

1.2 We have been informed that the management of the Companies are considering amalgamation of KSL with KBL pursuant to Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 ('the Scheme').

1.3 As mentioned above, KSL is a wholly owned subsidiary of KBL. The scheme provides that all equity shares of KSL held by KBL shall stand cancelled and extinguished upon amalgamation coming into effect.





2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956.
- Audited Financial Statements of Kirloskar Systech Limited and Kirloskar Brothers Limited for Financial Year 2014-15.
- Such other information and explanations as we required and which have been provided by the management of the Companies.

3. CONSIDERATION FOR AMALGAMATION

The management of the Companies has proposed that on amalgamation of KSL with KBL all equity shares issued by KSL held by KBL shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares shall be made to any person whatsoever.

4. ACCOUNTING TREATMENT IN THE BOOKS OF KBL

The management of the companies has proposed that on amalgamation of KSL with KBL all assets and liabilities recorded in the books of KSL shall be transferred and recorded at their carrying amount as appearing in the books of KSL

5. EXCLUSIONS AND LIMITATIONS

- 5.1 Our conclusion is dependent upon the information furnished to us being complete in all material respects.
- 5.2 Our report is not nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 5.3 This report has been prepared for management of KBL solely for the purpose of opining on the fairness in relation to equity shares of KSL and KBL pursuant to the amalgamation.
- 5.4 The information contained herein and our report is absolutely confidential. It is intended only for the sole use and information of KBL, and only in connection with the proposed amalgamation as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.





6. VALUATION METHODOLOGY

Upon the amalgamation of KSL into KBL, pursuant to the Scheme becoming effective, KBL will not issue and allot any equity shares to the shareholders of KSL as it is wholly owned subsidiary of KBL and therefore, the amalgamation will not result in any change in shareholding pattern of KBL. Further as per Paragraph 4.2 of SEBI Circular No.CIR/CFD/DIL/8/2013, dated May 21, 2013, 'Valuation Report from an Independent Chartered Accountant' need not be required in cases where there is no change in the shareholding pattern of the listed company / resultant company. Accordingly, the fair valuation of shares of KBL and KSL is not undertaken to determine SWAP Ratio of amalgamation.

7. CONCLUSION

- 7.1 On the basis of the foregoing points read with SEBI Circular SEBI CIR/CFD/DIL/8/2013, dated May 21, 2013, we are of the opinion that pursuant to the Scheme, the cancellation of equity shares of KSL held by KBL, and non allotment of shares in lieu thereof, is fair and reasonable.

Thank you,
Yours faithfully,

For Inga Capital Private Limited

S. Karthikeyan
Director



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

Enriching Lives

Complaints Report as per Clause 5.13 of the Securities Exchange Board of India circular No. (CIR/CFD/DIL/5/2013) dated February 04, 2013 pertaining to Scheme of Amalgamation of Kirloskar Systech Limited (Transferor / Amalgamating Company) with Kirloskar Brothers Limited (Transferee / Amalgamated Company) and their respective shareholders:

Part A

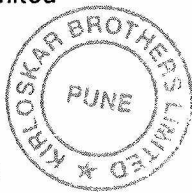
Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1 + 2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable	Not Applicable	Not Applicable
2.	Not Applicable	Not Applicable	Not Applicable
3.	Not Applicable	Not Applicable	Not Applicable

For Kirloskar Brothers Limited


Sandeep Phadnis
Company Secretary



Pune : November 27, 2015

January 4, 2016

The Company Secretary
 Kirloskar Brothers Ltd.
 Udyog Bhavan Tilak Road, Pune,
 Maharashtra, 411002.



Sub: Observation letter regarding the Draft Scheme of Arrangement Involving Amalgamation of Kirloskar Systech Limited with Kirloskar Brothers Ltd.

We are in receipt of Draft Scheme of Arrangement Involving Amalgamation of Kirloskar Systech Limited with Kirloskar Brothers 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 January 1, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company to ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, is displayed from the date of receipt of this letter on the website of the listed company"*
- *"Company shall duly comply with various provisions of the Circulars."*
- *"The Scheme shall incorporate a clause on postal ballot / e-voting by the shareholders, since the same is applicable in this case"*

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,


S&P BSE
 Mangesh Tayde
 Manager - SENSEX


 BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai
 T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
 Corporate Identity Number : U67120MH2005PLC155188
 Prasad Bhide
 Associate Manager

Ref: NSE/LIST/56284

January 04, 2016

The Company Secretary
Kirloskar Brothers Limited
Yamuna, Survey No. 98(3-7),
Baner,
Pune - 411045

Kind Attn.: Mr. Sandeep Phadnis

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation of Kirloskar Systech Limited with Kirloskar Brothers Limited and their respective shareholders

This has reference to draft Scheme of Amalgamation of Kirloskar Systech Limited ("Amalgamating Company") with Kirloskar Brothers Limited ("Amalgamated Company") and their respective shareholders under sections 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated October 26, 2015.

Based on our letter reference no Ref: NSE/LIST/52845 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 January 01, 2016, has given following comments on the draft Scheme of Amalgamation:

- "a) 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 listed company.
- b) The Company shall duly comply with various provisions of the Circulars.
- c) The scheme shall incorporate a clause on postal ballot / e-voting by the shareholders, since the same is applicable in this case."

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 January 04, 2016, 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/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
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

This Document is Digitally Signed



Signer : Kautuk Rohit Upadhyay
Date: Mon, Jan 4, 2016 16:55:23 GMT+05:30
Location: NSE

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