



## DUCON INFRA TECHNOLOGIES LIMITED

(Formerly known as Dynacons Technologies Limited)

Registered Office: Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane - 400 604.

Tel : +91 22 41122114 Fax Number: +91 22 41122115

Email: investor@dtlindia.com Website: www.dtlindia.com

CIN : L72900MH2009PLC191412

### NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

**Day:** Thursday

**Date :** August 31, 2017

**Time:** 10:00 a.m

**Venue:** Hotel Satkar Grande Wifi Park, Opposite APLAB Company, Wagle Estate, Thane (w) 400604.

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO.252 OF 2017**

In the matter of Companies Act, 2013  
**And**  
In the matter of Ducon Infratechnologies Limited  
**And**  
In the matter of Scheme of Arrangement  
between  
Ducon Technologies (India) Private Limited (Demerged Company)  
and  
Ducon Infratechnologies Limited (Resulting Company) and their  
respective shareholders and creditors

**Ducon Infratechnologies Limited,** )  
company incorporated under the provisions of the Companies )  
Act, 1956, having its registered office situated at Ducon House, )  
Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, )  
Thane -400604, Maharashtra) ) .....Applicant Company

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

**To,**  
**The Equity Shareholders, of Ducon Infratechnologies Limited (“the Company” or “Applicant Company” or “DIL”)**

**TAKE NOTICE** that by an Order made on June 22, 2017, July 7, 2017 and July 26, 2017 in the above mentioned Company Scheme Application, the National Company Law Tribunal, Mumbai Bench has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Hotel Satkar Grande Wifi Park, Opposite APLAB Company, Wagle Estate, Thane (w) 400604 Maharashtra on Thursday 31<sup>st</sup> Day of August, 2017 at 10:00a.m, to consider and, if thought fit, approve with or without modification(s), the proposed Scheme of Arrangement between Ducon Technologies (India) Private Limited and Ducon Infratechnologies Limited (Formerly known as Dynacons Technologies Limited) and their respective shareholders and creditors.

**“RESOLVED THAT** pursuant to the provisions of Sections 230 to 233 and other applicable provisions, if any, of the Companies Act, 2013, Memorandum of Association and Articles of Association of Ducon Infratechnologies Limited (“the Company” or “DIL”) and subject to the requisite sanction of the National Company Law Tribunal, Bench at Mumbai, as the case may be, and such other statutory/regulatory authority(ies), as may be applicable, the Scheme between Ducon Technologies (India) Private Limited (“DTPL”) and the Company and their respective shareholders and creditors for the demerger of the Demerged Undertaking of Ducon Technologies (India) Private Limited to the Company with effect from April 1, 2016 (“Appointed Date”), as per the terms and conditions mentioned in the draft Scheme and initialed by Chairman for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** any of the Authorised Representative(s) be and are hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the National Company Law Tribunal, Bench at Mumbai while sanctioning the Scheme of Arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper.”

**TAKE FURTHER NOTICE** that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at Hotel Satkar Grande Wifi Park, Opposite APLAB Company, Wagle Estate, Thane (w) 400604 Maharashtra on Thursday, 31<sup>st</sup> Day of August, 2017 at 10:00 a.m at which place, day, date and time you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra not later than 48 hours before the time of the aforesaid meeting

The Tribunal has appointed Mr. Harish Shetty, Director of the Applicant Company, failing him, Mr. Darshit Parikh, Company Secretary of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme, the Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013, Form of Proxy, Attendance Slip and Ballot Form are enclosed.

Sd/-  
Harish Shetty  
Chairman appointed for the meeting

Place: Mumbai  
Date: 26 July, 2017  
CIN: L72900MH2009PLC191412

**Registered office:**  
Ducon House, Plot No. A/4,  
Road No. 1, MIDC,  
Wagle Industrial Estate,  
Thane -400604, Maharashtra.

**Notes:**

1. All alterations made in the Form of Proxy should be initiated.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
3. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of power of attorney, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
4. The proxy need not be a member of the Applicant Company.
5. A Member or his Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification of attendance at the meeting.
7. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
8. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Applicant Company has provided the facility to the Members to exercise their votes on resolution through electronic voting facility ("e-voting") arranged by National Securities Depository Limited (NSDL) and the business contained in the notice may be transacted through such voting Instructions for voting are given at Note No. 12 annexed to this Notice. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting or by sending the ballot form, shall be able to exercise their right at the meeting. Resolution passed by Members through Ballot Forms or e-voting is deemed to have been passed as if they have been passed at a NCLT conveyed Meeting of the Members.
9. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
10. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
11. In case a member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [investor@dtlindia.com](mailto:investor@dtlindia.com) mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Company at their registered office at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra not later than August 30, 2017, 5:00 p.m. Ballot Form received after this date will be treated as invalid.
12. Instructions for voting are as under:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the NCLT Convened Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the NCLT convened Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the NCLT Convened Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the NCLT Convened Meeting may also attend the NCLT Convened Meeting but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on August 28, 2017 (9:00 am) and ends on August 30, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The Cut off Date for Eligibility of E Voting is 23rd August 2017
  - V. The process and manner for remote e-voting are as under:
  - VI. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login

- (iv) Put your user ID and password. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "DuconInfratechnologies Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csshrutishah@gmail.com](mailto:csshrutishah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- A. In case a Member receives physical copy of the Notice of NCLT Convened Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- i. Initial password is provided as below/at the bottom of the Attendance Slip for the  
**EVEN (Remote e-voting Event Number)USER ID PASSWORD/PIN**
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- IX. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> July, 2017. The Cut off Date for Eligibility of E Voting is 23rd August 2017.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21<sup>st</sup> July, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Bigshare Services Pvt. Ltd. The Cut off Date for Eligibility of E Voting is 23rd August 2017.  
  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the NCLT Convened Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the NCLT Convened Meeting.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the NCLT Convened Meeting through ballot paper.
- XIV. Ms. Shruti Shah, Practising Company Secretary (FCS No. 8852 and C.P. No 8197) has been appointed as the Scrutinizer for

providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XV. The Chairman shall, at the NCLT Convened Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the NCLT Convened Meeting but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall after the conclusion of voting at the NCLT Convened Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make the next day, of the conclusion of the NCLT Convened Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (i) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.dtlindia.com](http://www.dtlindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed Mumbai.

(1) Voting through Physical Ballot Form:

In terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the members who do not have access to e-voting, requested to fill in the Physical Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in the enclosed Business Reply Envelope to the Company. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Company at their registered office address at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra not later than August 30, 2017 5:00 pm. The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot and in no other form. In the even at member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

(2) Ms. Shruti Shah, Practising Company Secretary (FCS No. 8852 and C.P. No 8197) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Forms received from the members who do not have access to the e-voting process) in a fair and transparent manner. Scrutinizer's email address is [csshurutishah@gmail.com](mailto:csshurutishah@gmail.com).

Other instructions:

- (ii) The e-voting period commences on August 28, 2017 IST and ends on August 30, 2017 5:00 pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on July 21, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast vote again. The Cut off Date for Eligibility of E Voting is 23rd August 2017.
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as at the closure of the business hours on July 21, 2017 (the cut-off date). A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to cast the vote in the entire voting process.
- (iv) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice, holding shares as of the cut-off date i.e. July 21, 2017 and is already registered with NSDL for remote e-voting then such person can use his existing user ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com) or contact NSDL at its toll free no. 1800222080. You may also write to the Registrar and Share Transfer Agent, at Bigshare Services Pvt. Ltd. or to the Company at [investor@dtlindia.com](mailto:investor@dtlindia.com).

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO.252OF 2017**

In the matter of Companies Act, 2013

**And**

In the matter of Sections 230 to 233 read with Sections 52 and 66 of the Companies Act, 2013

**And**

In the matter of Ducon Infratechnologies Limited

**And**

In the matter of Scheme of Arrangement

between

Ducon Technologies (India) Private Limited (Demerged Company)

and

Ducon Infratechnologies Limited (Resulting Company) and their respective shareholders and creditors

**Ducon Infratechnologies Limited,** )  
 company incorporated under the provisions of the Companies )  
 Act, 1956, having its registered office situated at Ducon House, )  
 Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, )  
 Thane -400604, Maharashtra ) .....Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

1. This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, pursuant to an order dated June 22, 2017, July 7, 2017 and August 26, 2017 passed by the National Company Law Tribunal, Bench at Mumbai in the Company Scheme Application referred to hereinabove ("Order"), to be held at Hotel Satkar Grande Wifi Park, Opposite Aplab Company, Wagle Estate, Thane (w) 400604, Maharashtra on Thursday 31<sup>st</sup> Day of August, 2017 at 10:00 a.m, for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement in respect of the demerger of the demerged undertaking of Ducon Technologies (India) Private Limited ("**Demerged Company**" or "**DTPL**") and Ducon Infratechnologies Limited (Formerly known as Dynacons Technologies Limited) ("**Resulting Company**" or "**DIL**"). The other definitions contained in the Scheme shall also apply to this Explanatory Statement.
2. A copy of the Scheme, setting out in detail terms and conditions of the arrangement, inter alia, envisages the arrangement between DTPL and DIL, resulting strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies, which has been duly approved by the Board of Directors of the Applicant Company at its meeting held on March 29, 2016, is attached to this Explanatory Statement.
3. **Background of the Companies:**

**3.1 Ducon Infratechnologies Limited**

1. **Ducon Infratechnologies Limited** (formerly known as *Dynacons Technologies Limited*) is a public limited company incorporated under the Companies Act, 1956 ("Act") on the 2<sup>nd</sup> day of April, 2009 and has its registered office address at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra (the "**Resulting Company**" or "**DUCON INFRA**"). The Corporate Identity Number of the Resulting Company is L72900MH2009PLC191412. The Resulting Company is primarily engaged in the business of providing information technology and non-information technology.
2. The Registered Office of DIL is situated Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane - 400604 Maharashtra
3. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on March 31, 2017 is as under:

PARTICULARS	AMOUNT (Rs.)
<b>AUTHORISED SHARE CAPITAL</b>	
8, 00, 00,000 equity shares of Rupee. 1 each	8,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	
7, 84, 23, 100 equity shares of Rupee. 1 each	7,84,23,100

4. There has been no change in the capital structure of the Applicant Company as on date.
5. The equity shares of DIL are listed on BSE Limited and National Stock Exchange of India Limited.

6. The main objects of the DIL as set out in its Memorandum of Association are as under:-

- To carry on in India or Elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultants, collaborator, or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydro power plants, solar, tidal, wind and other powerplants based on any source of energy or renewal re-energy as may be developed or invented in future.
- To carry on the business as manufacturers, buyers, sellers, importers, exporters and to set up steam boilers, solar power batteries and other forms of equipment for generating energy out of waste material and to provide steam power, solar power, gases to industries and for domestic use and to run business to develop, design, produce, manufacture, trade, distribute, import, export, commercially market for all type of Thermal Energy Storage System, Environmental Process System, cooling systems, refrigeration systems for its own or on job work basis for other with the owned technology or with the technical and financial collaboration, know how with other body corporate in India and abroad and to produce, manufacture and market plastic bottles and containers as designed or on job work basis and to fill and to fill and seal the plastic containers.
- To act as techno-consultants for client or to enter into any arrangement by way of a turnkey project involving supply of technical, civil, financial, administrative, plant and merchandise, information, knowledge and experience and as such, undertake for and on behalf of a client to set up any IT Infrastructure, Non IT Infrastructure, plant or project in or out side India, to run a computer centre.
- To provide complete solutions in Computer Operations and related business activities on a Concept To Communication basis which will include providing of Computer Consultancy Services, Management Consultancy Services, Systems Designing & Implementation, to study and identify the management information needs & potential areas as computerization, Manufacturer and supply of Complete range of Hardware, Multimedia communication Accessories, Network Installations & Solutions, Maintenance of Computer & Communication Equipment solution, to develop Application Software and market system Software.
- To carry on business in Information Technology as an Enterprises, Education and Training Institution, Turnkey and Jobwork Contractor, Technical Collaborator, Associate, Distributor, Agent, Importer, Exporter, Factor, Manpower and Skills Trader, and dealer for all types of Technology Product and Services including but not limited to Consultancy, Design, Development, Manufacturing, Production, Leasing, Financing, Licensing, Supplying, Testing, Implementing, Commissioning and maintaining the same encompassing the existing and emerging Information Technology Areas in India as well as abroad with individuals, Organisations and Institutions from India as well as abroad including but not limited to internet access, multimedia, entertainment software, games, telecom and communication s, security systems, encryption and decryption of data, providing through all available technologies in existence or as may emerge in the future, complimenting or replacing current technologies in both areas software as well as hardware consultancy, design, development, manufacturing, production, leasing, financing, licensing, supplying, testing, implementing, commissioning and maintaining the same, internet presence providing in all forms like websites, web applications, enterprise integration, e-mail and all other services over the internet, consultancy, design, development, production, leasing, financing, supply, testing, commissioning and maintaining of 1st and 3rd party software/ hardware for off- the- shelf as well as Custom designed Products, Systems, Information Technology solutions.
- To undertake, development and/ or trade in, sale, import, export of Computer Software and all varieties of Information Technology Services like Medical Transcription, GIS/GPS mapping, data entries, data conversion, internet services, networking like WAN, LAN and its related protocols, e-commerce, forex operations relating to software, hardware, consultancy, hiring, installation, sale, export. Import, maintenance of computer hardware, platform changing peripherals and related services either on direct contract or sub- contract basis and to develop, build and maintain telecommunicating and knowledge management systems.

### 3.2 Ducon Technologies (India) Private Limited:

1. **Ducon Technologies (India) Private Limited** is a private limited company incorporated under the Companies Act, 1956 ("Act") on the 7<sup>th</sup> day of March, 2005, and has its registered office address at Plot No. A-4, Road No. 1, Behind Aplab Company, MIDC, Wagle Industrial Estate, Thane – 400604, Maharashtra (the "**Demerged Company**" or "**DUCON**"). The Corporate Identity Number of the Demerged Company is U33130MH2005PTC151830. The Demerged Company is primarily engaged in the business of design, manufacture, supply, erection and commissioning of various industrial projects including pollution control systems; engaged in the implementation of new technologies for modernization of old plants and provides consultation, design and supervision for electrification project.
2. The Demerged Company has its registered office situated at Plot No. A-4, Road No. 1, Behind Aplab Company, MIDC, Wagle Industrial Estate, Thane – 400604, Maharashtra.
3. The Authorised, Issued, Subscribed and Paid-up Share Capital of DTPL as on March 31, 2017 is as under :

PARTICULARS	AMOUNT (Rs.)
<b>AUTHORISED SHARE CAPITAL</b>	
1,50,00,000 equity shares of Rs. 10 each	15,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	
1,12,84,208 equity shares of Rs. 10 each	11,28,42,080

5. There has been no change in the capital structure of DTPL as on date.
6. The equity shares of DTPL are not listed on any stock exchange.
7. The main objects of the DTPL as set out in its Memorandum of Association are as under:-

*“To carry on the business to Design, Manufacture, Supply, Erect, Commissioned, Operate various Industrial projects including for Pollution Control System, implementing new technologies for modernization of old plants, consultancy providing design and supervision.”*

#### 4. Background of the Scheme

- a) This Scheme provides for the demerger of the Demerged Undertaking of Ducon Technologies (India) Private Limited, the Demerged Company into Ducon Infratechnologies Limited (formerly known as Dynacons Technologies Limited), the Resulting Company pursuant to provisions of Sections 230 to 233 read with Sections 52 and 66 other applicable provisions of the Companies Act, 2013.
- b) Pursuant to the sanctioning of the Scheme, in consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall issue and allot to each member of the Demerged Company whose names are recorded in the register of members on the Record Date (the “**Eligible Members**”), 66 (sixty six) new Equity Share of Re. 1/- (One only) each of the Resulting Company for every 25 (twenty five) Demerged Company's Equity Share of Rs. 10/- (Rupee Ten only) each held by an Eligible Member of the Demerged Company.

#### 5. Rationale of the Scheme

- (i) This Scheme provides for the transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, the consequent issue of the securities by the Resulting Company to the shareholders of the Demerged Company and on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company.
- (ii) The transfer of the Demerged Undertaking, by way of Scheme, including its business, undertaking and investments from the Demerged Company will lead to significant benefits for both businesses including:-
  - a) Enhanced strategic flexibility to build a vibrant industrial platform;
  - b) Enable a dedicated management focus and to accelerate growth of the Demerged Undertaking; and
  - c) Access to varied sources of funds for the rapid growth of both businesses.
- (iii) The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.
- (iv) The demerger under this scheme will be affected under the provisions of Sections 230 to 233 read with Sections 52 and 66 and other relevant provisions of the Act. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 such that:
  - a) All the properties of the Demerged Undertaking being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
  - b) All the liabilities of the relatable to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
  - c) The properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at values appearing in the books of account of the Demerged Company immediately before the Demerger, for this purpose any change in the value of assets consequent to their valuation, if any, shall be ignored;
  - d) The Resulting Company shall issue, in consideration of the Demerger, securities to the shareholders of the Demerged Company on a proportionate basis;
  - e) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company (i.e. holders of securities) by virtue of the Demerger;
  - f) The transfer of the Demerged Undertaking shall be on a going concern basis.
- (v) The Scheme shall be in compliance with the applicable guidelines issued by the Securities and Exchange Board of India including particularly the circular being CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November 2015 and any subsequent amendments thereof (collectively referred to as “SEBI Circulars”).

#### 6. Salient features of the Scheme

The salient features of the Scheme are as follows:



- i. Appointed Date means the opening of business on 1<sup>st</sup> April, 2016 or if the Board of the Demerged Company and the Resulting Company require any other date or the Court modifies the appointed date to such other date, then the same shall be the appointed date;
- ii. Effective Date means the last of the dates on which all the conditions and matters referred to in clause 17 occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'upon the Scheme becoming effective', or 'effectiveness of the Scheme' and other similar expressions shall mean the Effective Date;
- iii. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking, including all the assets (excluding the fixed assets), investments, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking shall, subject to the provisions of this Clause 3 in relation to the mode and transfer and vesting and pursuant to the provisions of Section 232 of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the Demerged Undertaking, including all the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme;
- iv. The value of assets pertaining to the Demerged Undertaking being transferred to and vested with the Resulting Company in accordance with this Scheme on the basis of Book Value as set out in the balance sheet of the Demerged Company as on March 31, 2016. For the purpose of this clause, the term "Book Value" means, the value(s) of the assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets;
- v. Upon coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreement, schemes, arrangements and other instruments of whatsoever nature (which shall include, without limitation, vendor contracts, annual maintenance contracts and licenses for use of software) in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder.
- vi. Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the business activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, duties and obligations of the Resulting Company.
- vii. Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with effect from the Appointed Date and prior to the Effective Date, and subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for an on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed by and stand transferred to and be deemed to be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company;
- viii. Upon the coming into effect of this Scheme, the Transferred Employees shall become the employees of the Resulting Company with effect from the Appointed Date and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Transferred Employees with the Demerged Company shall also be taken into account, and paid (as and when payable by the Resulting Company). The Remaining Employees will continue to be employees of the Demerged Company on their existing terms and conditions.
- ix. Upon coming into effect of this Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be impleaded as a party to such proceedings and shall prosecute or defend such proceedings at its own right, cost, and in co-operation with the Demerged Company.
- x. With effect from the Appointed Date and upto and including the Effective Date:
  - a. the Demerged Company shall be carrying on and be deemed to have been carrying on all business activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the assets (excluding the fixed assets), rights, title, interest, authorities, contracts, investments and strategic decisions for the Demerged Undertaking for an on account of, and in trust for, the Resulting Company.

- b. all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it [including taxes (including advance tax), if any, accruing or paid in relation to any profits or income] relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company. It is clarified that the profits and income from the investment of the Demerged Undertaking (including income in the nature of interest, dividend or capital gains, if any) shall be deemed to accrue or arise to the Resultant Company in the same proportion that the cash and cash equivalents (including units of mutual funds, market instrument and other securities) belonging to the Demerged Undertaking bear to the aggregate of investments by the Demerged Company yielding such income (such proportionate profit and income attributable to the Resulting Company being the “**Attributable Income**”). For this purpose, the Attributable Income shall be determined by the Demerged Company as per generally accepted accounting methodology, and added to the cash surpluses of the Demerged Undertaking at the end of every quarter; and;
  - c. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for an on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken for an on behalf of and as an agent for the Resulting Company and the Resulting Company shall undertake to meet discharge and satisfy the same.
  - d. The Demerged Company shall not utilize the profits or income, if any, in respect of the period from and after the Appointed Date and up to the Effective Date for the purpose of declaring or paying any dividend or for any other purpose without the prior written consent of the Resulting Company
- xi. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions;
  - xii. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company in respect of the matters referred as aforesaid, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof;
  - xiii. In consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall issue and allot to each member of the Demerged Company whose names is recorded in the register of members on the Record Date (the “**Eligible Members**”), 66 (sixty six) new Equity Share of Re. 1/- (Rupee one only) each of the Resulting Company for every 25 (twenty five) Demerged Company's Equity Share of Rs. 10/- (Rupees ten only) each held by an Eligible Member of the Demerged Company;
  - xiv. Insofar as the issue of shares pursuant to this clause is concerned, each member of the Demerged Company holding shares in physical mode shall have the option, to be exercised by way of giving a notice (with prescribed details) respectively to Demerged Company and Resulting Company, on or before such date as may be respectively determined by the Boards of Directors of the Demerged Company and the Resulting Company, to receive the shares either in certificate form or in dematerialized form. In the event that such notice or requisite details have not been received by the Demerged Company or the Resulting Company in respect of any member, the shares shall be issued by them to such members in certificate form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required. Each member of the Demerged Company holding shares in dematerialized form shall receive equity shares respectively of Demerged Company and Resulting Company in dematerialized form;
  - xv. All taxes (including tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly;
  - xvi. The entitlement to various benefits under incentive schemes and policies in relation to the Demerged Undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax, value added tax, turnover tax, service tax, customs and other incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company was originally entitled to all such benefits under such incentive schemes and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company;

- xvii. Upon coming into effect of this Scheme, to the extent that there are inter-company transactions or balances including purchase, sale, loans, advances, debtors/ receivables, creditors/ payables, deposits, balances or other obligations, if any, in relation to the Demerged Undertaking, as on or from the Appointed Date, between the Demerged Company, and the Resulting Company, the obligations in respect thereof shall come to an end;
- xviii. Upon the coming into effect of this Scheme and subject to the provisions of Section 72A(4) of the Income Tax Act, the accumulated and unabsorbed business losses and the allowance for unabsorbed depreciation of the Demerged Company, relating to the Demerged Undertaking, if any, shall be transferred to the Resulting Company;
- xix. On or after the Effective Date, the Demerged Company and the Resulting Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961, Wealth-tax Act, 1957 (including for the purpose of re-computing tax on book profits, wealth tax purposes and claiming other tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date;
- xx. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Demerged Company and Resulting Company may at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, including to ensure that such assets and properties which comprise a part of the Demerged Undertaking but which are not specifically enumerated in the Schedules hereto are transferred to and shall vest in the Resulting Company. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed;
- xxi. In the books of the Demerged Company:

Upon the Scheme becoming effective but from the Appointed Date:

- (i) The book value of all assets and liabilities pertaining to the Demerged Undertaking which cease to be the assets and liabilities of Demerged Company shall be reduced by Demerged Company at their book values. The difference that is the excess of the book values of assets pertaining to the Undertaking over the book value of the liabilities pertaining to the Undertaking shall be credited or debited to Demerger Adjustment Account in the books of Demerged Company.
- (ii) The credit balance in the Demerger Adjustment Account shall be credited to Capital Reserve Account.
- (iii) The reduction of issued, subscribed and paid up equity share capital of the Demerged Company as on 31<sup>st</sup> March, 2016 shall be given effect as an integral part of the Scheme without following the procedure laid down under Sections 52 and 66 of the Act. The Demerged Company shall obtain the necessary approvals from its shareholders and creditors as required under section 66 in terms of this scheme only and the Demerged Company shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the issued, subscribed and paid-up equity share capital as contemplated herein. The order of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act confirming the reduction.
- (iv) The Subscribed and Paid up share Capital & Reserves and Surplus including the Securities Premium Account of the Demerged Company as on 31<sup>st</sup> March, 2016 shall be reduced to the extent of Rs. 308587852.
- (v) The share capital as on 31<sup>st</sup> March, 2016 will be reduced and reorganized by reducing the paid up value of the equity shares from Rs. 10/- per equity share to Rs.6 per equity share and the paid up share capital, securities premium of the company shall stand as follows:
- a) Paid up Share Capital – Rs. 67705248/-.
  - b) Securities Premium Account – Rs. Nil
  - c) Capital Reserves – Rs. Nil
  - d) General Reserves – Rs. Nil
  - e) Accumulated losses – Rs. Nil
- (vi) The equity shareholders holding equity shares of Rs. 10 each will continue to hold the same number, however the paid up value of each such share shall become Rs.6 per share and hence no fractional shares will result consequent to the reduction of the share capital as detailed in connection with the Scheme.
- (vii) 11284208 equity shares having a face value of Rs.10 as on 31<sup>st</sup> March, 2016 shall be reorganized into 11284208 equity shares of Rs.6 each fully paid-up. Accordingly, shareholders shall be entitled to 1 equity share of the face value of Rs.6 fully paid up for every 1 equity share of the face value of Rs. 10 each fully paid-up by them.

The provisions of this part shall operate notwithstanding anything to the contrary in this scheme.

xxii. In the books of the Resulting Company:

Upon the Scheme becoming effective but from the Appointed Date:

- (i) The Resulting Company shall record the assets and liabilities pertaining to the Undertaking, at the respective books values as appearing in the books of Demerged Company as on Appointed Date;
- (ii) The difference being excess of assets over liabilities recorded by the Resulting Company, over the amount credited as share capital will be deemed to be and shall be treated as Capital Reserve account in the books of Resulting Company. In case of there being shortfall, the same shall be debited to and carried forward as Goodwill;

xxiii. This Scheme is conditional upon and is subject to:

- a. the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the NCLT, Mumbai Bench being obtained;
- b. approval of the Securities Exchange Board of India;
- c. such other sanctions and approvals as may be required by law in respect of this Scheme being obtained, including approvals from BSE and NSE in respect of the transactions contemplated herein;
- d. The sanction or approval of all persons or authorities concerned under any law or statute of the Central Government, State Government or any other Agency, Department of Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval by law may be necessary for implementation of the Scheme;
- e. The requisite resolutions under the applicable provisions of the Act being passed by the shareholders of the Resulting Company and of the Demerged Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable; and
- f. The certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Mumbai.

xxiv. The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

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

## 8. Board Meeting, Valuation Report And Fairness Opinion

- i. The proposal for the Scheme of Arrangement was placed before the Audit Committee of the Applicant Company at its meeting held on March 29, 2016. The Audit Committee took into account the recommendations on the share entitlement ratio based on the Share Entitlement Report dated March 29, 2016 issued by SSPA & Co Chartered Accountant & Khimji kunverji for the arrangement and the Fairness Opinion dated March 29, 2016 provided by Arihant Capital Markets Limited.
- ii. The Board of Directors of the Applicant Company has taken into account and considered the recommendations of the Audit Committee, the recommendations of the share entitlement ratio provided by SSPA & Co., in their Share Entitlement Report dated March 29, 2016 and the Fairness Opinion provided dated March 29, 2016 provided by Arihant Capital Markets Limited in relation to the share entitlement ratio.
- iii. Based on the advice/opinion and on the basis of independent judgment and evaluation, the Board of Directors of the Applicant Company has come to the conclusion that the share entitlement ratio is fair and reasonable and has approved the same at its meeting held on March 29, 2016. The Proposed Scheme of Arrangement was approved by the Board of Directors of the Applicant Company at the same meeting held on March 29, 2016.

## 9. Capital Structure Pre and Post Arrangement:

Pre and Post Arrangement capital structure of Ducon Infratechnologies Limited is as follows:

	Particulars	Pre-Arrangement (as on March 21, 2017)		Post-Arrangement	
<b>A</b>	<b>Authorised Share Capital</b>	<b>No. of Shares</b>	<b>Amount (in Rs.)</b>	<b>No. of Shares</b>	<b>Amount (in Rs.)</b>
	Equity Shares of Re.1/- each	8,00,00,000	8,00,00,000	108213409	108213409
	<b>Total Authorised Share Capital</b>	<b>8,00,00,000</b>	<b>8,00,00,000</b>	<b>108213409</b>	<b>108213409</b>
<b>B</b>	<b>Issued, Subscribed and Paid up Share Capital</b>	<b>7,84,23,100</b>	<b>7,84,23,100</b>	<b>108213409</b>	<b>108213409</b>
	Equity Shares of Re. 1/- each	7,84,23,100	7,84,23,100	108213409	108213409

Pre and Post Arrangement capital structure of Ducon Technologies (India) Private Limited is as follows:

Particulars	Pre-Arrangement (as on March 31, 2017)		Post-Arrangement	
	No. of Shares	Amount (in Rs.)	No. of Shares	Amount (in Rs.)
<b>Authorised Share Capital</b>				
Equity shares of Rs. 10 each	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
<b>Total Authorised Share Capital</b>	<b>1,50,00,000</b>	<b>150000000</b>	<b>1,50,00,000</b>	<b>15,00,00,000</b>
<b>Issued, Subscribed and Paid up Share Capital</b>	<b>11284208</b>	<b>112842080</b>	<b>11284208</b>	<b>67705248</b>
Equity Shares of Rs. 10/- each*	11284208	112842080	11284208	67705248

\*Reduction in capital will result in paid up value fro Rs 10 to Rs 6.

\*The post-arrangement capital structure (projected) of Ducon Infratechnologies Limited is as follows:

#### 10. Pre and Post Arrangement Shareholding Pattern:

Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the Pre / Post-Arrangement shareholding pattern of DTPL and DIL is given below:

A. The Pre-Arrangement and Post Arrangement shareholding pattern of the Resulting Company, DIL as on July 21, 2017 is given below:

	Category of shareholder	Pre-arrangement			Post-arrangement		
		Number of shareholders	Total number of	% of total number of shares	Number of shareholders	Total number of shares	% of total number of shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>						
<b>1</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	0	0	0.0	0	0	0.0
(b)	Central Government/ State Government(s)	0	0	0.0	0	0	0.0
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	0	0	0.0	0	0	0.0
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>2</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	1	47190552	60.1743	1	76954461	71.11
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	0	0	0.0	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>1</b>	<b>47190552</b>	<b>60.1743</b>	<b>1</b>	<b>76954461</b>	<b>71.11</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1</b>	<b>47190552</b>	<b>60.1743</b>	<b>1</b>	<b>76954461</b>	<b>71.11</b>
<b>(B)</b>	<b>Public shareholding</b>						
<b>1</b>	<b>Institutions</b>						
(a)	Mutual Funds/ UTI	0	0	0.0	-	-	-
(b)	Financial Institutions/ Banks	1	3660	0.0047	1	3660	0.00338
(c)	Central Government/ State Government(s)	0	0	0	-	-	-
(d)	Venture Capital Funds	0	0	0.0	-	-	-
(e)	Insurance Companies	0	0	0.0	-	-	-
(f)	FII's	0	0	0.0	-	-	-
(g)	Foreign Venture Capital investors	0	0	0.0	-	-	-
(h)	Qualified Foreign Investors	0	0	0.0	-	-	-
(i)	Any Other (FPI)	1	32722	0.0417	1	32722	0.0302
	<b>Sub-Total (B)(1)</b>	<b>2</b>	<b>36382</b>	<b>0.0464</b>	<b>2</b>	<b>36382</b>	<b>0.03362</b>

<b>2</b>	<b>Non-institutions</b>						
(a)	Bodies Corporate	-	-	-	-	-	-
(b)	Individuals						
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	17487	25354448	32.3303	17487	25380848	23.4544
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	5	1714109	2.1857	5	1714109	1.58400
(c)	Qualified Foreign Investors	-	-	-	-	-	-
(d)	NBFCs registered with RBI	2	14300	0.0182	2	14300	0.0132
(e)	Employee Trusts	0	0	0	0	0	0.0
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0.0	0	0	0.0
(g)	Any Other (Specify)	-	-	-	-	-	-
	i) Any Other (Non Resident Indian Non Repat)	32	152629	0.1946	32	152629	0.1404
	ii) Non Resident Indians (NRI)	149	1828749	2.3319	149	1828749	1.6899
	iii) Non Resident Indians (Repat)	4	16924	0.1685	4	16924	0.0156
	iv) Clearing Members	139	275043	0.3507	139	275043	0.25416
	v) Bodies Corporate	338	1839264	2.3453	338	1839264	1.69966
	vi) Partnership Firm	1	200	0.0003	1	200	0.0000
	vii) Trusts	1	500	0.0006	1	500	0.0004
	<b>Sub-Total (B)(2)</b>	<b>18158</b>	<b>31196166</b>	<b>39.8210</b>	<b>18158</b>	<b>31222566</b>	<b>28.8527</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>18160</b>	<b>31232548</b>	<b>39.825</b>	<b>18160</b>	<b>31258948</b>	<b>28.88</b>
	<b>TOTAL (A)+(B)</b>	<b>18818</b>	<b>78423100</b>	<b>100</b>	<b>31232548</b>	<b>108213409</b>	<b>100</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued :</b>						
	i) Promoter and Promoter Group	-	-	-	-	-	-
	ii) Public	-	-	-	-	-	-
	<b>Sub -Total ( C )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>18818</b>	<b>78423100</b>	<b>100</b>	<b>18818</b>	<b>108213409</b>	<b>100</b>

There would be change in the post- arrangement shareholding pattern of the Resulting Company consequent to the sanctioning of the Scheme

B. The pre-arrangementshareholding pattern of the Equity Shares of the Demerged Company, DTPL as on July 21, 2017 and the post-arrangement (projected) shareholding pattern consequent to the sanctioning of the Scheme, is given below:

	Category of shareholder	Pre-arrangement			Post-arrangement		
		Number of shareholders	Total number of	% of total number of shares	Number of shareholders	Total number of shares	% of total number of shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>						
<b>1</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	0	0	0.0	0	0	0.0
(b)	Central Government/ State Government(s)	0	0	0.0	0	0	0.0
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	0	0	0.0	0	0	0
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

<b>2</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	1	9933946	88.03	1	9933946	88.03
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	1	1340262	11.87	1	1340262	11.87
(d)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>2</b>	<b>11274208</b>	<b>100</b>	<b>2</b>	<b>11274208</b>	<b>100</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2</b>	<b>11274208</b>	<b>100</b>	<b>2</b>	<b>11274208</b>	<b>100</b>
<b>(B)</b>	<b>Public shareholding</b>						
<b>1</b>	<b>Institutions</b>						
(a)	Mutual Funds/ UTI	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-
(f)	Foreign Portfolio Investors	-	-	-	-	-	-
(g)	Foreign Venture Capital investor	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Non-institutions</b>						
(a)	Bodies Corporate	-	-	-	-	-	-
(b)	Individuals						
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakh.	2	10000	0.08	2	10000	0.08
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-	-	-	-	-
(c)	Qualified Foreign Investors	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-
	i) IVECO SPA	-	-	-	-	-	-
	ii) Foreign National/Bodies/OCB	-	-	-	-	-	-
	iii) NRI ( Repat- Non Repat )	-	-	-	-	-	-
	v) Hindu Undivided Family	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>2</b>	<b>10000</b>	<b>0.08</b>	<b>2</b>	<b>10000</b>	<b>0.08</b>
<b>3</b>	<b>Central Government/ State Governments/ President of India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Public Shareholding (B) =(B)(1)+(B)(2)+ (B) (3)</b>	<b>2</b>	<b>10000</b>	<b>0.08</b>	<b>2</b>	<b>10000</b>	<b>0.08</b>
	<b>TOTAL (A)+(B)</b>	<b>4</b>	<b>11284208</b>	<b>100</b>	<b>4</b>	<b>11284208</b>	<b>100</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued:</b>						
	i) Promoter and Promoter Group	-	-	-	-	-	-
	ii) Public	-	-	-	-	-	-
	<b>Sub -Total ( C )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4</b>	<b>11284208</b>	<b>100</b>	<b>4</b>	<b>11284208</b>	<b>100</b>

## 11. Extent of Shareholding of Directors and Key Managerial Personnel

- a) Except Mr. ArunGovil who is Managing Director of the Applicant Company and Director of Demerged Company, Mr. Harish Shetty who is the Director in the Applicant Company and Director of Demerged Company and Mr. Chandrasekhar Ganesan who is the Director in the Applicant Company and Director of Demerged Company, there are no common Directors in the Applicant Company and the Demerged Company.
- b) None of the Directors or Key Managerial Personnel (“KMPs”) of the Resulting Company and the Demerged Company, or their relatives, has any material interest in the Scheme except to the extent of shares held by them in the Resulting Company or the Demerged Company. The shareholding of the said Directors and KMPs is provided hereinbelow. The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons. The shareholding of the present Directors and KMPs of the Resulting Company and the Demerged Company, as on March 31, 2017, is as under:

### Shareholding of Directors and Key Managerial Personnel of Resulting Company:

Sr. No.	Name of the Directors	Designation	Equity Shares in DIL
1.	ArunGovil	Managing Director	47190552
2.	VirenShah	Director	-
3.	DarshitParikh	Company Secretary	-
4.	Harish Shetty	Director	-
5.	Chandrasekhar Ganesan	Director	-
6.	AbhinavAnand	Additional Director	-
7.	RatnaJhaveri	Additional Director	-

### Shareholding of Directors and Key Managerial Personnel of Demerged Company:

Sr. No.	Name of the Directors	Designation	Equity Shares in DTPL
1.	ArunGovil	Director	9933946
2.	SaagarGovil	Director	-
3.	Harish Shetty	Director	-
4.	Chandrasekhar Ganesan	Director	-

## 12. Approvals

- i. Pursuant to 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, both issued by the Securities and Exchange Board of India (“SEBI Circular”) read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company had filed necessary applications before the BSE Limited as well as National Stock Exchange of India Limited seeking its no-objection to the Scheme. The Applicant Company received Observation Letters dated January 4, 2017 and January 03, 2017 from BSE Limited and National Stock Exchange of India Limited, respectively conveying its no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.
- ii. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE Limited on September 23, 2016 and with National Stock Exchange of India Limited on September 23, 2016. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

## 2. General

- a) The financial position of the Applicant Company will not be adversely affected by this Scheme. Further, the rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.
- b) The latest audited accounts of the Applicant Company as on March 31, 2017 indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the arrangement will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
- c) The Directors of the Applicant Company have no material interest in the Scheme except as shareholders in general, the extent of which will appear from the Register of Directors shareholding maintained by the Applicant Company.
- d) There are no winding up proceedings pending against the Applicant Company as of date.



- e) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company under Section 210 to 227 of Companies Act, 2013 notified thereto.
- f) In the event of the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- g) Inspection of the following documents may be done by the Equity Shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 10.30 a.m. and 2.30 p.m.:
  - i. Copy of the Order dated June 22, 2017, July 7, 2017 and July 26, 2017 of the National Company Law Tribunal, Mumbai Bench passed in Company Scheme Application No. 252of 2017 directing the convening of the meeting of the Equity Shareholders of DIL
  - ii. Copy of the Company Scheme Application No. 252of 2017
  - iii. Memorandum of Association and Articles of Association of DIL and DTPL
  - iv. Audited Financial Statements of DIL and DTPL for last three financial years ended March 31, 2017; March 31, 2016; March 31, 2015
  - v. Register of Director's Shareholdings of DIL
  - vi. Copy of the Observation Letters dated January 04, 2017 and January 03, 2017 received from BSE Limited and National Stock Exchange of India Limited, respectively.
  - vii. Copy of the Complaints Report dated September 23, 2016 filed with BSE Limited and dated September 23, 2016 filed with National Stock Exchange of India Limited.
  - viii. Share Entitlement Report date March 29, 2016 issued by SSPA & Co., Chartered Accountants and
  - ix. Fairness Opinion dated March 29, 2016 issued by Arihant Capital Markets Limited.
- h) This statement may be treated as an Explanatory Statement pursuant to Section 230 read with Section 102 of the Companies Act, 2013.

A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting between 10.30 a.m. and 2.30 p.m. from the Registered Office of the Applicant Company situated at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra and/or at the Advocate appearing for the Applicant Company Crawford Bayley & Co., having its office at M/s Crawford Bayley & Co., Advocates & Solicitors, State Bank Building, N.G.N Vaidya Marg, Fort, Mumbai – 400 023.

Sd/-

Harish Shetty  
**Chairman appointed for the meeting**

Place: Mumbai  
 Date : 26<sup>th</sup> July, 2017  
 CIN: L72900MH2009PLC191412

**Registered office:**  
 Ducon House, Plot No. A/4,  
 Road No. 1, MIDC,  
 Wagle Industrial Estate,  
 Thane -400604, Maharashtra

**SCHEME OF ARRANGEMENT FOR THE DEMERGER  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956  
BETWEEN  
DUCON TECHNOLOGIES (INDIA) PRIVATE LIMITED ...DEMERGED COMPANY  
AND  
DUCON INFRA TECHNOLOGIES LIMITED (FORMERLY KNOWN AS DYNACONS TECHNOLOGIES LIMITED) ... RESULTING  
COMPANY  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**A. PREAMBLE**

This Scheme provides for the demerger of the Demerged Undertaking of Ducon Technologies (India) Private Limited, the Demerged Company into DuconInfra technologies Limited (formerly known as Dynacons Technologies Limited), the Resulting Company pursuant to provisions of Sections 391 to 394 read with Section 100 to 103 and other applicable provisions of the Act.

**B. DESCRIPTION OF COMPANIES**

- (i) Ducon Technologies (India) Private Limited (the “**Demerged Company**” or “**DUCON**”) is a private limited company incorporated under the Companies Act, 1956 (“**Act**”) on the 7th day of March, 2005, and has its registered office address at Plot No. A-4, Road No. 1, Behind APLAB Company, MIDC, Wagle Industrial Estate, Thane – 400604, Maharashtra. The Corporate Identity Number of the Demerged Company is U33130MH2005PTC151830. The Demerged Company is primarily engaged in the business of design, manufacture, supply, erection and commissioning of various industrial projects including pollution control systems; engaged in the implementation of new technologies for modernization of old plants and provides consultation, design and supervision for electrification projects
- (ii) DuconInfra technologies Limited (the “**Resulting Company**” or “**DUCON INFRA**”) is a public limited company incorporated under the Companies Act, 1956 (“**Act**”) on the 2<sup>nd</sup> day of April, 2009 in the name of “Dynacon Technologies Limited”. A fresh certificate of incorporation was then issued for change of name from “Dynacon Technologies Limited” to “DuconInfra technologies Limited” on March 30, 2016. The registered office address of the Resulting Company is at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane Thane MH 400604. The Corporate Identity Number of the Resulting Company is L72900MH2009PLC191412. The Resulting Company is primarily engaged in the business of providing information technology and non-information technology infrastructure. The equity shares of the Resulting Company are listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited. (“**NSE**”)

**C. RATIONALE**

- (i) This Scheme provides for the transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, the consequent issue of the securities by the Resulting Company to the shareholders of the Demerged Company and on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company.
- (ii) The transfer of the Demerged Undertaking, by way of Scheme, including its business, undertaking and investments from the Demerged Company will lead to significant benefits for both businesses including:-
  - (a) Enhanced strategic flexibility to build a vibrant industrial platform;
  - (b) Enable a dedicated management focus and to accelerate growth of the Demerged Undertaking; and
  - (c) Access to varied sources of funds for the rapid growth of both businesses.
- (iii) The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.
- (iv) The demerger under this scheme will be affected under the provisions of Sections 391 to 394 read with Section 101 to 103 and other relevant provisions of the Act. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 such that:
  - (a) All the properties of the Demerged Undertaking being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
  - (b) All the liabilities of the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
  - (c) The properties and the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at values appearing in the books of account of the Demerged Company immediately before the Demerger, for this purpose any change in the value of assets consequent to their valuation, if any, shall be ignored;
  - (d) The Resulting Company shall issue, in consideration of the Demerger, securities to the shareholders of the Demerged Company on a proportionate basis;

- (e) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company (i.e. holders of securities) by virtue of the Demerger;
- (f) The transfer of the Demerged Undertaking shall be on a going concern basis.
- (v) The Scheme shall be in compliance with the applicable guidelines issued by the Securities and Exchange Board of India including particularly the circular being CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February 2013 and circular CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 and any subsequent amendments thereof (collectively referred to as "SEBI Circulars").

## D. GENERAL

The Scheme is divided into the following parts:

- (a) Part I, which deals with the definitions and interpretations;
- (b) Part II, which deals with mechanics of the transfer of the Demerged Undertaking by way of a demerger of the Business Centre business on a going concern basis for consideration being discharged by way of issue of shares of the Resulting Company to the shareholders of the Demerged Company;
- (c) Part III, which deals with the issuance and allotment of securities by the Resulting Company and the exchange rights;
- (d) Part IV, which deals with the accounting treatment;
- (e) Part V, which deals with general terms and conditions.

## PART I

### 1. DEFINITIONS AND INTERPRETATION

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

- (i) **"Act"** means the Companies Act, 1956 and the Companies Act, 2013 and shall include any statutory modification, amendment or re-enactment for the time being in force and any rules notified thereto. Any references to the provisions of the Companies Act, 1956 shall be construed to be references to the corresponding provisions of the said provisions in the Companies Act, 2013;
- (ii) **"Appointed Date"** means the opening of business on 1<sup>st</sup> April, 2015 or if the Board of the Demerged Company and the Resulting Company require any other date or the Court modifies the appointed date to such other date, then the same shall be the appointed date;
- (iii) **"Board of Directors"** or **"Board"** in relation to Demerged Company and Resulting Company, as the case may be, means the board of directors of such company duly constituted and authorized for the purposes of matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto;
- (iv) **"BSE"** means the Bombay Stock Exchange Limited wherein the Resulting Company's equity shares are listed;
- (v) **"Demerger"** means the transfer by way of demerger of the Demerged Undertaking to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company on a proportionate basis in consideration of the Demerger, as set out in this Scheme;
- (vi) **"Demerged Company" or "DUCON"** shall have the meaning ascribed to it in Recital B;
- (vii) **"Demerged Company Equity Share(s)"** means each equity share of the Demerged Company having a face value of Rs10/- (Rupees ten only) fully paid up;
- (viii) **"Demerged Undertaking"** means the Business Centre of DUCON and includes:
  - a) All assets (whether real or personal, corporeal or incorporeal, present, future or contingent) of the Business Center business wherever situated;
  - b) All present and future liabilities and specified contingent liabilities arising out of the activities or operations of Business Center business, including loans, debts, current liabilities and provisions, duties, taxes and obligations relating to the Business Center.
  - c) Without prejudice to the generality of the above, the Business Centre business shall include in particular:
    - (i) all properties of the Business Centre business wherever situated, including all plant and machinery, buildings and structures, offices, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, trade and service names and marks, patents, copyrights, and other intellectual

property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services;

- (ii) all permits, quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions (including electricity board connections), approvals, consents, contracts, lease agreements, leave & license agreements, licenses including licenses to operate, registrations, subsidies, concessions, exemptions, remissions, presentations, claims, income tax, sales tax, service tax and other taxes, duties, cess, levies etc paid regularly or in advance, wherever required by law or otherwise, tax deferrals, accumulated tax losses, unabsorbed tax depreciation, any unutilized CENVAT, service tax credit, tenancies in relation to any office and/or residential property for employees, goodwill, intellectual property, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilised for the Demerged Undertaking, bank balances and bank accounts relating to the day to day operations and specific to the working of the Business Center business, privileges, all other rights and benefits, lease rights, patents, trademarks, domain names, copyrights, trade name, brand names including “**PR&S**” and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants and incentive schemes formulated by Central or State Government, if any, contracts and arrangements and all other interest in connection with or relating to the Business Center business. Any receivables on account of income tax, sales tax, service tax and other taxes, duties, cess, levies etc pertaining to the period prior to the Appointed Date would be transferred to the Resulting Company and Demerged Company to undertake all steps necessary to remit the said receivables to Resulting Company as and when received by it;
  - (iii) all records, files, papers, computer programs, software, manuals, data, catalogues, quotations, sale and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical or electronic form in connection with or relating to the Demerged Undertaking;
  - (iv) all duties and obligations relatable to the Demerged Undertaking; and
  - (v) all earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking.
  - (vi) All debts, duties & liabilities, present, future and specified contingent liabilities, taxes and obligations pertaining to the Business Centre business;
- d) For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking include:
- (i) the liabilities, which arise out of the activities or operations of the Business Center;
  - (ii) specific loans and borrowings raised, incurred and utilised solely for the activities or operations of the Business Center; and
  - (iii) liabilities other than those referred to in Clauses (i) and (ii) above, being the amounts of general or multipurpose borrowings of the Demerged Company, allocated to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of Demerged Undertaking immediately before giving effect to this Scheme.
  - (iv) all obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form) and liabilities, both present and future, (including direct tax liabilities, indirect tax liabilities, deferred tax liabilities, contingent liabilities and obligations under any licenses or permits or schemes), whether secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheet, appertaining or relating to the Business Centre business of Demerged Company
  - (v) All employees of Business Centre business of DUCON as on the Effective Date.
- e) It is intended that the definition of Demerged Undertaking under this sub-Clause would enable the transfer of all properties (movable or immovable), assets, liabilities, rights, obligations, entitlements and benefits including under Income Tax Act, 1961, service tax laws, sales-tax, etc. to which the Demerged Undertaking is entitled to in terms of the various statutes/schemes, etc. and accumulated losses and allowance for unabsorbed depreciation, as per the provisions of Section 72A(4) and other applicable provisions of the Income Tax Act, 1961 and the employees of the Demerged Undertaking to the Resulting Company pursuant to this Scheme, without any further act or deed.
- f) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether or not it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.
- (ix) “**Effective Date**” means the last of the dates on which all the conditions and matters referred to in clause 17 occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or

'upon the Scheme becoming effective', or 'effectiveness of the Scheme' and other similar expressions shall mean the Effective Date;

- (x) **“High Court”** means the High Court of Judicature at Bombay having jurisdiction in relation to the Demerged Company and Resulting Company to which this Scheme is submitted for approval under Sections 391 to 394. In the event that the Central Government by a notification to this effect constitutes a National Company
  - (xi) Law Tribunal or any other authority or forum, and the proceedings under Section 391 to 394 of the Act pursuant to this Scheme are transferred to such tribunal, authority or forum, the term “Court” or “High Court” shall be deemed to include the National Company Law Tribunal or such other authority or forum;
  - (xii) **“Intellectual Property”** means all patents, copyrights, designs, trademarks, trade names, service marks, service names, domain names, email addresses, websites, including all contents of the websites, trade dress, logos and corporate names, both primary and secondary, trade secrets, know-how, inventions, processes, systems, computer software, data, reports, instructions, source code, machine code, documentation, manuals, algorithms, flow-charts, diagrams, drawings, notes, exploitation of any present or future technologies, other confidential information, including proposals, financial and accounting data, business and marketing plans, customer and supplier lists, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional and related information and any databases (electronic or otherwise) containing any of the foregoing, and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist in India or in any other part of the world, including registrations and applications for registration of any of the foregoing in any jurisdiction and the rights to apply for the same, in each case by whatever name called and whether or not registered;
  - (xiii) **“NSE”** means the National Stock Exchange of India Limited wherein the Demerged Company's equity shares are listed;
  - (xiv) **“Record Date”** means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the members of the Demerged Company to whom securities will be allotted pursuant to this Scheme;
  - (xv) **“Registrar of Companies”** means the Registrar of Companies, Mumbai;
  - (xvi) **“Remaining Business”** means the real estate comprising of land and building of the Demerged Company other than those comprised in the Demerged Undertaking;
  - (xvii) **“Remaining Employees”** means all the permanent employees of the Demerged Company other than the Transferred Employees;
  - (xviii) **“Resulting Company” or “DUCON INFRA”** shall have the meaning ascribed to it in Recital B;
  - (xix) **“Resulting Company Equity Share”** means each equity share of the Resulting Company having a face value of Rs. 1/- (Rupees One only) fully paid-up;
  - (xx) **“Scheme”** means this Scheme of Arrangement, including the schedules, in its present form as approved by the Board of Directors of the Demerged Company and Resulting Company subject to such modifications made pursuant to Clause 18 of this Scheme or as the High Court may direct;
  - (xxi) **“SEBI Circulars”** means the circulars issued by Securities and Exchange Board of India being circular bearing CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February 2013 and circular CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 and any subsequent amendments thereof
  - (xxii) **“Stock Exchanges”** mean the BSE and the NSE;
  - (xxiii) **“Transferred Employees”** means all the permanent employees of the Demerged Company employed or engaged in the services of the Demerged Undertaking as on the Effective Date; and
  - (xxiv) **“Transferred Liabilities”** shall have the meaning ascribed to it in Clause 5.4
- 1.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 1.3. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 1.4. The headings hereinafter shall not affect the construction of this Scheme.
- 1.5. The Clause more specific to a situation or event shall apply in preference to a general clause.
- 1.6. When any number of days is prescribed in this Scheme, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a business day, in which case the last day shall be the next succeeding day that is a business day.

- 1.7. The singular shall include the plural and vice versa; and reference to one gender include all genders.
- 1.8. Any phrase introduced by the terms “including”, “include”, “in particular”, “such as” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.9. References to person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 1.10. The Schedules to this Scheme form an integral and inseparable part of this Scheme.

## 2. SHARE CAPITAL

### 2.1. Demerged Company

The share capital of the Demerged Company as on 31<sup>st</sup> March, 2015 is as under:

<b>PARTICULARS</b>	<b>AMOUNT (Rs.)</b>
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
10,00,00,00 equity shares of Rs. 10 each	10,00,00,000
<b><u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u></b>	
99,43,946 equity shares of Rs. 10 each	9,94,39,460

### 2.2. Resulting Company:

The share capital structure of the Resulting Company as on 31<sup>st</sup> March, 2015 is as under:

<b>PARTICULARS</b>	<b>AMOUNT (Rs.)</b>
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
8,00,00,000 equity shares of Rs. 1 each	8,00,00,000
<b><u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u></b>	
7,84,23,100 equity shares of Rs. 1 each	7,84,23,100

## PART II DEMERGER

### SECTION 1 – Transfer and Vesting of the Demerged Undertaking

### 3. TRANSFER OF ASSETS

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking, including all the assets (excluding the fixed assets), investments, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking shall, subject to the provisions of this Clause 3 in relation to the mode and transfer and vesting and pursuant to the provisions of Section 394(2) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the Demerged Undertaking, including all the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme.
- 3.2. The value of assets pertaining to the Demerged Undertaking being transferred to and vested with the Resulting Company in accordance with this Scheme on the basis of Book Value as set out in the balance sheet of the Demerged Company as on March 31, 2016. For the purpose of this clause, the term “Book Value” means, the value(s) of the assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets.
- 3.3. In respect of such of the assets including cash and bank balances, units of mutual funds, market instruments and other securities part of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery (including investments in shares and securities, whether held in physical or dematerialized form), the same shall stand so transferred by the Demerged Company upon the coming into effect of the Scheme, and be deemed to be transferred by delivery or possession or by endorsement and delivery and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 394(2) of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of the Scheme.
- 3.4. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in Clause 3.2 above, the same shall, as more particularly provided in Clause 3.1 above, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 391 to 394 of the Act.

- 3.5. All assets, right, title, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- 3.6. Notwithstanding anything stated hereinabove, the value of moveable assets comprising of investment, units of mutual funds, market instrument or other securities (including accretions thereto) in relation to the Demerged Undertaking shall be transferred to and vested in the Resulting Company in such modes and manner as may be mutually agreed upon by the respective Board of the Demerged Company and Resulting Company.

#### Intellectual Property

- 3.7. The Intellectual Property shall be transferred to and be deemed to be transferred to and vested in the Resulting Company pursuant to this Scheme, upon the coming into effect of the Scheme with effect from the Appointed Date pursuant to the provisions of Section 394(2) of the Act, and the Demerged Company and Resulting Company shall execute necessary documentation to give effect to the provisions of this Scheme.
- 3.8. It is clarified that the rest of the business and, assets of DUCON other than those specified in Clause 3 above hereto shall continue to vest in DUCON.

#### **4. CONTRACTS, DEEDS ETC.**

- 4.1. Upon coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreement, schemes, arrangements and other instruments of whatsoever nature (which shall include, without limitation, vendor contracts, annual maintenance contracts and licenses for use of software) in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto or thereunder.
- 4.2. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting 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 the Resulting Company.

#### **5. TRANSFER OF LIABILITIES**

- 5.1. Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the business activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, duties and obligations of the Resulting Company.
- 5.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 5.3. Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with effect from the Appointed Date and prior to the Effective Date, and subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 5.4. In so far as the existing Encumbrance in respect of the loans, borrowings, debts and liabilities (the “**Transferred Liabilities**”) is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme.

Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 5.5. For the avoidance of any doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 5.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or documents and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- 5.7. Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- 5.8. It is expressly provided that save as mentioned in this Clause 5, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.9. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

## **6. EMPLOYEES**

- 6.1. Upon the coming into effect of this Scheme, the Transferred Employees shall become the employees of the Resulting Company with effect from the Appointed Date and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Transferred Employees with the Demerged Company shall also be taken into account, and paid (as and when payable by the Resulting Company). The Remaining Employees will continue to be employees of the Demerged Company on their existing terms and conditions.
- 6.2. Upon the coming into effect of this Scheme, all consultants, retainers and other persons engaged in the Demerged Undertaking (other than Transferred Employees) on a non-permanent basis, shall become consultants, retainers and persons engaged by the Resulting Company with effect from the Appointed Date and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.
- 6.3. Insofar as the existing provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company inter alia for the Transferred Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are referable to the Transferred Employees in terms of Clause 6.1 above shall be transferred to the similar Funds created by the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions to the Transferred Employees shall be transferred to the Funds created by the Resulting Company.
- 6.4. In relation to those Transferred Employees who are not covered under the provident fund trust of the Demerged Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees.
- 6.5. If any exemptions granted by the Regional Provident Fund Commissioner, or any other competent authority under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, to the Demerged Company and its subsidiaries, joint ventures and associates, if any, required re-issue or renewal on account of the Scheme, the Demerged Company shall, and shall cause its subsidiaries, joint ventures and associates to, apply for the reissue or renewal, and the Regional Provident Fund Commissioner or any other competent authority shall grant the same such that the privileges, rights and benefits of Transferred Employees continue uninterrupted.
- 6.6. In relation to any other fund created or existing for the benefit of the Transferred Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.
- 6.7. In so far as the existing benefits or funds created by the Demerged Company for the Remaining Employees are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Remaining Employees.

## **7. LEGAL, TAXATION AND OTHER PROCEEDINGS**

- 7.1. Upon coming into effect of this Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be impleaded as a party to such proceedings and shall prosecute or defend such proceedings at its own right, cost, and in co-operation with the Demerged Company.



- 7.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 7.3. The Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) insofar as such liabilities and obligations relate to the period prior to the Appointed Date.
- 7.4. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.
- 7.5. Any refund or tax credit under the Income Tax Act, 1961 due to the Demerged Company, which is pertaining to the business of the Demerged Undertaking consequent to the assessment made on the Demerged 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 or credit availed, as the case may be, by the Resulting Company.

## **SECTION 2 – Conduct of Business**

8. With effect from the Appointed Date and up to and including the Effective Date:
  - (i) the Demerged Company shall be carrying on and be deemed to have been carrying on all business activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the assets (excluding the fixed assets), rights, title, interest, authorities, contracts, investments and strategic decisions for the Demerged Undertaking for an account of, and in trust for, the Resulting Company;
  - (ii) all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it [including taxes (including advance tax), if any, accruing or paid in relation to any profits or income] relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company. It is clarified that the profits and income from the investment of the Demerged Undertaking (including income in the nature of interest, dividend or capital gains, if any) shall be deemed to accrue or arise to the Resultant Company in the same proportion that the cash and cash equivalents (including units of mutual funds, market instrument and other securities) belonging to the Demerged Undertaking bear to the aggregate of investments by the Demerged Company yielding such income (such proportionate profit and income attributable to the Resulting Company being the "**Attributable Income**"). For this purpose, the Attributable Income shall be determined by the Demerged Company as per generally accepted accounting methodology, and added to the cash surpluses of the Demerged Undertaking at the end of every quarter; and
  - (iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for an on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken for an on behalf of and as an agent for the Resulting Company and the Resulting Company shall undertake to meet discharge and satisfy the same.
  - (iv) The Demerged Company shall not utilize the profits or income, if any, in respect of the period from and after the Appointed Date and up to the Effective Date for the purpose of declaring or paying any dividend or for any other purpose without the prior written consent of the Resulting Company.

Without prejudice to the generality of the above, in the case of movable assets being book debts, the same shall in the first instance be realized by the Demerged Company in its hand and shall thereafter be paid by the Demerged Company to the Resulting Company and this arrangement shall operate even after the Effective Date so long as it is necessary.

## **SECTION 3 – Remaining Business**

7. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions.
10. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company in respect of the matters referred to as aforesaid, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

11. With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
  - (ii) all profits accruing to the Demerged Company thereon or losses arising or incurred by it [including the effect of taxes (including advance taxes paid), if any, thereon] relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;
  - (iii) all assets and properties acquired and all liabilities incurred by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
  - (iv) all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions.

### **PART III – ISSUANCE AND ALLOTMENT OF SECURITIES BY THE RESULTING COMPANY**

12. The provisions of this Part III of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.

#### **13. ISSUANCE AND ALLOTMENT OF SECURITIES**

- 13.1. In consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall issue and allot to each member of the Demerged Company whose names is recorded in the register of members on the Record Date (the “**Eligible Members**”), 66 (sixty six) new Equity Share of Re. 1/- (Rupees One only) each of the Resulting Company for every 25 (twenty five) Demerged Company's Equity Share of Rs. 10/- (Rupee Ten only) each held by an Eligible Member of the Demerged Company.
- 13.2. Insofar as the issue of shares pursuant to this clause is concerned, each member of the Demerged Company holding shares in physical mode shall have the option, to be exercised by way of giving a notice (with prescribed details) respectively to Demerged Company and Resulting Company, on or before such date as may be respectively determined by the Boards of Directors of the Demerged Company and the Resulting Company, to receive the shares either in certificate form or in dematerialized form. In the event that such notice or requisite details have not been received by the Demerged Company or the Resulting Company in respect of any member, the shares shall be issued by them to such members in certificate form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required. Each member of the Demerged Company holding shares in dematerialized form shall receive equity shares respectively of Demerged Company and Resulting Company in dematerialized form.
- 13.3. In case any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one Equity Share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated Equity Shares to a trustee nominated by the Board of the Demerged Company in that behalf, who shall sell and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements. During consolidation of the fractional entitlements, if the sum of such fractional entitlements is not a whole integer, the Resulting Company shall issue such additional fractional Equity Share to the trustee, such that the total Equity Shares so issued shall be rounded off to the next whole integer. The issue of the fractional share by the Resulting Company to the trustee shall form an integral part of the consideration to be paid under the Scheme and that no separate process as may be applicable under the Act, to that extent, shall be required to be followed by the Resulting Company.
- 13.4. In respect of such of the Equity Shares of the Demerged Company as are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company.
- 13.5. The Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank *paripassu* inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of Equity Shares of Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 13.6. Unless otherwise determined by the Board of the Demerged Company and the Resulting Company or by the BSE or NSE, allotment of shares under this Scheme shall be completed within 30 (thirty) days from the date of receipt of the order of the High Court.
- 13.7. The Scheme shall be presented before the public shareholders for 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.
- 13.8. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour 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.

## PART IV – ACCOUNTING TREATMENT

### 14. ACCOUNTING TREATMENT

#### 14.1. In the Books of the Demerged Company

Upon the Scheme becoming effective but from the Appointed Date:

- (i) The book value of all assets and liabilities pertaining to the Demerged Undertaking which cease to be the assets and liabilities of Demerged Company shall be reduced by Demerged Company at their book values. The difference that is the excess of the book values of assets pertaining to the Undertaking over the book value of the liabilities pertaining to the Undertaking shall be credited or debited to Demerger Adjustment Account in the books of Demerged Company.
- (ii) The credit balance in the Demerger Adjustment Account shall be credited to Capital Reserve Account.
- (iii) The reduction of issued, subscribed and paid up equity share capital of the Demerged Company as on 31<sup>st</sup> March, 2016 shall be given effect as an integral part of the Scheme without following the procedure laid down under sections 100 to 104 of the Act. The Demerged Company shall obtain the necessary approvals from its shareholders and creditors as required under section 100 in terms of this scheme only and the Demerged Company shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the issued, subscribed and paid-up equity share capital as contemplated herein. The order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction.
- (iv) The Subscribed and Paid up share Capital & Reserves and Surplus including the Securities Premium Account of the Demerged Company as on 31<sup>st</sup> March, 2016 shall be reduced to the extent of Rs. 30,85,87,852.
- (v) The share capital as on 31<sup>st</sup> March, 2016 will be reduced and reorganized by reducing the paid up value of the equity shares from Rs. 10/- per equity share to Rs.6per equity share and the paid up share capital, securities premium of the company shall stand as follows:
  - a) Paid up Share Capital – Rs. 67705248/-.
  - b) Securities Premium Account – Rs. Nil
  - c) Capital Reserves – Rs. Nil
  - d) General Reserves – Rs. Nil
  - e) Accumulated losses – Rs. Nil
- (vi) The equity shareholders holding equity shares of Rs. 10 each will continue to hold the same number, however the paid up value of each such share shall become Rs.6 per share and hence no fractional shares will result consequent to the reduction of the share capital as detailed in connection with the Scheme.
- (vii) 11284208 equity shares having a face value of Rs.10 as on 31<sup>st</sup> March, 2016 shall be reorganized into 11284208 equity shares of Rs.6each fully paid-up. Accordingly, shareholders shall be entitled to 1 equity shares of the face value of Rs.6 fully paid up for every 1 equity shares of the face value of Rs. 10 each fully paid-up by them.
- (viii) The provisions of this part shall operate notwithstanding anything to the contrary in this scheme.

#### 14.2. In the books of the Resulting Company

Upon the Scheme becoming effective but from the Appointed Date:

- (i) The Resulting Company shall record the assets and liabilities pertaining to the Undertaking, at the respective books values as appearing in the books of Demerged Company as on Appointed Date;
- (ii) The difference being excess of assets over liabilities recorded by the Resulting Company, over the amount credited as share capital will be deemed to be and shall be treated as Capital Reserve account in the books of Resulting Company. In case of there being shortfall, the same shall be debited to and carried forward as Goodwill;

### 15. TAX TREATMENT

- 15.1 All taxes (including tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 15.2 The entitlement to various benefits under incentive schemes and policies in relation to the Demerged Undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax, value added tax, turnover tax, service tax, customs and other incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company was originally entitled to all such

benefits under such incentive schemes and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.

- 15.3 Since each of the permissions, approvals, consents, sanctions, remissions (including remissions under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Demerged Undertaking, shall stand transferred under this Scheme to the Resulting Company, the Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- 15.4 It is clarified that all the taxes including withholding taxes and duties paid or payable by the Demerged Company in relation to Demerged Undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, pursuant to the provisions of this Scheme, the Demerged Company and the Resulting Company are expressly permitted to file their respective income-tax, sales tax, value added tax, turnover tax, service tax, customs and any other return(s) (including revised returns) to claim advance tax, withholding tax, refunds / credits. Notwithstanding the above tax compliances (including payment of taxes, maintenance of records, payments, returns, etc.) carried out by the Demerged Company in respect of the Demerged Undertaking from the Appointed Date upto the Effective Date should be considered as adequate compliance by the Resulting Company and the Resulting Company should be considered to have met its obligations under the respective tax legislations.
- 15.5 Upon coming into effect of this Scheme, to the extent that there are inter-company transactions or balances including purchase, sale, loans, advances, debtors/ receivables, creditors/ payables, deposits, balances or other obligations, if any, in relation to the Demerged Undertaking, as on or from the Appointed Date, between the Demerged Company, and the Resulting Company, the obligations in respect thereof shall come to an end.
- 15.6 Further, if any taxes are deducted at source by the Demerged Company or the Resulting Company as the case may be on any payments or credit of any sum in the books (from Appointed Date to the Effective Date) and payable to the Resulting Company or Demerged Company as the case may be, the said transaction needs to be cancelled in the books of the Demerged Company or the Resulting Company, as the case may be, such taxes shall be deemed to be taxes paid by the Demerged Company or the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 15.7 Upon the coming into effect of this Scheme and subject to the provisions of Section 72A(4) of the Income Tax Act, the accumulated and unabsorbed business losses and the allowance for unabsorbed depreciation of the Demerged Company, relating to the Demerged Undertaking, if any, shall be transferred to the Resulting Company.
- 15.8 On or after the Effective Date, the Demerged Company and the Resulting Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961, Wealth-tax Act, 1957 (including for the purpose of re-computing tax on book profits, wealth tax purposes and claiming other tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 15.9 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Demerged Company on or after Appointed Date, pertaining to Demerged Undertaking, shall be deemed to be made by the Resulting Company.

## **PART V – GENERAL TERMS AND CONDITIONS**

### **16. APPLICATIONS**

The Demerged Company and Resulting Company shall make necessary applications before the High Court of Judicature at Bombay for the sanction of this Scheme of Arrangement under Sections 391 to 394 of the Act. Any further approval under the Act arising from the Scheme shall be deemed to have been granted, without any application, for any transaction among the Demerged Company and the Resulting Company and/or its Directors.

### **17. CONDITIONALITY OF THE SCHEME**

17.1. This Scheme is conditional upon and subject to:

- (i) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the High Court of Judicature at Bombay being obtained;
- (ii) approval of the Securities Exchange Board of India;
- (iii) such other sanctions and approvals as may be required by law in respect of this Scheme being obtained, including approvals from BSE and NSE in respect of the transactions contemplated herein;
- (iv) The sanction or approval of all persons or authorities concerned under any law or statute of the Central Government, State Government or any other Agency, Department of Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval by law may be necessary for implementation of the Scheme;

- (v) The requisite resolutions under the applicable provisions of the Act being passed by the shareholders of the Resulting Company and of the Demerged Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable; and
- (vi) The certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Mumbai.

## **18. MODIFICATIONS TO SCHEME**

- 18.1. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Demerged Company and Resulting Company may at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, including to ensure that such assets and properties which comprise a part of the Demerged Undertaking but which are not specifically enumerated in the Schedules hereto are transferred to and shall vest in the Resulting Company. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 18.2. If any assets (or estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, arrangements, schemes, agreements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.
- 18.3. The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors) may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question of difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- 18.4. Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking or not shall be decided by the Boards of Directors of the Demerged Company and the Resulting Company on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

## **19. SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

## **20. COSTS**

Upon the sanction of this Scheme by the High Court, all costs (including but not limited to bankers' fees, valuers' fees, legal counsel fees, merchant bankers' fees, stamp duty, registration charges, etc.) in relation to the Demerger shall be borne by the Demerged Company whether such costs are incurred prior to or after the Effective Date.

**SSPA & Co.**  
**Chartered Accountants**  
1<sup>st</sup> Floor, Arjun,  
V.P. Road,  
Andheri (West),  
Mumbai – 400 058

**Khimki Kunverji & Co.**  
**Chartered Accountants**  
Sunshine Tower, Level 19,  
Senapati Bapat Marg  
Elphinstone Road,  
Mumbai – 400 013

**STRICTLY PRIVATE & CONFIDENTIAL**

March 29, 2016

To,  
**The Board of Directors**  
**Dynacons Technologies Limited**  
78, Ratnajyot Industrial Estate,  
Irla Lane, Vile Parle (W),  
Mumbai – 400 056.

**The Board of Directors**  
**Ducon Technologies (I) Private Limited**  
Plot No. A/4, Road No. 1,  
MIDC, Wagle Industrial Estate,  
Thane - 400 604.

**Re: Recommendation of fair equity share entitlement ratio for the purpose of proposed demerger of 'Demerged Undertaking' of Ducon Technologies (I) Private Limited into Dynacons Technologies Limited.**

Dear Sir(s),

As requested by the management of Dynacons Technologies Limited (hereinafter referred to as the "DTL") and Ducon Technologies (I) Private Limited (hereinafter referred to as the "DTPL") (hereinafter collectively referred to as "Companies"), we have undertaken the valuation of the business undertaking of DTPL proposed to be demerged into DTL (hereinafter referred to as the "Demerged Undertaking") and the equity shares of DTL for recommending fair equity share entitlement ratio for the purpose of the said demerger

**1. PURPOSE OF VALUATION**

1.1 We have been informed that the Board of Directors of Companies are considering a proposal for demerger of Demerged Undertaking of DTPL into DTL in accordance with Section 2(19AA) of the Income Tax Act, 1961 and pursuant to provisions of Section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013. Subject to necessary approvals, Demerged Undertaking of DTPL would be demerged into DTL with effect from the Appointed Date of April 1, 2015. In



consideration of demerger of Demerged Undertaking into DTL, equity shares of DTL would be issued to the equity shareholders of DTPL.

- 1.2 For this purpose, SSPA & Co., Chartered Accountants (SSPA) and Khimji Kunverji & Co., Chartered Accountants (KKC) have been appointed to carry out the valuation of Demerged Undertaking and equity shares of DTL and to recommend fair equity share entitlement ratio of equity shares of DTL to be issued to the equity shareholders of DTPL for the consideration of the Board of Directors of the Companies.

## 2. BRIEF BACKGROUND OF DTL

- 2.1 DTL, incorporated in April 2009, is a distribution, marketing and logistics Company for the IT industry. It also helps the vendors worldwide to identify potential markets in India and help them market their products in India.
- 2.2 The Company has recently obtained shareholder's approval for change of name to Ducon Infrotechnologies Limited and for change of its object clause to include activities pertaining to infrastructure industry, power and power transmission industry and renewable energy industry.
- 2.3 The shares of DTL are listed on The National Stock Exchange of India Limited and BSE Limited.

## 3. BRIEF BACKGROUND OF DTPL

- 3.1 DTPL, incorporated in March 2005, is primarily engaged in the business of design, supply and erection of air pollution control systems, commissioning and operating various industrial projects for pollution control systems and implementation of new technologies for modernization of plants.. We have been informed by the Management that the Company has also commenced business of providing consultation services, erection, commissioning and operating electrification projects, wherein it has entered into a contract for supply and erection for Rural Electrification work under Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY) scheme. This business of DTPL is referred to as the "Demerged Undertaking" in the report.



**4. EXCLUSIONS AND LIMITATIONS**

- 4.1 Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA and KKC have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 4.3 No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.4 Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies / Demerged Undertaking referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 4.5 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all material information, which they are aware of concerning the financial position of the Companies / Demerged Undertaking and any other matter, which may have an impact on our opinion, on the value of the Demerged Undertaking / shares of the Companies for the purpose of the proposed demerger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies





/ Demerged Undertaking, subsequent to the Appointed Date for the proposed demerger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- 4.6 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.7 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed demerger.
- 4.8 This report is prepared only in connection with the proposed demerger exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 4.9 The information contained herein and our report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.10 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 demerger as aforesaid, can be done only with our prior permission in writing.
- 4.11 SSPA and KKC, nor its partners, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such



parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

## 5. SOURCES OF INFORMATION

For the purpose of valuation exercise, we have relied upon the following sources of information provided by the Management of Companies.

- (a) Audited financial statements of DTL and DTPL for the financial year ended March 31, 2015.
- (b) Draft Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956/ Companies Act, 2013.
- (c) Management certified position of assets and liabilities of Demerged Undertaking, as at March 31, 2015 (in accordance with Section 2(19AA) of the Income tax Act, 1961).
- (d) Estimated profit & loss statement of Demerged Undertaking and DTL for FY 2015-16.
- (e) Other relevant details regarding the Companies such as their history, past and present activities, existing shareholding pattern and other relevant information and data, including information available in the public domain.
- (f) Discussions with the Management on various issues relevant for valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- (g) Such other information and explanations as we have required and which have been provided by the Management.

## 6. VALUATION APPROACH

For the purpose of valuation for demerger, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach;
- (b) the "Income" approach; and
- (c) the "Market Price" approach;

- 6.1 DTL and Demerged Undertaking of DTPL are operating in service industry, where asset base has lesser relevance and is driven by human resource. Accordingly, we have thought fit not to use "underlying asset" approach for the present valuation exercise.



6.2 As stated earlier, DTL is a distribution, marketing and logistics Company for the IT industry. Due to pricing pressure and slow down of investments by government and corporates, the future outlook for this sector remains sluggish. Further, the Company is exploring the possibility of diversifying into areas pertaining to Infrastructure, Power and Renewable Energy industry.

Considering the above, the current profitability of the Company does not represent its future potential. Therefore, we have thought fit not to use "Income" approach for arriving at the valuation of shares of DTL.

6.3 DTPL is not listed on any stock exchanges. Therefore, the "Market" Approach has not been considered for arriving at the value of Demerged Undertaking of DTPL.

6.4 Considering the above, we have used "Income" Approach for valuation of Demerged Undertaking of DTPL and "Market" Approach for valuation of equity shares of DTL.

## 7. INCOME APPROACH

7.1 Under the "Income" approach, Demerged Undertaking of DTPL has been valued using Comparable Companies Multiple (CCM) Method.

7.1.1 Under CCM Method, value of the shares of the company/demerged undertaking is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used.

7.2 Under this method, EBITDA is capitalized using the EV/EBIDTA multiple of comparable listed companies. To the value so arrived, adjustments have been made for contingent liabilities adjusted for probability of devolvement, outstanding loans, share application money received post March 31, 2015, value of investments, intercorporate deposit and cash and cash equivalents, after considering the tax impact wherever applicable.

7.3 The equity value as arrived above is divided by the diluted number of equity shares (considering shares allotted against the share application money) to arrive at the value per share.



**8. MARKET APPROACH**

- 8.1 The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in.
- 8.2 The weighted average market price of DTL as quoted on Stock Exchanges for past six months has been considered.

**9. RECOMMENDATION OF FAIR EQUITY SHARE ENTITLEMENT RATIO**

- 9.1 The fair basis of demerger of Demerged Undertaking of DTPL into DTL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.
- 9.2 As mentioned above, we have considered the "Income" Approach for arriving at the value per share of Demerged Undertaking of DTPL and "Market" Approach for arriving at the value per share of DTL.
- 9.3 The fair equity share entitlement ratio has been arrived on the basis of valuation of the shares of the Company/Demerger undertaking based on the approach explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 9.4 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has*



*allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

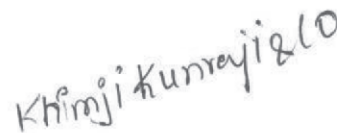
9.5 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair equity share entitlement ratio in the event of demerger of Demerged Undertaking of DTPL into DTL would be:

**66 (Sixty Six) equity shares of DTL of INR 1 each fully paid for every 25 (Twenty Five) equity shares of DTPL of INR 10 each fully paid.**

Thanking you,  
Yours faithfully,



**SSPA & CO.**  
Chartered Accountants  
Firm Registration number: 128851W  
Place: Mumbai



**KHIMJI KUNVERJI & CO**  
Chartered Accountants  
Firm Registration number: 105146W  
Place: Mumbai



**ARIHANT capital markets Ltd.**

**Fairness Opinion**

**Scheme of  
Demerger and transfer of Undertakings  
from  
Ducon Technologies (India) Pvt. Ltd.  
to  
Ducon Infratechnologies Ltd.**

**Prepared by:  
ARIHANT Capital Markets Limited  
Merchant Banking Division  
Mumbai**

**March 29, 2016**

**The information contained herein is of a confidential nature and is intended  
for the exclusive use of the persons for whom it was prepared.**



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## 1. Background

Ducon Technologies (India) Pvt. Ltd. is a private limited company incorporated under the Companies Act, 1956 having its registered office at Plot No. A-4, Road No. 1, Behind Aplan Company, MIDC, Wagle Industrial Estate, Thane - 400604, Maharashtra ("DTPL" or "Demerged Company").

Ducon Infratechnologies Limited (Formerly known as Dynacons Technologies Ltd.) is a listed public entity incorporated under the Companies Act, 1956 having its registered office at 78, Ratnajyot Industrial Estate, Irla lane, Vile Parle (West), Mumbai - 400056, Maharashtra. ("DIL" or "Resulting Company").

DTPL is primarily engaged in the business of design, manufacture, supply, erection and commissioning of various industrial projects including pollution control systems; engaged in the implementation of new technologies for modernization of old plants and provides consultation, design and supervision for electrification projects.

DIL is primarily engaged in the business of providing information technology and non-information technology infrastructure. The equity shares of DIL are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited. ("NSE")

Management of the DTPL and DIL have decided to transfer Demerged Undertaking from DTPL into DIL through a demerger under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, including the corresponding provisions of the Companies Act, 2013 as and when applicable. ("The Act")

The transfer of the Demerged Undertaking, by way of Scheme, including its business, undertaking and investments from the Demerged Company are expected to lead to significant benefits for both businesses including:-

- Enhanced strategic flexibility to build a vibrant industrial platform;
- Enable a dedicated management focus and to accelerate growth of the Demerged Undertaking; and
- Access to varied sources of funds for the rapid growth of both businesses.

Towards this purpose, the Board of Directors of DIL have provided us with a draft copy of the proposed scheme of Arrangement for the Demerger between DTPL and DIL which is scheduled to be considered and approved at DIL's Board meeting to be held on March 29, 2016 ("Scheme"). The proposed Scheme will also be placed at the meeting of the Board of Directors of the Demerged Company (DTPL) to be held on March 29, 2016.







## 2. Reference & Context

As the equity shares of DIL are listed on BSE & NSE, it is bound by the listing agreement and the provisions thereof as amended from time to time.

We, Arihant Capital Markets Ltd., have been appointed to issue a fairness opinion pursuant to the Scheme of Arrangement in terms of sub Para 8(b) of Para I(A) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on valuation of assets done by independent Valuers for the Demerged Company and Resulting Company.

We are a SEBI registered merchant banker and are not associated with DTPL and DIL as merchant banker / consultant save for this fairness opinion and are not their associate.

We have applied ourselves towards formation and expression of the opinion on the valuation of equity shares done jointly by the valuers M/s. SSPA & CO., having office at 1st floor, Arjun, Plot No. 6A, V.P Road, Andheri (W), Mumbai- 400 058 and M/s. Khimji Kunverji & Co. having office at Sunshine Tower, Level 19, Senapati Bapat Marg, Eliphinstone Road, Mumbai 400 013 ("Valuers") in relation to this proposed Scheme of Arrangement.

This Fairness Opinion is issued pursuant to our appointment as Merchant Bankers by DIL for issuing the Fairness Opinion.

## 3. Proposed Transaction

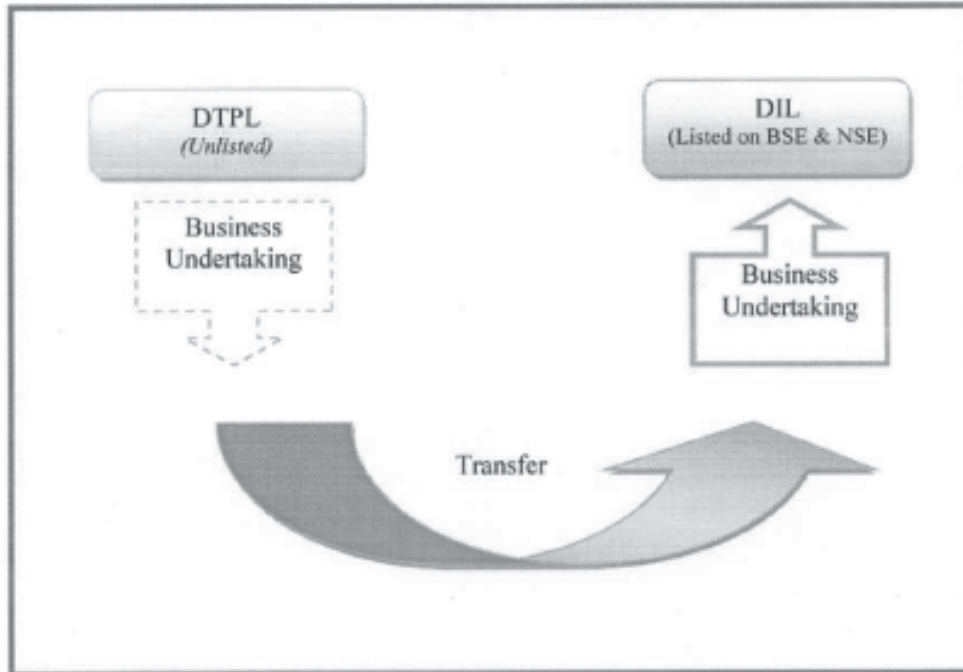
DTPL proposes to transfer its Demerged Undertaking to DIL through a Scheme of Arrangement for Demerger. Below mentioned structure is as per the proposed Scheme provided to us by DIL.

As per the scheme, equity shares are proposed to be issued by the Resulting Company to the shareholders of the Demerged Company. Pursuant to the allotment of equity shares under the scheme, promoter group shareholding in DIL will not go beyond 75%.





### Proposed Transaction

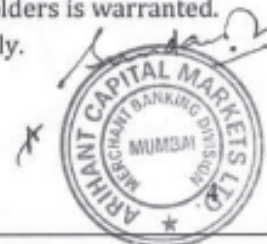


#### 4. Engagement Context

The management of DIL has requested ARIHANT Capital Markets Limited ("ARIHANT" or "We / Us / Our") to express an opinion about fairness of the valuation done by the Valuers from a financial point of view in accordance with sub Para 8(b) of Para I(A) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Shareholders of DIL (the "Fairness Opinion").

This Fairness Opinion is expressed solely with reference to requirements under aforementioned purpose; and scope of this assignment is restricted to opine about fairness of valuation already done by the Valuers in relation to the proposed Scheme.

This opinion does not in any way constitute a recommendation by ARIHANT to any Shareholder as to whether such shareholder should approve or reject the proposed transaction, in cases where voting by public shareholders is warranted. We urge you to read this Fairness Opinion carefully and entirely.





We have been engaged by DIL to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed transaction.

This Fairness Opinion may be reproduced in the explanatory statement sent to the shareholders of DIL along with the notice of general meeting / postal ballot form, conducted to get approval for the proposed transaction, so long as the form of reproduction of the Fairness Opinion in such report and any description of or reference in such report to ARIHANT, is in a form acceptable to us.

## **5. Basis of forming Opinion**

### **5.1 Documents and Information Considered**

For the purpose of providing our opinion, we have reviewed:

1. Certain publicly available business and financial information relating to DIL, including the Annual Report for the financial year ending March 31, 2015 and unaudited financial results up to 31 December 2015.
2. Certified draft of the proposed Scheme of Arrangement to be approved by the Boards of Directors of the respective companies.
3. Copy of undertakings / Management Representations issued by DTPL and DIL to the Valuers in relation to valuation of respective companies.
4. Pre Scheme and Post Scheme Shareholding pattern of DIL.
5. Copy of the valuation report of the Valuers M/s. SSPA & Co. and M/s. Khimji Kunverji & Co. Chartered Accountants, dated March 29, 2016 recommending Fair Share Exchange ratio for the proposed scheme.
6. Performed such other reviews and analyses as ARIHANT, in its absolute discretion, deemed appropriate.





## **5.2 Assumptions and Limiting Conditions**

ARIHANT has been engaged to provide standard services for the issuance of the Fairness Opinion and therefore have not performed any due diligence or audit of the information provided to us, nor have we made any independent valuation or appraisal of the assets or liabilities. DTPL and DIL have provided us with the copy of valuation report done by the Valuers and have asked us to peruse and opine on the said report. DTPL and DIL have confirmed that as the issuance of Fairness Opinion is in relation to proposed demerger, the report may also be reproduced / quoted by us.

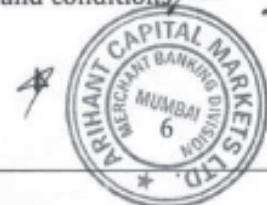
ARIHANT has assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us by DTPL, DIL or their authorized representatives or used by us, and has assumed that the same are factually correct and does not assume or accept any liability or responsibility for any independent verification or checking of such information or any independent valuation or appraisal of any of the assets, operations or liabilities of Demerged Company or the Resulting Company.

In preparing this opinion, ARIHANT has received specific confirmation from management of DTPL and DIL that all the information the Company has provided to ARIHANT in relation to the engagement of ARIHANT is correct and complete and no information has been withheld that could have influenced the purport of this Fairness Opinion.

This opinion exclusively focuses on the fairness, from a valuation point of view, of the shares / assets done by the Valuers and does not address any other issues such as the underlying business decision to recommend the transaction or its commercial merits, which are matters solely for the Boards of Directors of DTPL, and DIL to address and further to be confirmed by the shareholders of both the companies, as may be required.

ARIHANT's formation of fairness opinion is based on information supplied by DTPL and DIL, representations and confirmations of its management on various issues and we have relied upon them as such without any independent verification and as such we do not hold ourselves liable if our opinion becomes flawed as a result of any shortcomings in such information, representations and confirmations given by DTPL and DIL.

In rendering this opinion, ARIHANT has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly ARIHANT does not assume any responsibility or liability in respect thereof. Furthermore ARIHANT has assumed that the proposed transaction will be consummated on the terms and conditions





as set out in the proposed Scheme of Arrangement, without any material changes to, or waiver of, its terms or conditions.

## 6. Valuation Approaches and their Review

### 6.1. Overview

The formation of a fairness opinion is generally a complex process involving careful consideration and review of valuation methods, associated financial and other analyses, performed by the Valuers. ARIHANT has made a qualitative assessment of the appropriateness of the method and subsequent application.

### 6.2 Valuation

ARIHANT has reviewed the method of valuation adopted by the Valuers. Their report states that shares are proposed to be issued by the Resulting Company to the shareholders of Demerged Company as consideration for the proposed transfer of undertakings through demerger.

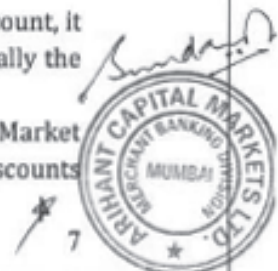
The Valuers have valued the Resulting Company's shares on Market Price Method based on the volume weighted average market price of DIL for the period of 6 months preceding March 22, 2016 (being the date on which notice was given to stock exchanges about consideration of proposed Scheme) as per the data available on National Stock Exchange of India Limited.

The shares of Demerged Company are valued on Market Multiple Approach. The Enterprise Value arrived at using market multiple as at 31.03.2015 is adjusted for certain material changes and Debt - Cash changes post 31.03.2015.

### 6.3 Analysis of the Valuation

While forming our opinion, we performed certain procedures and made certain enquiries with DTPL / DIL. Some of the procedures / activities performed and the findings are mentioned below:

- Noted that the scheme involves transfer of Demerged Undertaking from DTPL to DIL wherein shares are proposed to be issued by the Resulting Company to the shareholders of Demerged Company.
- Upon perusal of the segmental Balance Sheet and Profit & Loss account, it is observed that the Demerged Undertaking represents substantially the whole of the business of the Demerged Company.
- The valuation methodology adopted for valuing DTPL based on Market Multiple method seems fair. It is further noted that certain discounts





have been applied on the market multiples so derived considering unlisted nature of DTPL.

- The valuation methodology adopted for valuing DIL is based on Volume Weighted Average Market price for 6 months from March 22, 2016. Since the shares of DIL are publically traded this seems fair, although, the valuation of DIL based on reported financials could be much lower.
- Noted that the appointed date for the proposed scheme of Arrangement is April 01, 2015 and the valuation is carried out based on financials of the companies as at March 31, 2015 after considering certain events for the respective companies till date, which would have a material impact on the position of the assets and liabilities of the companies.
- Noted that the relative valuation of companies derived as aforesaid is divided by the current number of equity shares of the two companies to arrive at the value per share which adjusts the values on fully diluted basis.
- Management of DTPL has confirmed to us that the values of assets and liabilities appearing in the Balance Sheet as at 31.03.2015 reflect their fair value as on that date and the values appearing in provisional financials for year ended 31.03.2016 are true and fair and the same shall not deviate materially from the audited figures.

## 7. Opinion

Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation including the Exchange ratio of equity shares of DTPL and DIL recommended by the Valuers for the proposed Scheme of Arrangement for Demerger is fair.

**For Arihant Capital Markets Limited  
(Merchant Banking Division)**

**Authorized Signatory.  
(SEBI REGN. No. INM 000011070)**





## DUCON INFRATECHNOLOGIES LIMITED

(Formerly known as "Dynacons Technologies Limited")

Regd. Office : Ducon House, A/4, MIDC Wagle Industrial Estate, Road No.1,  
Thane (W) – 400 604, India Tel. : 022 41122114 (30 lines) Fax 022 41122115 URL :  
[www.dtlindia.com](http://www.dtlindia.com) CIN : L72900MH2009PLC191412

### FORMAT for Complaints Report as on 23<sup>rd</sup> September, 2016

#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	2
3.	Total Number of complaints/comments received (1+2)	2
4.	Number of complaints resolved	2
5.	Number of complaints pending	0

#### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Alice Methai	25/08/2016	Resolved
2.	Pratapraj Thacker	26/08/2016	Resolved

For Ducon Infratechnologies Limited

Darshit Parikh  
Company Secretary

DCS/AMAL/MD/IP/664 /2016-17

January 04, 2017

The Company Secretary  
**Ducon Infratechnologies Ltd.**  
Ducon House, A/4, MIDC Wagle Industrial Estate,  
Road No. 1, Thane (W) – 400604.

Sir/Madam,

**Sub: Observation letter regarding the Draft Scheme of Arrangement of Ducon Infratechnologies Limited and Ducon Technologies (India) Private Ltd.**

We are in receipt of the Draft Scheme of Arrangement between Ducon Technologies (India) Private Limited and Ducon Infratechnologies Limited. As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated January 03, 2017 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that it incorporates the following information suitably in the scheme of arrangement to be filed before High Court:
  - i. As per Para 19(A)(6)(b) of Annexure-I of the SEBI circular, the listed entity is required to submit complaints report within 7 days of expiry of 21 days from the date of filing of draft scheme with the stock exchanges and hosting the draft scheme along with all other documents on the website of the exchanges and the listed entity .i.e September 28, 2016. However the company vide letter dated October 06, 2016 filed the complaint report with the Exchange.
  - ii. Adjudication proceedings has been initiated against Mr. Arun Govil, promoter of the company, in the matter of Dynacons Technologies Limited. In this regard, the company has appointed M/s. Crawford Bayley & Co., to represent Mr. Arun Govil in the matter.
  - iii. The Company is in non-compliance with the Regulation 17(1) and 25(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding appointment of Independent Directors.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circulars.”

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

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

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

MD

.....2/-



: 2 :

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:

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

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

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

Yours faithfully,

  
Nitin Fujari  
Manager

MD

Applied for Extension of Observation Letter dated January 4th, 2017 issued by BSE

Ref: NSE/LIST/99416

January 03, 2017

The Company Secretary  
Ducon Infratechnologies Limited  
Ducon House, A/4  
MIDC Wagle Industrial Estate  
Thane – 400 604

**Kind Attn.: Mr. Darshit Parikh**

Dear Sir,

**Sub: Observation letter for Draft Scheme of Arrangement between Ducon Technologies (India) Private Limited and Ducon Infratechnologies Limited under sections 391 to 394 of the Companies Act, 1956**

This has reference to draft scheme of arrangement between Ducon Technologies (India) Private Limited and Ducon Infratechnologies Limited under sections 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated August 09, 2016.

Based on our letter reference no Ref: NSE/LIST/94588 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated January 03, 2017, has given following comments:

- a. The Company shall ensure that it incorporates the following information suitably in the scheme of amalgamation to be filed before the High Court:
  - i. As per Para I(A)(6)(b) of Annexure-1 of the SEBI circular, the listed entity is required to submit complaints report within 7 days of expiry of 21 days from the date of filing of draft scheme with the stock exchanges and hosting the draft scheme along with all other documents on the website of the exchanges and the listed entity, i.e., September 28, 2016. However, the company vide letter dated October 06, 2016 filed the complaint report with the Exchange.
  - ii. Adjudication proceedings have been initiated against Mr Arun Govil, promoter of the company, in the matter of Dynacons Technologies Limited. In this regard, the company has appointed M/s. Crawford Bayley & Co. to represent Mr. Arun Govil in the matter.
  - iii. The company is in non-compliance with regulation 17(1) and 25(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding appointment of Independent Directors.
- b. The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the company.
- c. The Company shall duly comply with various provisions of the Circular.

I.



Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the 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 03, 2017, 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:

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

Yours faithfully,  
For **National Stock Exchange of India Limited**

Divya Poojari  
Manager

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



# DUCON INFRATECHNOLOGIES LIMITED

(Formerly known as Dynacons Technologies Limited)

Registered Office: Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane - 400 604.

Tel : +91 22 41122114 Fax Number: +91 22 41122115

Email: investor@dtlindia.com Website: www.dtlindia.com

CIN : L72900MH2009PLC191412

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

Sr. No. \_\_\_\_\_

Regd. Folio No./ DPID – Client ID No.	:	
SHAREHOLDER'S NAME AND REGISTERED ADDRESS : Mr./Ms./Mrs./Messers	:	
<b>In case of Proxy or Authorised Representative</b> NAME OF PROXY OR AUTHORIZED REPRESENTATIVE: Mr./Ms./Mrs.	:	
No. of Shares held	:	

I hereby record my presence at the NCLT Convened Meeting of the Equity Shareholders of Ducon Infratechnologies Limited, the Applicant Company, convened pursuant to the Order dated June 22, 2017, July 7, 2017 and July 26, 2017 of the National Company Law Tribunal, Mumbai Bench, at Hotel Satkar Grande Wifi Park, Opposite Aplab Company, Wagle Estate, Thane (w) 400604, Maharashtra on Thursday 31st Day of August, 2017.

\_\_\_\_\_  
Signature of Shareholder/ Proxy/  
Authorised Representative

- Notes:**
1. Please bring this Attendance Slip when coming to the Meeting.
  2. Please do not bring with you any person who is not a member of the Company at the Meeting.

EVSN (Electronic Voting Sequence Number )	Default PAN

*\*Only Members who have not updated their PAN with the Company / Depository Participant shall use the default PAN in the PAN filed.*



# DUCON INFRATECHNOLOGIES LIMITED

(Formerly known as Dynacons Technologies Limited)

Registered Office: Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane - 400 604.

Tel : +91 22 41122114 Fax Number: +91 22 41122115

Email: investor@dtlindia.com Website: www.dtlindia.com

CIN : L72900MH2009PLC191412

## BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENCH AT MUMBAI COMPANY SCHEME APPLICATION NO.252 OF 2017

In the matter of Companies Act, 2013

**And**

In the matter of sections 230to 233read with sections 52 and 66 of the Companies Act, 2013

**And**

In the matter of DuconInfratechnologiesLimited

**And**

In the matter of Scheme of Arrangement

between

Ducon Technologies (India) Private Limited (Demerged Company)

and

Ducon Infratechnologies Limited (Resulting Company) and their respective shareholders and creditors

### Ducon Infratechnologies Limited,

company incorporated under the provisions of the Companies Act, 1956, having its registered office situated at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra)

) .....Applicant Company

### Form No. MGT-11 PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s)	:
Registered Address	:
E-mail Id	:
Folio/ DP ID - Client ID No.	:

I/We being the member(s) of \_\_\_\_\_ shares of DuconInfratechnologies Limited hereby appoint:

(1) Name: \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him;

(2) Name: \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him;

(3) Name: \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the NCLT Convened Meeting of the Equity Shareholders of the Company, to be held on Thursday 31<sup>st</sup> Day of August, 2017 at 10:00 a.m, at Hotel Satkar Grande Wifi Park, Opposite Aplab Company, Wagle Estate, Thane (w) 400604, Maharashtra, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed arrangement in respect of the demerger of the demerged undertaking of Ducon Technologies (India) Private Limited and Ducon Infratechnologies Limited and their respective shareholders and creditors under Section 230 to 233 of the Companies Act, 2013 at such meeting and any adjournment or adjournments thereof, to vote for me/us and in my/our name(s) \_\_\_\_\_.(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)\*, as my/our proxy may approve.

\*strike out whatever is not applicable

Signed this ..... day of ..... 2017

Affix Re 1/ revenue stamp
------------------------------------

Signature of shareholder(s): .....

Signature of Proxy holder: .....

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company at Ducon House, Plot No. A/4, Road No. 1, MIDC, Wagle Industrial Estate, Thane -400604, Maharashtra, not less than 48 hours before the time for holding the meeting.
- (2) A proxy need not be a member of the company
- (3) All alterations made in the form of proxy should be initialed.
- (4) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of NCLT Convened Meeting of Equity Shareholders.
- (5) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

## Road Map of the Venue:

