POLARIS FINANCIAL TECHNOLOGY LIMITED
(Formerly known as Polaris Software Lab Limited)
CIN: L65993TN1993PLC024142
Registered Office: Polaris House, No.244, Anna Salai, Chennai-600 006.
Email: shareholder.query@polarisft.com, company.secretary@polarisft.com
Website: www.polarisFT.com Phone: 044-3987 4000 Fax: 044-2852 3280

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF POLARIS FINANCIAL TECHNOLOGY LIMITED

Day : Wednesday
Date : July 23, 2014
Time : 2.30 P.M
Venue : **'The Music Academy'**, New No. 168, TTK Road, Roypettah, Chennai- 600014

Form No. 36
IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Ordinary Original Civil Jurisdiction)

Company Application No. 604 of 2014

In the Matter of the Companies Act, 1956 (I of 1956)
And
In the Matter of Section 391 to 394 of The Companies Act, 1956
And
In The Matter Of Scheme Of Arrangement cum Demerger
Between
POLARIS FINANCIAL TECHNOLOGY LIMITED
(Demerged Company)
And
INTELLECT DESIGN ARENA LIMITED
(Resulting company)
And
Their Respective Share Holders

M/s.POLARIS FINANCIAL TECHNOLOGY LIMITED
Having its registered office at
"Polaris House", 244,
Anna Salai, Chennai – 600006
Represented by its Vice President and Company Secretary , Mr. V.V.Naresh

... Applicant/ Demerged Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To,

The Equity Shareholders of Polaris Financial Technology Limited

TAKE NOTICE that, by an Order made on June 16, 2014, the Hon'ble High Court of Judicature of Madras has directed that a meeting of the Equity Shareholders of the Applicant Company be held at **"The Music Academy, New No. 168, TTK Road, Roypettah, Chennai- 600014**" on Wednesday 23rd Day of July, 2014, at 2:30 P.M for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement cum Demerger between Polaris Financial Technology Limited and Intellect Design Arena Limited and their respective shareholders.

Take further notice that in pursuance of the said order, a meeting of the Equity Shareholders of the Applicant Company will be convened and held at The Music Academy, New No. 168, TTK Road, Roypettah, Chennai- 600014 on Wednesday 23rd Day of July, 2014, at 2:30 P.M at which time and place you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Applicant Company at, 'Polaris House', 244, Anna Salai, Chennai 600006, not later than 48 hours before the meeting.

This Court has appointed Thiru.E.Raj Thilak, Advocate as Chairman of the Meeting.

A copy of the above mentioned Scheme of Arrangement cum Demerger, the Statement under Section 393, complaints report, observation letters issued by stock exchanges and a Form of Proxy are enclosed.

Dated at chennai this the 25th day of June, 2014

Place: Chennai

Sd/-

Thiru.E.Raj Thilak
Chairman Appointed for the Meeting

Registered Office:
Polaris Financial Technology Limited
'Polaris House' 244, Anna Salai,
Chennai – 600006, Tamil Nadu

ITEM –II

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Ordinary Original Civil Jurisdiction)
Company Application No. 604 of 2014
In the Matter of the Companies Act, 1956 (I of 1956)
And
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Having its registered office at
"Polaris House", 244,
Anna Salai, Chennai – 600006
Represented by its Vice President and Company Secretary, Mr. V.V. Naresh

... Applicant/ Demerged Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an order dated 16th June 2014 passed by the Hon'ble High Court, Madras in the Company Application No.604 of 2014, a meeting of the Equity Shareholders of Polaris Financial Technology Limited ("Applicant Company" or "Demerged Company") is being convened and held for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Arrangement cum Demerger proposed to be made between Polaris Financial Technology Limited and Intellect Design Arena Limited and their respective share holders.

2. The Hon'ble High Court, Madras by order dated 16th June 2014 was pleased to issue directions for convening of the meeting of the Equity shareholders on Wednesday, **the 23rd day of July, 2014 at 2:30 P.M.** to be presided over by Thiru.E.Raj Thilak as Chairman of the Meeting. The said Order will be available for inspection at the Registered Office of the Applicant Company at "Polaris House", 244, Anna Salai, Chennai - 600006 on any working day of the Applicant Company up to the date of meeting, after receipt from the Court.

3. A Copy of the Scheme, setting out the terms and conditions of the demerger, transfer and vesting of the Products Business undertaking of the Applicant/Demerged Company into the Resulting Company, which has been approved by the Board of Directors of the Applicant/Demerged Company and the Resulting Company at their meetings held on 18th March 2014, is enclosed.

4. With effect from the Effective Date, upon the filing of the certified copies of the orders of the Hon'ble High Court of Judicature at Madras under Sections 391 and 394 of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu, the Scheme of Arrangement cum Demerger shall come into effect.

5. PARTICULARS OF THE APPLICANT/DEMERGED COMPANY

a. The Applicant Company was incorporated as a Private Limited Company under the name and style of "Polaris Software Lab Private Limited on 5th January 1993 in the State of Tamil Nadu with Company Number 18-24142. The name of the Company was changed on 24.06.1996 pursuant to the company becoming a Public Limited Company. The name of the Company was subsequently changed to the present name 'Polaris Financial Technology Limited' on 16.11.2011. The Company Identification Number of the Demerged Company is L65993TN1993PLC024142. I submit that the registered office of the Demerged Company is at "Polaris House", 244, Anna Salai, Chennai – 600006.

b. The objects for which the Applicant/Demerged Company has been established are set out in its memorandum of Association. Some of the main objects of the Demerged Company are set out hereunder:

   i. To carry on the business of system study, analysis design, development and implementation of software systems for usage of computer systems, communication system or combination of computer and communication system for using in Government, Industry, Business or other fields of activity.

   ii. To carry on the business of trading, manufacturing, importing & exporting and to act as consultants in software for usage of computer systems, communications systems or combination of both systems and hardware of computer systems, communication systems and providing consultancy related to commercial and non- commercial usage.

iii. To establish bureaus for providing computer services to process data and develop systems of all kind by processing jobs and hiring out machine time and assist to set up operate and supervise the operation of the data processing divisions of other companies or organizations in India or elsewhere.

iv. To carry on the business as manufacturers, consultants, designers, fabricators, assemblers, processors and dealers of all kinds of computers, accounting and business machines, transistors, transformers, receivers, conductors magnetic components, microwave components, video games, tapes, discs, fittings switches and all hardware, software and peripherals thereto.

v. To collect, process, sell, information, regarding marketing, technical, financial and other matters of various industries to Government, Industry, Business or other fields of activity.

c. The authorised and paid up share capital of the Demerged Company as on 30.05.2014 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital	
12,00,00,000 Equity Shares of Rs.5 each	60,00,00,000
1,00,00,000 11% Preference shares of Rs.5 each	5,00,00,000
Total	**65,00,00,000**
Issued, subscribed and paid-up Share Capital	
9,96,41,274 Equity Shares of Rs.5 each	49,82,06,370
Total	**49,82,06,370**

6. PARTICULARS OF THE RESULTING COMPANY

a. Intellect Design Arena Limited ("Resulting Company") was incorporated on 18th April 2011 under the provisions of the Companies Act, 1956 in the State of Tamil Nadu under the name “Fin Tech Grid Limited”. Subsequently the name of the Company was changed to its current name as “Intellect Design Arena Limited” on 3rd February 2014. The Corporate Identity Number of Intellect Design Arena Limited is U72900TN2011PLC080183. The Registered Office of the Resulting Company is situated at 244, Anna Salai, Chennai 600006, Tamil Nadu, India.

b. The objects for which the Resulting Company has been established are set out in its memorandum of Association. Some of the main objects of the Resulting Company are set out hereunder:

i. To carry on the business of providing computer software services such as Cloud Computing, including Software as a Service, Platform as a Service, Data Hosting and Fin Tech data center and related services, to act as application service providers, application hosting, Linux services, remote maintenance of software application, security, business process outsourcing service, provide services to disaster recovery, business continuity services, including infrastructure as a Service, audit services and software co-location services, to develop software products encompassing, computer equipment communications, all forms of multimedia communications technology and financial applications, ERP (Enterprise Resource Planning), MRP (Manufacturing Resource Planning) for these domains.

ii. To establish and run electronic data processing centers and training centers to carry on the software consultancy on GPRS services & network and infrastructure facilities/framework, business of data processing, system studies, management consultant, techno-economic feasibility study of projects, design and development of Management Information Systems, CAD/CAM/CAE (Computer Aided Design, Manufacturing and Engineering), GIS (Geographical Information Systems), manufacturing/developing of software applications, software services, to conduct, sponsor or otherwise participate in training programs, courses, seminars and conferences in respect of any of the objects of the company and for spreading or imparting the knowledge and use of computers programming languages including the publication of books, journals, bulletins, study/course materials, circulars and newsletters.

iii. To obtain technical knowledge know-how, literature, brochures, technical data, etc., from abroad and export/disseminate them to other contries and engage in manpower recruitment for overseas requirements and also bring in necessary skilled personnel into the country and also provide computer networking facility and services for the purpose of electronic mail, electronic news, electronic commerce, electronic archives and to design, create, develop, establish, maintain, run, lease, buy, sell, technological services, software, on demand services &solutions, hardware, including services, central processing units, otherwise deal in equipment, systems, satellites, communication systems, networking systems including GPRS services & network and Infrastructure facilities/framework with respect to Financial Technologies services.

c. The authorised share capital and issued, subscribed and paid up capital of the Resulting Company as on 31.12.2013 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital	
50,000 Equity Shares of Rs.10 each	5,00,000
Total	**5,00,000**
Issued, subscribed and paid-up Share Capital	
50,000 Equity Shares of Rs.10 each	5,00,000
Total	5,00,000

The Resulting Company vide an Ordinary resolution passed in the Extra Ordinary General Meeting held on 6th January, 2014 has sub-divided its Share Capital and therefore the present Share Capital of the Company is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
1,00,000 Equity Shares of Rs.5 each	5,00,000
Total	**5,00,000**
Issued, Subscribed and Paid – Up Share Capital	
1,00,000 Equity Shares of Rs.5 each	5,00,000
Total	**5,00,000**

7. BACKGROUND AND RATIONALE TO THE SCHEME OF ARRANGEMENT CUM DEMERGER

a. At the time of this Scheme, the software products business of Polaris has reached critical size in terms of revenue and customer base. More than 150 Banks in the world are using the software products. Last year alone, Intellect has been acclaimed by more than 20 Global analysts report in leadership category.

b. After intensive internal deliberations amongst the Board members of Polaris; and upon engaging external consultants, it was decided that this is a right time to hive it off the products business as a business separate from the services business.

c. Product business is based on intellectual properties in technology space. This business has higher gross margins compared to the services business because of License revenues and higher billing rates. On other hand, like any Silicon Valley companies, it has inherent risks. It requires continuous R&D investments to keep pace with the technologies. Further, the products business also require higher investments in creating a global brand and substantial higher marketing and sales investments to cash in on the opportunities the market offers.

d. The Services business which has reached over Rs 2000 crores business has very rich client base and trusted customer relationships. This business works on the principle of outsourcing technology services to India; and provides Application Development and Maintenance services, Infrastructure Management Services, High Performance Testing Services, Data Management Services, Portal, Channel and CRM solutions to the customers in retail banking, Capital markets, Insurance and Corporate banking customers. This business runs on operational efficiency and driven by helping clients to meet their agenda. The talent required for building and growing this business, as well as the talent management processes, is substantially different from the Products business.

e. It was, therefore, decided that the Products business should be demerged into an independent company whose shares would also be listed. Upon such demerger, the Demerged Company as well the Resulting Company would have its own management teams, Boards, who can chart out their own independent strategies to maximize value creation for their respective stakeholders.

f. The demerger will permit increased focus by the Demerged Company and the Resulting Company on their respective businesses in order to better meet their respective customers' needs and priorities eliminating thereby any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.

g. Taking the above background into consideration, the Board recommended a Scheme of Arrangement cum Demerger comprising the following:

i. The business of the Demerged Company should be demerged into two businesses consequent to which the Demerged Company would continue to run Services businesses, while the Products business will be demerged into the Resulting Company Intellect Design Arena Ltd as a going concern with effect from the Appointed Date (as defined below).

ii. The proposed Scheme will involve the issuance to every shareholder of the Demerged Company as of the First Record Date, one new share in the Resulting Company Intellect Design Arena Limited for every one share held in the Demerged Company.

h. As stated in the nature of the two businesses, Intellect is inherently a very high risk business (similar to the risks associated with molecule development business in the pharmaceutical industry), have a different investor profile compared to services business. Though Indian Software outsourcing industry has taken leadership globally, software product companies are still young. Against this background,

independent Directors of the Board highlighted the need for providing choice to the shareholders of the Resulting Company to evaluate whether they have the right appetite for the risks associated with the business. Thus, the Scheme provides an option to the shareholders of the Resulting company upon listing of the shares of the Resulting Company pursuant to this Scheme to exit as a shareholder by opting to receive a non-convertible debenture providing a firm return to such shareholders for the duration of the said instrument, the terms of which are detailed herein below, as part of the Scheme. The Scheme provides for an option to the shareholders of the Resulting Company to elect to receive fully secured non convertible debentures in lieu of the equity shares held by them, in the manner set out in the Scheme.

8. SALIENT FEATURES OF THE SCHEME

PART - A
DEFINITIONS & SHARE CAPITAL

1. DEFINITIONS:

1.3. "**Appointed Date**" means the date from which this Scheme shall become operative viz., the commencement of business on 1st April 2014 or if the Board of Directors of the Demerged Company and the Resulting Company require any other date prior or subsequent to 1st April 2014 and/or the Court modifies the Appointed Date to such other date, then the same shall be the Appointed Date.

1.9. "**Effective Date**" means the later of the dates on which the certified copies of the Order(s) of the Court sanctioning this Scheme of Arrangement cum Demerger are filed with the Registrar of Companies, Tamil Nadu, Chennai, by the Demerged Company and the Resulting Company. Any reference in this section of the Scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".

PART - B

DEMERGER, VESTING OF PRODUCTS BUSINESS UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

4. VESTING OF PRODUCT BUSINESS UNDERTAKING:

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Product Business Undertaking of the Demerged Company shall, under the provisions of Section 391 to 394 of the companies Act, 1956 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand vested in, and/or be deemed to be vested in, the Resulting Company as a going concern so as to become, as and from the Appointed Date, the assets and liabilities of the Resulting Company and there shall be vested in the Resulting Company, all the rights, titles, interests or obligations of the said Product Business Undertaking therein and shall be free from all encumbrances.

4.2 With effect from the Appointed Date and upon the Scheme becoming effective, the unutilized Cenvat credit, unutilized VAT credit, deposits with statutory authorities, margin money, retention money and other deposits and balances pertaining to the Product Business Undertaking shall, under the provisions of Section 391 to Section 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand vested in, and/or be deemed to be vested in, the Resulting Company.

4.3 (a) All the movable assets including cash in hand, if any, of the Product Business Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company;

(b) In respect of movables of the Product Business Undertaking other then those specified in sub-clause (a) above, including sundry debtors, outstanding loans, and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Product Business Undertaking, the following modus operandi for intimating to third parties shall to the extent possible be followed:

i. Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or depositee as the case may be, belonging to or related to the Product Business Undertaking, that pursuant to the Court having sanctioned the Scheme, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;

ii. The Resulting Company may also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee, as the case may be, belonging to or related to the Product Business Undertaking, that pursuant to the Court having sanctioned the Scheme, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right of the Demerged Company to recover or realize the same stands extinguished.

(c) In relation to other assets belonging to Product Business Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

(d) In respect of such of the said assets other than those referred to in 4.3(a) to (c) above, the same shall, without any further act, instrument or deed, be vested in, and/or be deemed to be vested in, the Resulting Company.

4.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Product Business Undertaking of the Demerged Company shall be delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon vesting become the assets and liabilities and an integral part of the Resulting Company.

4.5 For the purpose of giving effect to the order passed under Sections 391 to 394 of the Companies Act, 1956 in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Product Business Undertaking in the Resulting Company.

5. TRANSFER OF DEBTS & LIABILITIES

5.1 With effect from the Appointed Date and upon the Scheme becoming effective:

a. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Product Business Undertaking shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Companyso as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

b. Where any of the liabilities and obligations attributed to the Product Business Undertaking on the Appointed Date has been discharged by the Demerged Company on behalf of the Product Business Undertaking after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

c. All liabilities and obligations attributed to the Product Business Undertaking, including its unsecured loans taken over by the Resulting Company may be discharged by the Resulting Company in the manner as the Resulting Company may deem fit.

5.2 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Product Business Undertaking shall be transferred and discharged by the Resulting Company.

5.3 The vesting of the Product Business Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Product Business Undertaking, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Product Business Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Product Business Undertaking as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend or be deemed to extend, to any of the assets of the Product Business Undertaking vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Product Business Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Product Business Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

5.4 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Product Business Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Resulting Company in relation to the Product Business Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Product Business Undertaking under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.

5.5 Any existing encumbrances over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Product Business Undertaking vested in the Resulting Company by virtue of this Scheme.

8. EMPLOYEES OF PRODUCT BUSINESS UNDERTAKING

8.1 Upon the Scheme becoming effective, all the employees in the service of the Product Business Undertaking of the Demerged Company as determined by the Board of Directors of the Demerged Company, immediately before the Effective Date, under this Scheme shall become the employees of the Resulting Company, on the basis that:

a. their services shall have been continuous and shall not have been interrupted by reason of such demerger;

b. the terms and conditions of service applicable to the said employees after such demerger shall not in any way be less favourable to them than those applicable to them immediately before the demerger;

c. in the event of retrenchment of such employees, the Resulting Company shall be liable to pay compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such demerger; and

d. in so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its employees (including employees of the Product Business Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall be continued, for the benefit of the employees who are being transferred to the Resulting Company pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company have their own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Product Business Undertaking, subject to the necessary contributions pertaining to the employees of the Product Business Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund, in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Product Business Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the contributions pertaining to the employees of the Product Business Undertaking shall be transferred to the funds created by the Resulting Company.

e. Any disciplinary action initiated by the Demerged Company against any employee of the Product Business Undertaking shall have full force, effect and continuity as if it has been initiated by the Resulting Company instead of the Demerged Company.

f. The Board of Directors of the Demerged Company and the Resulting Company may consider and approve policies for intercompany transfers within the Polaris Group of employees in the respective companies on such terms and conditions considered fit and appropriate, subject to applicable laws.

8.2 Stock Options:

a. Upon the coming into effect of the Scheme, the Resulting Company shall take necessary steps to formulate stock option Schemes by adopting the Existing Stock Option Schemes of the Demerged Company.

b. With respect to the stock options granted by the Demerged Company to the employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company pursuant to the Scheme) under the Existing Stock Option Schemes; and upon the Scheme becoming effective, the said employees shall be issued one stock option by the Resulting Company under the new scheme(s) for every stock option held in the Demerged Company, whether the same are vested or not on terms and conditions similar to the relevant Existing Stock Option Schemes.

c. The stock options granted by the Demerged Company under the relevant Existing Stock Option Schemes would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company). Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify the Existing Stock Option Schemes in a manner considered appropriate and in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company, subject to the approval of the Stock Exchanges and the relevant regulatory authorities, if any under applicable law.

d. The existing exercise price of the stock options of the Demerged Company shall be modified consequent to which the exercise price of the stock options of the Demerged Company shall stand adjusted to 72% of the exercise price; and the balance of the exercise price shall become the exercise price of the stock options issued by the Resulting Company.

e. While granting stock options, the Resulting Company shall take into account the period during which the employees held stock options granted by the Demerged Company prior to the issuance of the stock options by the Resulting Company, for determining the minimum vesting period required for stock options granted by the Resulting Company, subject to applicable laws.

f. The Demerged Company as well as the Resulting Company shall reimburse each other for cost debited to the Profit & Loss account or any suspense/ subsidy account subsequent to the Appointed Date, in relation to stock options issued to employees of the other company.

g. Approval granted to the Scheme by the shareholders shall also be deemed to be approval granted to any modifications made to the Existing Stock Option Schemes with respect to the period within which the employees transferred to the Resulting Company would be entitled to exercise their vested options.

9. CONSIDERATION FOR DEMERGER

9.1 Upon coming into effect of the Scheme and in consideration for the vesting of the Product Business Undertaking in the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot equity shares credited as fully paid, to the extent indicated below, to each member of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company on the First Record Date in the following manner:

1 (One) Equity share of the face value of Rs.5/- (Rupees Five only) each in the Resulting Company for every 1 (One) equity share of the face value of Rs.5/- (Rupees Five only) each held in the Demerged Company;

*(The ratio referred to above in which the equity shares of the Resulting Company are to be allotted to the shareholders of the Demerged Company by the Resulting Company is hereinafter referred to as the **"Share Entitlement Ratio"**).*

9.2 The said equity shares to be issued and allotted by the Resulting Company shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank paripassu in all respects from the date of allotment in terms of this Scheme, with the existing equity shares of the Resulting Company, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by the Resulting Company after the Effective Date of the Scheme.

9.3 No equity shares shall be issued in respect of fractional entitlements, if any, by the Resulting Company, to the members of the Demerged Company at the time of issue and allotment of the equity Shares. In case any equity shareholder's holding in the Demerged Company is such that the shareholder becomes entitled, pursuant to Clause 9.1 above, to a fraction of equity share of the Resulting Company, the Resulting Company shall round off the said entitlement to the nearest integer.

9.4 The equity shares to be issued by the Resulting Company pursuant to Clause 9.1 above shall be issued in dematerialized form, unless otherwise notified in writing by any shareholder of the Demerged Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a Committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company as of the First Record Date, the equity shares shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such shareholders.

9.5 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any Committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the First Record Date or the Effective Date, as the case may be to effectuate such a transfer in the Resulting Company as if such changes in the registered holders were operative on the First Record Date, in order to remove any difficulties arising to the transfer of the share in the Resulting Company and in relation to any new shares, after the Scheme becomes effective. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company on account of the difficulties if any in the transition period.

9.6 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under Section 81(1A) of the Companies Act, 1956 and the other relevant and applicable provisions of the Act for the issue and allotment of Equity shares by the Resulting Company to a shareholder of the Demerged Company to the extent the same may be considered applicable.

9.7 Further, approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval by the shareholders for enabling investment by foreign institutional investors (FIIs), under the Portfolio Investment Scheme up to 49.9%, of the paid up share capital of the Resulting Company. The Resulting Company shall, upon the coming into effect of the Scheme, intimate the Reserve Bank of India and comply with such other requirements as mandated by the extant foreign exchange regulations relating thereto, including passing of necessary resolutions by the board and/or shareholders in general meeting as may be required under applicable law.

9.8 There will be no change in the equity share capital of the Resulting Company from the allotment of equity shares made to the shareholders of the Demerged Company in accordance with Clause 9.1 above till the listing of the said equity shares of the Resulting Company on NSE, BSE and MSE.

9.9 The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by NSE (the designated Stock Exchange).

9.10 For the purpose of issue of equity shares to any member of the Demerged Company as of the First Record Date, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of the Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.

13. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

13.1 With Effect from the Appointed Date and upto and including the Effective date:

a. The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Product Business Undertaking and shall stand possessed of all its assets and properties referred to above, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company shall hold the said assets with utmost prudence until the Effective Date.

b. All profits or income arising or accruing in favour of the Demerged Company in relation to the Product Business Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/paid in foreign country, etc.) or losses arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses, as the case may be of the Resulting Company.

c. The Demerged Company shall carry on the activities of the Product Business Undertaking with reasonable diligence and business prudence and shall not, without prior written consent of the Resulting Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date).

d. The Demerged Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees related to the Product Business Undertakingwithout the consent of the Board of Directors of the Resulting Company.

e. The Resulting Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Resulting Company.

14. REMAINING BUSINESS:

14.1 The Demerged Company shall be entitled to and continue to carry on its Remaining Business other than the Product Business Undertaking vested in the Resulting Company, pursuant to this Scheme.14.2

14.2 With effect from the Appointed Date:

a. The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b. All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, 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; and

c. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on or after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART C

CANCELLATION OF EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY CONSEQUENT TO THE DEMERGER OF THE PRODUCT BUSINESS UNDERTAKING INTO THE RESULTING COMPANY

15. REDUCTION OF SHARE CAPITAL HELD BY THE PRE-DEMERGER SHAREHOLDERS IN THE RESULTING COMPANY

15.1 Upon coming into effect of the Scheme and post allotment of equity shares by the Resulting Company in terms of the ratio provided in Clause 9.1 above, the shareholding of the shareholders (including the Demerged Company) of the Resulting Company pre-demerger shall be cancelled in accordance with provisions of Sections 100 to 103 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act, 1956 for the purpose of confirming the reduction. The cancellation of the pre-demerger share capital shall result in a mirror image of the shareholding pattern in the Resulting Company as it stands for the Demerged Company as of the First Record Date. No consideration shall be payable to such pre-demerger shareholders on account of such cancellation of their equity share capital pursuant to this Clause 15.

15.2 The pre-demerger shareholders whose equity shares were cancelled in accordance with Clause 15.1 above shall cease to be members in the Resulting Company in respect of the equity shares cancelled by the Company.

15.3 The Resulting Company shall rectify the Register of Members deleting the names as members of the Resulting Company in respect of the equity shares cancelled pursuant to Clauses 15.1 above.

15.4 Upon the Effective Date and upon the cancellation of the equity shares held by the pre-demerger shareholders of the Resulting Company as per Clause 15.1 above, the equity share capital of the Resulting Company shall stand reduced to the extent of the nominal value of the shares cancelled by the Resulting Company. The minute of the resolution relating to the reduction of the equity share capital of the Resulting Company pursuant to this Scheme shall be registered with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956 in the following form:

15.5 "The issued, subscribed and paid up equity share capital of the Company stands reduced by the sum of Rs.5,00,000/- consisting of 1,00,000 equity shares of Rs. 5/- each consequent upon the reduction of share capital to that extent."

15.6 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.

15.7 The Board of Directors of the Resulting Company are authorised to finalise the minute of the resolution as provided in Clause 15.4 above and register the same with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956. Upon registration of the Order sanctioning the Scheme and the minute set out above, by the Registrar of Companies, Tamil Nadu, Chennai pursuant to Section 103 of the Companies Act, 1956, the reduction shall be deemed to take effect from the Effective Date.

PART E

ELECTION AND EXCHANGE PROCEDURE

17. ELECTION AND EXCHANGE PROCEDURE

Upon the equity shares of the Resulting Company being listed on the Stock Exchanges, the Resulting Company shall within a period of 15 (Fifteen) business days from the completion of the listing, determine the Second Record Date and the Resulting Company shall notify the Stock Exchange of the same and ascertain the Eligible Members. For the sake of clarity, while determining Eligible Members, those members belonging to the category of Promoters, Promoter Group, Persons acting in Concert with the Promoters and Promoter Group shall be specifically excluded.

17.1 Within 12 (Twelve) business days from the Second Record Date, or such other date as may be required by the Stock Exchanges, the Resulting Company shall dispatch a notice (the "Election Notice") to each Eligible Member, providing such Eligible Member the option to elect to receive Non Convertible Debentures in the Resulting Company in the ratio set out in Clause 17.3 below within a period of 30 (thirty) business days of receipt from the Company of such Election Notice, in lieu of equity shares of the Resulting Company held by such Eligible Members

17.2 In the event an Eligible Member were to elect to receive NCDs, as consideration for the cancellation of the equity shares issued and allotted by the Resulting Company pursuant to Clause 9.1 above, the same shall be issued in the following ratio:

One Non-Convertible Debenture of Rs. 42/- each in the Resulting Company for 1 (one) equity share of Rs. 5 each/- being issued and allotted in the Resulting Company pursuant to Clause 9.1 above

17.3 The NCDs to be issued by the Resulting Company pursuant to Clause 17.3 above shall be issued in dematerialized form to those equity shareholders of the Resulting Company who have held their equity shares in dematerialized form, unless otherwise notified in writing by any shareholder of the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a Committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Resulting Company as of the Second Record Date, the NCDs shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company as contemplated above that they desire to be issued NCDs in the physical form or if the details furnished by any member do not permit electronic credit of the NCDs of the Resulting Company, then the Resulting Company shall issue NCDs in physical form to such shareholders.

17.4 The maximum extent of the consideration payable in the form of NCDs pursuant to Clause 17.3 above shall be limited to an amount so as to ensure compliance with the applicable laws including the requirement to maintain the minimum level of public shareholding under the listing agreement proposed to be entered into with the Stock Exchanges with whom its shares are to be listed. To the extent that the election by the Eligible Members would result in the issuance of NCDs in excess of a value that would result in a fall in the minimum level of public shareholding required to be maintained as stated above, the entitlement to the Eligible Members to receive NCDs will be considered on a pro-rata basis so as to ensure that the minimum level of public shareholding as required under the listing agreement is maintained.

17.5 Each Eligible Member shall be required to submit the duly completed Election Notice, in the event they elect to receive the NCDs in terms of Clause 17.2 above, to the Demerged Company on or prior to the expiry of 30 (thirty) business days from the dispatch of the Election Notice, or such other date as may be required by the Stock Exchanges (the "**Election Period**").

17.6 If any Eligible Member has not submitted the duly completed Election Notice to the Resulting Company prior to the expiry of the Election Period or has not provided requisite details as may be required for the purpose of exercise of such option or where such Election Notice has not been received by Resulting Company or its registrars or the ownership of the equity shares in the Resulting Company is in dispute, then the default option shall be to retain the equity shares issued and allotted in the Resulting company (as consideration pursuant to Clause 9.1) and such Eligible Member shall be deemed to have elected to avail of such default option.

17.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any Committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Second Record Date or the Effective Date, as the case may be to effectuate such a transfer in the Resulting Company as if such changes in the registered holders were operative on the Second Record Date, in order to remove any difficulties arising to the transfer of the share in the Resulting Company and in relation to any new shares, after the Scheme becomes effective. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company on account of the difficulties if any in the transition period.

17.8 The Resulting Company shall complete verification of the Election Notice received from the Eligible Members within a period of 7 (Seven) business days from the end of the Election Period ("**Verification Period**").

17.9 Upon the completion of the verification notice and determination of the number of NCDs issuable to each Eligible Member who has elected to receive the NCDs in accordance with this Clause 17, the Resulting Company shall cancel the equity shares issued and allotted to the Eligible Members electing to receive Non-Convertible Debentures , and in lieu thereof, issue and allot Non-Convertible Debentures in consideration of the cancellation of the equity shares in the ratio as stated in Clause 17.3 above to such Eligible Members within the time period stipulated in Clause 17.2 above.

18. REORGANIZATION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY

18.1 The Eligible Members who elected to receive Non-Convertible Debentures in consideration for cancellation of their equity shares in the Resulting Company as contemplated in Clause 17.3 above, shall cease to be members in the Resulting Company in respect of the equity shares allotted and cancelled by the Company on and from the date when the Non convertible Debentures are issued to such Eligible Members as consideration.

18.2 The Resulting Company shall rectify the Register of Members deleting the names as members of the Resulting Company in respect of the equity shares cancelled pursuant to Clause 17.

18.3 Upon the Effective date and upon the Eligible Members receiving Non-Convertible Debentures in consideration for the cancellation of the equity shares in the Resulting company as contemplated in Clause 17 above, and upon the consequent cancellation of shares of the existing shareholders of the Resulting Company, the equity share capital of the Resulting Company shall stand reduced to the extent of

the nominal value of the shares allotted and cancelled by the Resulting Company. The minute of the resolution relating to the reduction of the equity share capital of the Resulting Company pursuant to this Scheme shall be registered with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956 in the following form:

"The issued, subscribed and paid up equity share capital of the Company stands reduced by the sum of Rs.5,00,000/- consisting of 100,000 equity shares of Rs. 5/- each consequent upon the reduction of share capital to that extent."

18.4 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.

18.5 The Board of Directors of the Resulting Company are authorised to finalise the minute of the resolution as provided in Clause 18.3 above and register the same with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956. The reduction shall be deemed to take effect from the date of registration of the order sanctioning the Scheme and the minute of the resolution as provided in clause 18.3 above by the Registrar of Companies, Tamil Nadu, Chennai, pursuant to Section 103 of the Companies Act, 1956.

PART - F

GENERAL TERMS AND CONDITIONS THAT WILL BE APPLICABLE TO THE SCHEME

21. CONDITIONALITY OF THE SCHEME

21.1 This Scheme is conditional upon and subject to –

a. The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned, including the Securities and Exchange Board of India and Trade Mark Registry, as may be applicable, being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

b. The Scheme being agreed to by the respective requisite majorities of the members of the Demerged Company and the Resulting Company, if meetings of Equity Shareholders of the said companies are convened by the Court, and the sanction of the Court being accorded to the Scheme.

c. The sanction by the Court under Sections 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act being obtained by the Demerged Company and the Resulting Company.

d. The filing with the Registrar of Companies, Tamil Nadu at Chennai, of certified copies of all necessary orders, sanctions and approvals mentioned above by the respectiveCompanies.

22. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of the Scheme not being sanctioned by the Court 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. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

9. The Equity Shareholders are requested to read the entire text of the Scheme of Arrangement cum Demerger, annexed to this Notice, to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.

10. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.

11. The Applicant Company will make a petition under Section 394 and other applicable provisions of the Companies Act, 1956 to the Hon'ble High Court of Judicature at Madras for sanctioning of the Scheme.

12. No investigation proceedings have been instituted or are pending under Section 235 to 251 of the Companies Act, 1956 or the 13. corresponding sections of the Companies Act, 2013, against the Applicant/Demerged Company.

13. With effect from the Effective Date, upon the filing of the certifies copies of the Orders of the Hon'ble High Court of Madras, under Section 391 and 394 of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu, the Scheme of Amalgamation shall come into effect.

14. The Directors, Key Managerial Personnel (KMP) and relatives of Directors and the KMP's of the Applicant/ Demerged Company and the Resulting Company may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent of common directorship in the companies, or to the extent the said directors, KMP and relatives of Directors and the KMP's are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the companies.

15. The details of the present Directors, Key Manager Personnel's of the Applicant Company, and their shareholding in the Applicant/ Demerged Company and the Resulting Company, either singly or jointly, on 31.03.2014 are as follows :

Name of the Director	Position	Equity Shares held in	
		PFTL	Intellect
Arun Jain	Chairman and Managing Director	4332364	--
Raju Venkatraman	Non Executive/Independent Director	500	--
R C Bhargava	Non Executive/Independent Director	17250	--
Rajesh Mehta	Non Executive/Independent Director	--	--
Ashok Jhunjhunwala	Non Executive/Independent Director	18,300	--
Abhay Agarwal	Non Executive/Independent Director	29622	--
Arvind Kumar	Non Executive/Independent Director	21000	--
V Balaraman	Non Executive/Independent Director	--	--
S.Swaminathan	Chief Financial Officer	--	--
V.V.Naresh	Company Secretary	--	--

16. The details of the present Directors, Key Manager Personnel's of the Resulting Company, and their shareholding in the Applicant / Demerged Company and the Resulting Company either singly or jointly as on 31.03.2014 are as follows:

Name of the Director	Position	Equity Shares held in	
		PFTL	Intellect
Govind Singhal	Director	40000	20
S Swaminathan	Director	--	-
K Govindarajan	Director	363	20

17. (a) The Pre and Post Demerger capital structure of the Applicant / Demerged Company is and will be as follows :

APPLICANT

	Pre Demerger	Post Demerger
Authorised Share Capital	**Rs. in crores**	**Rs. in crores**
- Equity Shares	60	60
- Preference Shares	5	5
Issued & Subscribed Capital		
- Equity Shares	49.78	49.78
- Preference Shares	-	-
Paid Up Capital		
- Equity Shares	49.78	49.78
- Preference Shares	-	-

RESULTANT :

	Pre Demerger	Post Demerger
Authorised Share Capital	**Rs. in crores**	**Rs. in crores**
- Equity Shares	0.05	55
- Preference Shares	0	0
Issued & Subscribed Capital		
- Equity Shares	0.05	49.78
- Preference Shares	0	0
Paid Up Capital		
- Equity Shares	0.05	49.78
- Preference Shares	0	0

(b) The Pre and Post Demerger Shareholding pattern of the Applicant/ Demerged Company is and will be as follows:

Category	Pre Demerger (as on March 31, 2014)	Post Demerger (Expected)
	%	%
Promoters and Promoter Group	29.19	29.19
Mutual Funds	3.02	3.02
Financial Institutions / Banks	0.07	0.07
Central Government / State Government	0	0
Insurance Companies	0.4	0.4
Foreign Institutional Investors	27.49	27.49
Bodies Corporate	0	0
Individuals	35.97	35.97
Clearing Members	0.66	0.66
Trusts	3.2	3.2
Total	**100.00**	**100.00**

RESULTANT:

Category	Pre Demerger (as on March 31, 2014)	Post Demerger (Expected)
	%	%
Promoters and Promoter Group	99.88%	29.19
Mutual Funds	0	3.02
Financial Institutions / Banks	0	0.07
Central Government / State Government	0	0
Insurance Companies	0	0.4
Foreign Institutional Investors	0	27.49
Bodies Corporate	0.00%	0
Individuals	0.12%	35.97
Clearing Members	0	0.66
Trusts	0	3.2
Total	**100.00**	**100.00**

18. The Demerged Company has obtained the approval to the Scheme of Arrangement cum Demerger in terms of Clause 24(f) of the Listing Agreement from the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange by their observation letters dated 6th June, 2014, 6th June, 2014 and 9th June, 2014 respectively.

19. The Scheme of Arrangement cum Demerger along with related documents was hosted on the websites of the Demerged Company, NSE, BSE and MSE and was open for complaints/comments from 28th March 2014 to 17th April 2014. During the above period, the Transferee Company has not received any complaint/comment and accordingly a Nil complaints report was filed with the respective Stock Exchanges on 18th April 2014 and taken on record by the Stock Exchanges on 21st April 2014.

20. Under Section 391 of the Companies Act, 1956, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Equity Shareholders present and voting either in person or by proxy at the meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of proxy will, however, not prevent you from attending and voting in person, if you so desire.

21. It is in the interest of the equity shareholders of the Applicant Company that the said Scheme of Arrangement cum Demerger should be approved. Accordingly, the following resolutions will be moved at the meeting convened pursuant to this Notice.

"RESOLVED THAT the Scheme of Arrangement cum Demerger between Polaris Financial Technology Limited and Intellect Design Arena Limited and their respective shareholders as placed before this meeting and initialled by the Chairman appointed for the Meeting for the purpose of identification, be and is hereby approved, subject to the said Scheme being sanctioned by the Hon'ble High Court of Judicature at Madras under sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and other approvals as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company and any person nominated by the Board of Directors, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Arrangement cum Demerger and this resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon'ble High Court of Judicature at Madras while sanctioning the said Scheme of Arrangement cum Demerger."

22. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a member of the Applicant Company. The instrument appointing the proxy should however be deposited at the registered office of the Applicant Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.

23. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (Forty Eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.

24. The following documents will be open for inspection by the Equity Shareholders of the Applicant Company upto 1 (One) day prior to the date of the meeting at the Registered Office of the Applicant/Demerged Company between 09 00 A.M and 05 00 P.M on any working day (Monday to Friday).

    a. Certified copy of the Order of the Hon'ble High Court of Madras dated 16th June, 2014 passed in Company Application No. 604 of 2014 directing convening of the meeting of Equity Shareholders of the Applicant/Demerged Company which will be available for inspection after receipt from the court.

    b. Scheme of Arrangement cum Demerger

    c. Memorandum and Articles of Association of the Demerged Company and Resulting Company.

    d. The Audited Financial Statements of the Demerged Company for the last three financial years ending March 31st 2011, March 31st 2012 and March 31st 2013.

    e. The Audited Financial Statements of the Resulting Company for the last three financial years ending March 31st 2011, March 31st 2012 and March 31st 2013.

    f. Copy of the Company Application No. 604 2014 and the Affidavit in support thereof.

    g. Copy of the Observation Letter dated 6th June, 2014 received from the National Stock Exchange of India Limited.

    h. Copy of the Observation Letter dated 6th June, 2014 received from the Bombay Stock Exchange Limited

    i. Copy of the Observation Letter dated 9th June, 2014 received from the Madras Stock Exchange Limited

    j. Share Entitlement Ratio Report from M/s.Price Water House & Co.

    k. Copy of the Fairness opinion by merchant banker M/s.Spark Capital Advisors (India) Private Limited, Chennai dated 18th March, 2014.

    l. Copy of the Audit Committee Report dated 18th March, 2014.

    m. Complaints Report dated 18th April, 2014 submitted by the Company to the BSE, NSE and MSE and also uploaded on its website.

25. This statement may also be treated as the statement under Section 102 of the Companies Act, 2013 (Section 173 of the Companies Act, 1956) as also under Section 393 of the Companies Act, 1956. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of the Applicant Company.

Dated at chennai this the 25th day of June, 2014

Registered Office:
'Polaris House' 244, Anna Salai,
Chennai -600006

Sd/-
Thiru.E.Raj Thilak
Chairman appointed for the meeting

SCHEME OF ARRANGEMENT CUM DEMERGER
BETWEEN
POLARIS FINANCIAL TECHNOLOGY LIMITED
(DEMERGED COMPANY)
AND
INTELLECT DESIGN ARENA LIMITED
(RESULTING COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS

Under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956

PREAMBLE

This Scheme of Arrangement cum Demerger ("the Scheme") is presented pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956, between Polaris Financial Technology Limited **("Demerged Company/Polaris")** and Intellect Design Arena Limited **("Resulting Company/Intellect")** for vesting of the Products Business Undertaking of Polaris into Intellect**.**

Polaris Financial Technology Limited was incorporated on 5th January 1993 under the Companies Act, 1956 in the State of Tamil Nadu. The Corporate Identity Number of Polaris Financial Technology Limited is L65993TN1993PLC024142. The Registered Office of Polaris Financial Technology Limited is situated at Polaris House, 244, Anna Salai, Chennai – 600006, India

Intellect Design Arena Limited was incorporated on 18th April 2011 under the Companies Act, 1956 in the State of Tamil Nadu under the name "Fin Tech Grid Limited". Subsequently the name of the Company was changed to its current name as "Intellect Design Arena Limited" on 3rd February 2014. The Corporate Identity Number of Intellect Design Arena Limited is U72900TN2011PLC080183. Intellect Design Arena Limited has been incorporated inter-alia to engage in the business of developing and selling of software products. The Registered Office of Intellect Design Arena Limited is situated at 244, Anna Salai, Chennai 600006, Tamil Nadu, India.

Background

Founded in 1993, the Demerged Company (BSE: 532254 | NSE: POLARIS) is a global leader in Financial Technology (FT) for Banking, Insurance and other Financial Services. The said Demerged Company offers technology solutions through its two specialized divisions - FT Services and FT Products.

The techno-functional capabilities of the Demerged Company from solutioning through delivery, is apparent in its full spectrum of offerings across Testing, Infrastructure Management, Business Efficiency, Business Transformation, Data and Analytics, Mobility and Channels, and Risk and Compliance. Today, the Demerged Company's high performance Financial Technology solutions run in over 250 financial institutions around the world.

During 2002, the Demerged Company acquired intellectual property through its acquisition of Orbitech Ltd; and decided to move into Software products business. Over the last 12 years, the Demerged Company has built this business to generate over Rs 500 Crores by selling products to global banks, insurance companies and financial institutions. The products are now very well accepted by large global banks like Citibank, Bank of Montreal, Lloyds Bank and are being sold in over 25 countries across the globe including Japan, Singapore, Australia, Vietnam, Thailand, Philippines, India, Sri Lanka, Bangladesh, UAE, Qatar, Saudi Arabia, Egypt, Kuwait, South Africa, United Kingdom, Sweden, Spain, Germany, Switzerland, Canada, USA, Chile, etc.

RATIONALE FOR THE SCHEME

At the time of this Scheme, the software products business of Polaris has reached critical size in terms of revenue and customer base. More than 150 Banks in the world are using the software products. Last year alone, Intellect has been acclaimed by more than 20 Global analysts report in leadership category.

After intensive internal deliberations amongst the Board members of Polaris; and upon engaging external consultants, it was decided that this is a right time to hive it off the products business as a business separate from the services business.

Product business is based on intellectual properties in technology space. This business has higher gross margins compared to the services business because of License revenues and higher billing rates. On other hand, like any Silicon Valley companies, it has inherent risks. It requires continuous R&D investments to keep pace with the technologies. Further, the products business also require higher investments in creating a global brand and substantial higher marketing and sales investments to cash in on the opportunities the market offers.

The Services business which has reached over Rs 2000 crores business has very rich client base and trusted customer relationships. This business works on the principle of outsourcing technology services to India; and provides Application Development and Maintenance services, Infrastructure Management Services, High Performance Testing Services, Data Management Services, Portal, Channel and CRM solutions to the customers in retail banking, Capital markets, Insurance and Corporate banking customers. This business runs on operational efficiency and driven by helping clients to meet their agenda. The talent required for building and growing this business, as well as the talent management processes, is substantially different from the Products business.

It was, therefore, decided that the Products business should be demerged into an independent company whose shares would also be listed. Upon such demerger, the Demerged Company as well the Resulting Company would have its own management teams, Boards, who can chart out their own independent strategies to maximize value creation for their respective stakeholders.

The demerger will permit increased focus by the Demerged Company and the Resulting Company on their respective businesses in order to better meet their respective customers' needs and priorities eliminating thereby any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.

Taking the above background into consideration, the Board recommended a Scheme of Arrangement cum Demerger comprising the following:

1. The business of the Demerged Company should be demerged into two businesses consequent to which the Demerged Company would continue to run Services businesses, while the Products business will be demerged into the Resulting Company Intellect Design Arena Ltd as a going concern with effect from the Appointed Date (as defined below).

2. The proposed Scheme will involve the issuance to every shareholder of the Demerged Company as of the First Record Date, one new share in the Resulting Company Intellect Design Arena Limited for every one share held in the Demerged Company.

3. As stated in the nature of the two businesses, Intellect is inherently a very high risk business (similar to the risks associated with molecule development business in the pharmaceutical industry), have a different investor profile compared to services business. Though Indian Software outsourcing industry has taken leadership globally, software product companies are still young. Against this background, independent Directors of the Board highlighted the need for providing choice to the shareholders of the Resulting Company to evaluate whether they have the right appetite for the risks associated with the business. Thus, the Scheme provides an option to the shareholders of the Resulting company upon listing of the shares of the Resulting Company pursuant to this Scheme to exit as a shareholder by opting to receive a non-convertible debenture providing a firm return to such shareholders for the duration of the said instrument, the terms of which are detailed herein below, as part of the Scheme. The Scheme provides for an option to the shareholders of the Resulting Company to elect to receive fully secured non convertible debentures in lieu of the equity shares held by them, in the manner set out herein below, as part of the Scheme.

PARTS OF THE SCHEME

The Scheme is divided into following parts:

1) PART A deals with Definitions and Share Capital.

2) PART B deals with Demerger, and vesting of the Products Business Undertaking of Polaris Financial Technology Limited into Intellect Design Arena Limited.

3) PART C pertains to the Reduction of equity share capital of Intellect Design Arena Limited consequent to the demerger of the Product Business Undertaking into Intellect Design Arena Limited pursuant to the provisions of this Scheme;

4) PART D pertains to the Listing and Trading of Equity Shares of Intellect Design Arena Limited.

5) PART E pertains to the Re-organization of equity share capital of Intellect Design Arena Limited consequent to the demerger of the Product Business Undertaking into Intellect Design Arena Limited pursuant to the provisions of this Scheme.

6) PART F deals with General Terms and conditions that will be applicable to the Scheme.

PART A
DEFINITIONS & SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

1.1. "**Act**" or "**the Act**" means the Companies Act, 1956, and rules made there under and the Companies Act, 2013 (as notified from time to time) and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

1.2. **"Affiliates"** means in respect of a person, another person that, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with that person

1.3. "**Appointed Date**" means the date from which this Scheme shall become operative viz., the commencement of business on 1st April 2014 or if the Board of Directors of the Demerged Company and the Resulting Company require any other date prior or subsequent to 1st April 2014 and/or the Court modifies the Appointed Date to such other date, then the same shall be the Appointed Date.

1.4. "**Board of Directors**" or "**Board**" shall mean the Board of Directors or any committee thereof of the Demerged Company and Resulting Company, as the case may be;

1.5. "**Book Value**(**s**)" means the value(s) of the assets and liabilities of the Product Business 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.

1.6. "**Court**" or "**High Court**" means the Hon'ble High Court of Judicature at Madras and shall include the National Company Law Tribunal, as and when applicable;

1.7. "**Product Business Undertaking**" or "**the Undertaking**" means the entire Products Business of the Demerged Company on a going concern basis, and shall mean and include, without limitation, the following:

a. all assets and property of the Products business, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, fixed assets, current assets, inventories, receivables, equipment and installations and utilities, cash balances, bank balances with inland and overseas banks, balances with all regulatory authorities, earnest moneys/security deposits, deposits with agents, customers and third parties, investments in the share capital of the subsidiaries, advances, consents, registrations, permits, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, telephones, telexes, facsimile, internet connections, leased lines, electrical connections, certificates from international bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situated, intellectual property including trademarks, patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs and all other rights including lease rights, tenancy rights, authorisations, licenses, quota rights, powers and facilities of every kind, nature and description whatsoever appertaining/allocated to the said business by the Demerged Company as on the Appointed Date as per records of the Demerged Company. The immovable property forming part of the Product Business Undertaking is listed in Schedule I. For the avoidance of doubt, the intellectual property rights forming part of the Product Business Undertaking are those listed is Schedule II hereunder. The Investments in the Subsidiaries/Associate Companies forming part of the Demerged Undertaking are listed in Schedule III hereunder;

b. With respect to the investments in Indian and overseas subsidiaries of the Demerged Company, where such subsidiaries (including the UK and Singapore subsidiaries) are carrying on both the product business and the Remaining Business as of the Appointed Date, the said subsidiaries will remain with the Demerged Company, until, the business and undertaking of such subsidiaries are restructured after the Appointed Date including by way of actions such as demerger or spin off appertaining to the product business or segregation in any other manner, as per the applicable laws and regulations and the portion of investments appertaining to the product business after demerger or spin off will be transferred to the Resulting Company as if such investment formed part of the Demerged Undertaking and included in Schedule III provided hereunder;

c. All necessary records, files, papers, engineering and process information, computer programmes, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and other records in connection with or relating to the business.

d. All liabilities including rupee loans, contingent liabilities, (excluding income tax liabilities, if any,) debts, current liabilities (excluding income tax liabilities, if any, raised on the Demerged Company subsequent to the Effective Date, but relating to the period prior to the Appointed Date) and provisions, duties and obligations, appertaining/allocated to the Resulting Company in connection with or relating to the business on the Appointed Date.

e. All special economic zone benefits, excise duty exemptions, income-tax benefits and exemptions, approvals and recognitions for scientific research issued by the prescribed authority and including the right to deduction under section 10AA of the Income-tax Act, 1961 (or any statutory modification or re- enactment thereof for the time being in force) in respect of the profits of the Products Business Undertaking for the residual period, ie, for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the demerger had not taken place.

1.8 **"Demerged Company"** or **"Polaris"** means Polaris Financial Technology Limited, a Company incorporated under the Companies Act, 1956, on 5th day of January 1993 and having its registered office at "Polaris House", 244, Anna Salai, Chennai 600006, Tamil Nadu. India.

1.9 **"Effective Date"** means the later of the dates on which the certified copies of the Order(s) of the Court sanctioning this Scheme of Arrangement cum Demerger are filed with the Registrar of Companies, Tamil Nadu, Chennai, by the Demerged Company and the Resulting Company. Any reference in this section of the scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".

1.10 "**Election Notice**" shall have the meaning ascribed to it in Clause 17.2;

1.11 "**Eligible Members**" shall mean the shareholders of the Resulting Company whose names are found in the Register of Members of the Resulting Company and where the shares are held in dematerialized form, the beneficial owners of such shares in the records of the depository as of the Second Record Date, excluding members belonging to the category of Promoter, Promoter Group and Persons acting in concert with the Promoter and Promoter Group;

1.12 **"Election Period"** shall have the meaning ascribed to it in Clause 17.6;

1.13 "**Existing Stock Option Schemes**" means all the Stock Option Schemes subsisting in the Demerged Company as on the date of the Scheme viz., the Associate Stock Option Plan, 2003; Associate Stock Option Plan, 2004 (OEWT); Associate Stock Option Plan, 2011; Associate Stock Option Plan (Trust), 2011.

1.14 "**NCDs**" or "**Non-Convertible Debentures**" shall mean secured non-convertible fully paid debentures of face value of Rs. 42/- each, bearing coupon rate of 7.75% per annum, issued and allotted by the Resulting company in accordance with Clause 17 hereunder in accordance with the terms and conditions stated in Schedule IV of this Scheme;

1.15 **"Polaris Group"** shall mean and include the Demerged Company and all its existing or future affiliates;

1.16 **"First Record Date**" means, in respect of demerger of the Product Business Undertaking into the Resulting Company, the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purposes of issue and allotment of Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company.

1.17 "**Resulting Company**" or "**IDAL**" means Intellect Design Arena Limited, a Company incorporated under the Companies Act, 1956 on 18th April, 2011 and having its registered office at 244, Anna Salai, Chennai 600006, Tamil Nadu, India.

1.18 "**Remaining Business**" means the undertaking along with businesses, activities and operations presently being managed by the Demerged Company, excluding the Product Business Undertaking being demerged pursuant to the Scheme;

1.19 **"Scheme of Arrangement cum Demerger"** or **"this Scheme"** or **"the Scheme"** shall mean this Scheme of Arrangement cum Demerger in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the Court and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws;

1.20 **"Second Record Date"** means the date to be fixed by the Board of Directors of the Resulting Company for the purposes of issue of Election Notice by the Resulting Company to the Eligible Members.

1.21 "**Verification Period**" shall have the meaning ascribed to it under Clause 17.9;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 Demerged Company

The Authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31st December, 2013 is as under:

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
12,00,00,000 Equity Shares of Rs 5 each	60,00,00,000
1,00,00,000 11% Preference shares of Rs. 5 each	5,00,00,000
Total	**65,00,00,000**
Issued, subscribed and paid-up Share Capital	
9,95,46,174 Equity Shares of Rs. 5 each	49,77,30,870
Total	**49,77,30,870**

3.2 Resulting Company

The Authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 31st December, 2013 is as under:

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
50,000 Equity Shares of Rs.10 each	5,00,000
Total	5,00,000
Issued, subscribed and paid-up Share Capital	
50,000Equity Shares of Rs. 10 each	5,00,000
Total	5,00,000

The Resulting Company vide an Ordinary resolution passed in the Extra Ordinary General Meeting held on 6th January, 2014 has sub-divided its Share capital and therefore the present share capital of the Company is as under:

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
1,00,000 Equity Shares of Rs.5 each	5,00,000
Total	5,00,000
Issued, subscribed and paid-up Share Capital	
1,00,000 Equity Shares of Rs. 5 each	5,00,000
Total	5,00,000

PART - B

DEMERGER, VESTING OF PRODUCTS BUSINESS UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

4. VESTING OF PRODUCT BUSINESS UNDERTAKING:

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Product Business Undertaking of the Demerged Company shall, under the provisions of Section 391 to 394 of the companies Act, 1956 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand vested in, and/or be deemed to be vested in, the Resulting Company as a going concern so as to become, as and from the Appointed Date, the assets and liabilities of the Resulting Company and there shall be vested in the Resulting Company, all the rights, titles, interests or obligations of the said Product Business Undertaking therein and shall be free from all encumbrances.

4.2 With effect from the Appointed Date and upon the Scheme becoming effective, the unutilized Cenvat credit, unutilized VAT credit, deposits with statutory authorities, margin money, retention money and other deposits and balances pertaining to the Product Business Undertaking shall, under the provisions of Section 391 to Section 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand vested in, and/or be deemed to be vested in, the Resulting Company.

4.3 (a) All the movable assets including cash in hand, if any, of the Product Business Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company;

(b) In respect of movables of the Product Business Undertaking other then those specified in sub-clause (a) above, including sundry debtors, outstanding loans, and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Product Business Undertaking, the following modus operandi for intimating to third parties shall to the extent possible be followed:

(i) Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or depositee as the case may be, belonging to or related to the Product Business Undertaking, that pursuant to the Court having sanctioned the Scheme, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;

(ii) The Resulting Company may also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee, as the case may be, belonging to or related to the Product Business Undertaking, that pursuant to the Court having sanctioned the Scheme, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right of the Demerged Company to recover or realize the same stands extinguished.

(c) In relation to other assets belonging to Product Business Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

(d) In respect of such of the said assets other than those referred to in 4.3(a) to (c) above, the same shall, without any further act, instrument or deed, be vested in, and/or be deemed to be vested in, the Resulting Company.

4.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Product Business Undertaking of the Demerged Company shall be delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon vesting become the assets and liabilities and an integral part of the Resulting Company.

4.5 For the purpose of giving effect to the order passed under Sections 391 to 394 of the Companies Act, 1956 in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Product Business Undertaking in the Resulting Company.

5. TRANSFER OF DEBTS & LIABILITIES

5.1 With effect from the Appointed Date and upon the Scheme becoming effective:

a. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Product Business Undertaking shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

b. Where any of the liabilities and obligations attributed to the Product Business Undertaking on the Appointed Date has been discharged by the Demerged Company on behalf of the Product Business Undertaking after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

c. All liabilities and obligations attributed to the Product Business Undertaking, including its unsecured loans taken over by the Resulting Company may be discharged by the Resulting Company in the manner as the Resulting Company may deem fit.

5.2 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Product Business Undertaking shall be transferred and discharged by the Resulting Company.

5.3 The vesting of the Product Business Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Product Business Undertaking, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Product Business Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Product Business Undertaking as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend or be deemed to extend, to any of the assets of the Product Business Undertaking vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Product Business Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Product Business Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

5.4 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Product Business Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Resulting Company in relation to the Product Business Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Product Business Undertaking under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.

5.5 Any existing encumbrances over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Product Business Undertaking vested in the Resulting Company by virtue of this Scheme.

6. CONTINUATION OF LEGAL PROCEEDINGS:

6.1 With effect from the Appointed Date and upon the Scheme becoming effective, all suits, actions and proceedings of whatsoever nature by or against the Product Business Undertaking of the Demerged Company on the Effective Date shall be continued and enforced by or against the Resulting Company. In the event of any difference or difficulty on whether any specific legal or other proceeding relates to the Product Business Undertaking or not, a certificate jointly issued by the Demerged Company and the Resulting Company as to whether such proceeding relates to the Product Business Undertaking or not shall be conclusive evidence of the matters.

6.2 If proceedings are taken against the Demerged Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of the Resulting Company. The cost of such defense shall be borne by the Resulting Company. The Resulting Company undertakes to reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

6.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in respect of matters referred above changed into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

6.4 The transfer and vesting of the assets, liabilities and obligations of the Demerged Company under Clause 4 and the continuance of legal proceedings by or against the Resulting Company under Clause 6 hereof shall not affect any transactions or any proceedings already

completed by the Demerged Company on and after the Appointed Date to the end and intent that, subject to Clause 14, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

7.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts (including customer and vendor contracts), deeds, bonds, agreements, arrangements and other instruments of whatsoever nature pertaining to the Product Business Undertaking of the Demerged Company, to which the Demerged Company is a party or to, inter-alia, the commercial benefits of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, shall be in full force and effect against or in favour of the Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company as a member of the Polaris Group had been a party or beneficiary thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any multipartite agreements, arrangements, confirmations or writings to which the Demerged Company will, if necessary also be a party in order to give formal effect to the provisions of the clause, if so required or becomes necessary.

7.2 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Product Business Undertaking of the Demerged Company, or to the benefit of which the Product Business Undertaking of Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Resulting Company, as the case may be, and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.

7.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents required to hold, sell, or deal with in any manner, the Product Business Undertaking of the Demerged Company shall stand vested in to the Resulting Company without any further act or deed, and shall be appropriately mutated by the Demerged Company in favour of the Resulting Company. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licences, approvals, permissions or approvals or consents required to hold, sell, deal with in any manner, and exercise any right as a holder of the Product Business Undertaking of the Demerged Company shall vest in and become available to the Resulting Company pursuant to the Scheme.

7.4 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or writings to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

8. EMPLOYEES OF PRODUCT BUSINESS UNDERTAKING

8.1 Upon the Scheme becoming effective, all the employees in the service of the Product Business Undertaking of the Demerged Company as determined by the Board of Directors of the Demerged Company, immediately before the Effective Date, under this Scheme shall become the employees of the Resulting Company, on the basis that:

a. their services shall have been continuous and shall not have been interrupted by reason of such demerger;

b. the terms and conditions of service applicable to the said employees after such demerger shall not in any way be less favourable to them than those applicable to them immediately before the demerger;

c. in the event of retrenchment of such employees, the Resulting Company shall be liable to pay compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such demerger; and

d. in so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its employees (including employees of the Product Business Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall be continued, for the benefit of the employees who are being transferred to the Resulting Company pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company have their own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Product Business Undertaking, subject to the necessary contributions pertaining to the employees of the Product Business Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund, in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Product Business Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the contributions pertaining to the employees of the Product Business Undertaking shall be transferred to the funds created by the Resulting Company.

e. Any disciplinary action initiated by the Demerged Company against any employee of the Product Business Undertaking shall have full force, effect and continuity as if it has been initiated by the Resulting Company instead of the Demerged Company.

f. The Board of Directors of the Demerged Company and the Resulting Company may consider and approve policies for intercompany transfers within the Polaris Group of employees in the respective companies on such terms and conditions considered fit and appropriate, subject to applicable laws.

8.2 Stock Options:

a. Upon the coming into effect of the Scheme, the Resulting Company shall take necessary steps to formulate stock option schemes by adopting the Existing Stock Option Schemes of the Demerged Company.

b. With respect to the stock options granted by the Demerged Company to the employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company pursuant to the Scheme) under the Existing Stock Option Schemes; and upon the Scheme becoming effective, the said employees shall be issued one stock option by the Resulting Company under the new scheme(s) for every stock option held in the Demerged Company, whether the same are vested or not on terms and conditions similar to the relevant Existing Stock Option Schemes.

c. The stock options granted by the Demerged Company under the relevant Existing Stock Option Schemes would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company). Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify the Existing Stock Option Schemes in a manner considered appropriate and in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company, subject to the approval of the Stock Exchanges and the relevant regulatory authorities, if any under applicable law.

d. The existing exercise price of the stock options of the Demerged Company shall be modified consequent to which the exercise price of the stock options of the Demerged Company shall stand adjusted to 72% of the exercise price; and the balance of the exercise price shall become the exercise price of the stock options issued by the Resulting Company.

e. While granting stock options, the Resulting Company shall take into account the period during which the employees held stock options granted by the Demerged Company prior to the issuance of the stock options by the Resulting Company, for determining the minimum vesting period required for stock options granted by the Resulting Company, subject to applicable laws.

f. The Demerged Company as well as the Resulting Company shall reimburse each other for cost debited to the Profit & Loss account or any suspense / subsidy account subsequent to the Appointed Date, in relation to stock options issued to employees of the other company.

g. Approval granted to the Scheme by the shareholders shall also be deemed to be approval granted to any modifications made to the Existing Stock Option Schemes with respect to the period within which the employees transferred to the Resulting Company would be entitled to exercise their vested options.

9 CONSIDERATION FOR DEMERGER

9.1 Upon coming into effect of the Scheme and in consideration for the vesting of the Product Business Undertaking in the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot equity shares credited as fully paid, to the extent indicated below, to each member of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company on the First Record Date in the following manner:

1 (One) Equity share of the face value of Rs.5/- (Rupees Five only) each in the Resulting Company for every 1 (One) equity share of the face value of Rs.5/- (Rupees Five only) each held in the Demerged Company;

(The ratio referred to above in which the equity shares of the Resulting Company are to be allotted to the shareholders of the Demerged Company by the Resulting Company is hereinafter referred to as the **"Share Entitlement Ratio"**).

9.2 The said equity shares to be issued and allotted by the Resulting Company shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with the existing equity shares of the Resulting Company, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by the Resulting Company after the Effective Date of the Scheme.

9.3 No equity shares shall be issued in respect of fractional entitlements, if any, by the Resulting Company, to the members of the Demerged Company at the time of issue and allotment of the equity Shares. In case any equity shareholder's holding in the Demerged Company is such that the shareholder becomes entitled, pursuant to Clause 9.1 above, to a fraction of equity share of the Resulting Company, the Resulting Company shall round off the said entitlement to the nearest integer.

9.4 The equity shares to be issued by the Resulting Company pursuant to Clause 9.1 above shall be issued in dematerialized form, unless otherwise notified in writing by any shareholder of the Demerged Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a Committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company as of the First Record Date, the equity shares shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company as contemplated above that they desire to be issued shares in the physical form or if

the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such shareholders.

9.5 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any Committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the First Record Date or the Effective Date, as the case may be to effectuate such a transfer in the Resulting Company as if such changes in the registered holders were operative on the First Record Date, in order to remove any difficulties arising to the transfer of the share in the Resulting Company and in relation to any new shares, after the Scheme becomes effective. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company on account of the difficulties if any in the transition period.

9.6 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under Section 81(1A) of the Companies Act, 1956 and the other relevant and applicable provisions of the Act for the issue and allotment of Equity shares by the Resulting Company to a shareholder of the Demerged Company to the extent the same may be considered applicable.

9.7 Further, approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval by the shareholders for enabling investment by foreign institutional investors (FIIs), under the Portfolio Investment Scheme up to 49.9%, of the paid up share capital of the Resulting Company. The Resulting Company shall, upon the coming into effect of the Scheme, intimate the Reserve Bank of India and comply with such other requirements as mandated by the extant foreign exchange regulations relating thereto, including passing of necessary resolutions by the board and/or shareholders in general meeting as may be required under applicable law.

9.8 There will be no change in the equity share capital of the Resulting Company from the allotment of equity shares made to the shareholders of the Demerged Company in accordance with Clause 9.1 above till the listing of the said equity shares of the Resulting Company on NSE,BSE and MSE.

9.9 The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by NSE(the designated Stock Exchange).

9.10 For the purpose of issue of equity shares to any member of the Demerged Company as of the First Record Date, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of the Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.

10 INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

10.1 With effect from the Appointed Date and upon the Scheme becoming effective, the authorised share capital of the Resulting Company as detailed in Clause 3.2 of this Scheme shall be increased from the present authorised share capital of Rs. 5,00,000/- divided into 1,00,000 equity shares of Rs. 5/- each to Rs.55,00,00,000/- divided into 11,00,00,000 equity shares of Rs. 5/- each.

10.2 The Capital Clause V of the Memorandum of Association of the Resulting Company shall, with effect from the Appointed Date and upon the Scheme becoming effective and without any further act, deed, matter or thing be replaced by the following clause:

10.3 "Authorised Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crores only) divided into 11,00,00,000 (Eleven Crores) equity shares of Rs.5/- (Rupees Five only) each with power to increase, reduce and subdivide the Share Capital of the Company and to divide the same into various classes of shares and attach thereto such preferential/deferred, special rights and privileges as may be determined by the company in accordance with the provisions of the Companies Act, 1956 (or any statutory enactments thereof).

10.4 Article 2 of the Articles of Association of the Resulting Company shall, with effect from the Appointed Date and upon the Scheme becoming effective and without any further act, deed, matter or thing be replaced by the following clause:

10.5 "The Authorised Share Capital of the Company is Rs 55, 00,00,000/- (Rupees Fifty Five Crores only) divided into 11,00,00,000 (Eleven Crores) equity shares of Rs.5/- (Rupees Five only) equity shares of Rs.5/- (Rupees Five only) each.

10.6 The Resulting Company shall pay the requisite fees for registration of the increase in the authorised capital of the Resulting Company. The Resulting Company shall comply with the applicable provisions of the Act including without limitation, the provisions of Section 97 of the Companies Act, 1956 for the increase in authorised capital. The Resulting Company shall file requisite returns with the Registrar of Companies, Tamil Nadu at Chennai in relation to such increase in authorised capital.

10.7 The approval of this Scheme by the shareholders of the Resulting Company under Sections 391 and 394 of the Companies Act, 1956 whether at a meeting or otherwise, shall be deemed to be and have the approval under Sections 16, 31, 94 of the Companies Act, 1956 and other applicable provisions of the Act and any other consents and approvals required in this regard to give effect to the increase in authorized capital as contemplated in Clause 10.1.

11 ACCOUNTING TREATMENT

11.1 Treatment in the books of the Demerged Company

i. The Demerged Company shall, upon the Scheme becoming effective, record the deletion of the assets and liabilities of the Product Business Undertaking vested in the Resulting Company pursuant to this Scheme at their respective Book Values.

ii. The difference between the Book Value of the assets and Book Value of the liabilities of the Product Business Undertaking vested in the Resulting Company, shall be adjusted by transferring the entire Share Premium Account and the General Reserve Account. The remaining difference shall be adjusted by transferring the accumulated profit and loss account of the Demerged Company

iii. Loans and advances and other dues outstanding as of the Appointed Date between the Demerged Company and the Resulting Company relating to the Product Business Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.

iv. Investments in the form of equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be adjusted to the General Reserve Account.

11.2 Treatment in the books of the Resulting Company:

i. The Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Product Business Undertaking, vested in it pursuant to this Scheme, at their respective Book Values, if any, as appearing in the books of the Demerged Company as at the close of business day immediately preceding the Appointed Date.

ii. Upon coming into effect of the Scheme , the shareholding of the shareholders (including the Demerged Company) of the Resulting Company pre-demerger shall be cancelled as specified in Clause 15.1 and amount of such share capital, as stands cancelled, be adjusted to the General Reserve Account .

iii. Surplus arising out of the excess of net Assets Value of the Product Business Undertaking assigned from the Demerged Company and recorded by the Resulting Company in Clause 11.1 (ii) over the amount credited as Share Capital after making the adjustments referred to in Clause 11.1 (iii) above, shall be credited to the Share Premium Account , General Reserve Account and the Profit and Loss Account as the case may be, or deficit, if any, shall be debited to the General Reserve Account of the Resulting Company.

iv. On NCDs being issued as per Clause 17.3 below to the Eligible Members of the Resulting Company, the excess of the face value of the NCDs over the face value of the equity shares shall be first be adjusted against the Share Premium Account and subsequently the balance, if any, to the General Reserve Account of the Resulting Company.

12 OTHER TERMS & CONDITIONS

12.1 AnyAny issue as to whether any asset or liability pertains to the said Product Business Undertaking or not shall be decided by the Board of Directors of the Demerged Company and the Resulting Company either by themselves or through a committee appointed by them in this regard, on the basis of such evidence as they deem relevant (including the books and records of the Demerged Company).

12.2 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Demerged Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes such as Cenvat credit, VAT credit etc of the Resulting Company.

12.3 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc relating to the Product Business Undertaking to which Demerged Company is entitled to shall be available to and vest in the Resulting Company.

12.4 The Demerged Company and the Resulting Company are expressly permitted to make and/ or revise their income tax returns and related TDS certificates and the right to claim refund, advance tax credits, Fringe Benefit Tax Credits, etc. on the Scheme becoming effective as on the Appointed Date and their right to make such revisions in the Income Tax Returns and related Tax Deducted at Source Certificates and the right to claim refunds, advance tax credits, withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme and the Scheme becoming effective expressly granted.

12.5 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944 and the Service Tax Law as applicable and prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods/ input services lying in the accounts of the Demerged Company relatingrelating to the Product Business Undertaking shall be permitted to be assigned to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.

12.6 In accordance with the Value legislations relating to value added tax as are prevalent on the Effective Date in respect of each state, the unutilized credits, benefits, exemptions, if any, relating to VAT paid on inputs, work in process, capital goods lying in the accounts of the Demerged Company relating to the Product Business Undertaking shall be permitted to be assigned to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

12.7 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, tax holidays, incentives, concessions and other authorizations in relation to the Product Business Undertaking of the Demerged Company, shall stand assigned by the order of the Court to the Resulting Company, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Court.

12.8 For the purpose of giving effect to the vesting order passed under Section 391 to 394 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of change in the title and appurtenant legal right(s) upon the vesting of the Product BusinessBusiness Undertaking of the Demerged Company in the Resulting Company in accordance with the provisions of section 391 to 394 of the Companies Act, 1956. With effect from the Appointed Date and upon the Scheme becoming effective, the filing of the certified copies of the order of the Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of the Resulting Company in accordance with the relevant provisions of the Act and satisfaction of charge in respect of the Demerged Company in accordance with the relevant provisions of the Act, if there are any existing charges attached to the Product Business Undertaking.

12.9 Upon the Scheme becoming Effective and the allotment of shares by the Resulting Company in favour of the shareholders of the Demerged Company in accordance with Clause 9.1 of the Scheme above, the Resulting CompanyCompany shall be considered a part of the Polaris Group for all intents and purposes.

12.10 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

13 CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

13.1 With Effect from the Appointed Date and upto and including the Effective date:

a. The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Product Business Undertaking and shall stand possessed of all its assets and properties referred to above, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company shall hold the said assets with utmost prudence until the Effective Date.

b. All profits or income arising or accruing in favour of the Demerged Company in relation to the Product Business Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/paid in foreign country, etc.) or losses arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses, as the case may be of the Resulting Company.

c. The Demerged Company shall carry on the activities of the Product Business Undertaking with reasonable diligence and business prudence and shall not, without prior written consent of the Resulting Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date).

d. The Demerged Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees related to the Product Business Undertaking without the consent of the Board of Directors of the Resulting Company.

e. The Resulting Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Resulting Company.

14 REMAINING BUSINESS:

14.1 The Demerged Company shall be entitled to and continue to carry on its Remaining Business other than the Product Business Undertaking vested in the Resulting Company, pursuant to this Scheme.

14.2 With effect from the Appointed Date:

a. The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b. All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, 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; and

c. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on or after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART C

CANCELLATION OF EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY CONSEQUENT TO THE DEMERGER OF THE PRODUCT BUSINESS UNDERTAKING INTO THE RESULTING COMPANY

15 REDUCTION OF SHARE CAPITAL HELD BY THE PRE-DEMERGER SHAREHOLDERS IN THE RESULTING COMPANY

15.1 Upon coming into effect of the Scheme and post allotment of equity shares by the Resulting Company in terms of the ratio provided in Clause 9.1 above, the shareholding of the shareholders (including the Demerged Company) of the Resulting Company pre-demerger shall be cancelled in accordance with provisions of Sections 100 to 103 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act, 1956 for the purpose of confirming the reduction. The cancellation of the pre-demerger share capital shall result in a mirror image of the shareholding pattern in the Resulting Company as it stands for the Demerged Company as of the First Record Date. No consideration shall be payable to such pre-demerger shareholders on account of such cancellation of their equity share capital pursuant to this Clause 15.

15.2 The pre-demerger shareholders whose equity shares were cancelled in accordance with Clause 15.1 above shall cease to be members in the Resulting Company in respect of the equity shares cancelled by the Company.

15.3 The Resulting Company shall rectify the Register of Members deleting the names as members of the Resulting Company in respect of the equity shares cancelled pursuant to Clauses 15.1 above.

15.4 Upon the Effective Date and upon the cancellation of the equity shares held by the pre-demerger shareholders of the Resulting Company as per Clause 15.1 above, the equity share capital of the Resulting Company shall stand reduced to the extent of the nominal value of the shares cancelled by the Resulting Company. The minute of the resolution relating to the reduction of the equity share capital of the Resulting Company pursuant to this Scheme shall be registered with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956 in the following form:

"The issued, subscribed and paid up equity share capital of the Company stands reduced by the sum of Rs.5,00,000/- consisting of 1,00,000 equity shares of Rs. 5/- each consequent upon the reduction of share capital to that extent."

15.5 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.

15.6 The Board of Directors of the Resulting Company are authorised to finalise the minute of the resolution as provided in Clause 15.4 above and register the same with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956. Upon registration of the Order sanctioning the Scheme and the minute set out above, by the Registrar of Companies, Tamil Nadu, Chennai pursuant to Section 103 of the Companies Act, 1956, the reduction shall be deemed to take effect from the Effective Date.

PART D

LISTING AND TRADING OF EQUITY SHARES OF THE RESULTING COMPANY

16 Upon the issuance and allotment of equity shares of the Resulting Company in terms of Clause 9.1 above, the Resulting Company will take the necessary steps including filing of applications with such of the recognized stock exchanges as the Board of Directors of the Resulting Company may deem fit, for the purpose of listing and trading of the remaining equity shares of the Resulting Company on the recognized stock exchanges, in accordance with applicable law.

PART E
ELECTION AND EXCHANGE PROCEDURE

17 ELECTION AND EXCHANGE PROCEDURE

17.1 Upon the equity shares of the Resulting Company being listed on the Stock Exchanges, the Resulting Company shall within a period of 15 (Fifteen) business days from the completion of the listing, determine the Second Record Date and the Resulting Company shall notify the Stock Exchange of the same and ascertain the Eligible Members. For the sake of clarity, while determining Eligible Members, those members belonging to the category of Promoters, Promoter Group, Persons acting in Concert with the Promoters and Promoter Group shall be specifically excluded.

17.2 Within 12 (Twelve) business days from the Second Record Date, or such other date as may be required by the Stock Exchanges, the Resulting Company shall dispatch a notice (the "Election Notice") to each Eligible Member, providing such Eligible Member the option to elect to receive Non Convertible Debentures in the Resulting Company in the ratio set out in Clause 17.3 below within a period of 30 (thirty) business days of receipt from the Company of such Election Notice, in lieu of equity shares of the Resulting Company held by such Eligible Members

17.3 In the event an Eligible Member were to elect to receive NCDs, as consideration for the cancellation of the equity shares issued and allotted by the Resulting Company pursuant to Clause 9.1 above, the same shall be issued in the following ratio:

17.4 One Non-Convertible Debenture of Rs. 42/- each in the Resulting Company for 1 (one) equity share of Rs. 5 each/- being issued and allotted in the Resulting Company pursuant to Clause 9.1 above

17.5 The NCDs to be issued by the Resulting Company pursuant to Clause 17.3 above shall be issued in dematerialized form to those equity shareholders of the Resulting Company who have held their equity shares in dematerialized form, unless otherwise notified in writing by any shareholder of the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a Committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Resulting Company as of the Second Record Date, the NCDs shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has notified the Resulting Company as contemplated above that they desire to be issued NCDs in the physical form or if the details furnished by any member do not permit electronic credit of the NCDs of the Resulting Company, then the Resulting Company shall issue NCDs in physical form to such shareholders.

17.6 The maximum extent of the consideration payable in the form of NCDs pursuant to Clause 17.3 above shall be limited to an amount so as to ensure compliance with the applicable laws including the requirement to maintain the minimum level of public shareholding under the listing agreement proposed to be entered into with the Stock Exchanges with whom its shares are to be listed. To the extent that the election by the Eligible Members would result in the issuance of NCDs in excess of a value that would result in a fall in the minimum level of public shareholding required to be maintained as stated above, the entitlement to the Eligible Members to receive NCDs will be considered on a pro-rata basis so as to ensure that the minimum level of public shareholding as required under the listing agreement is maintained.

17.7 Each Eligible Member shall be required to submit the duly completed Election Notice, in the event they elect to receive the NCDs in terms of Clause 17.2 above, to the Demerged Company on or prior to the expiry of 30 (thirty) business days from the dispatch of the Election Notice, or such other date as may be required by the Stock Exchanges (the "Election Period").

17.8 If any Eligible Member has not submitted the duly completed Election Notice to the Resulting Company prior to the expiry of the Election Period or has not provided requisite details as may be required for the purpose of exercise of such option or where such Election Notice has not been received by Resulting Company or its registrars or the ownership of the equity shares in the Resulting Company is in dispute, then the default option shall be to retain the equity shares issued and allotted in the Resulting company (as consideration pursuant to Clause 9.1) and such Eligible Member shall be deemed to have elected to avail of such default option.

17.9 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any Committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Second Record Date or the Effective Date, as the case may be to effectuate such a transfer in the Resulting Company as if such changes in the registered holders were operative on the Second Record Date, in order to remove any difficulties arising to the transfer of the share in the Resulting Company and in relation to any new shares, after the Scheme becomes effective. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company on account of the difficulties if any in the transition period.

17.10 The Resulting Company shall complete verification of the Election Notice received from the Eligible Members within a period of 7 (Seven) business days from the end of the Election Period ("Verification Period").

17.11 Upon the completion of the verification notice and determination of the number of NCDs issuable to each Eligible Member who has elected to receive the NCDs in accordance with this Clause 17, the Resulting Company shall cancel the equity shares issued and allotted to the Eligible Members electing to receive Non-Convertible Debentures , and in lieu thereof, issue and allot Non-Convertible Debentures in consideration of the cancellation of the equity shares in the ratio as stated in Clause 17.3 above to such Eligible Members within the time period stipulated in Clause 17.2 above.

18 REORGANIZATION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY

18.1 The Eligible Members who elected to receive Non-Convertible Debentures in consideration for cancellation of their equity shares in the Resulting Company as contemplated in Clause 17.3 above, shall cease to be members in the Resulting Company in respect of the equity shares allotted and cancelled by the Company on and from the date when the Non convertible Debentures are issued to such Eligible Members as consideration.

18.2 The Resulting Company shall rectify the Register of Members deleting the names as members of the Resulting Company in respect of the equity shares cancelled pursuant to Clause 17.

18.3 Upon the Effective date and upon the Eligible Members receiving Non-Convertible Debentures in consideration for the cancellation of the equity shares in the Resulting company as contemplated in Clause 17 above, and upon the consequent cancellation of shares of the existing shareholders of the Resulting Company, the equity share capital of the Resulting Company shall stand reduced to the extent of the nominal value of the shares allotted and cancelled by the Resulting Company. The minute of the resolution relating to the reduction of the equity share capital of the Resulting Company pursuant to this Scheme shall be registered with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956 in the following form:

"The issued, subscribed and paid up equity share capital of the Company stands reduced by the sum of Rs. _____/- consisting of _____equity shares of Rs. 5/- each consequent upon the reduction of share capital to that extent."

18.4 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.

18.5 The Board of Directors of the Resulting Company are authorised to finalise the minute of the resolution as provided in Clause 18.3 above and register the same with the Registrar of Companies, Tamil Nadu, Chennai under Section 103 of the Companies Act, 1956. The reduction shall be deemed to take effect from the date of registration of the order sanctioning the Scheme and the minute of the resolution as provided in clause 18.3 above by the Registrar of Companies, Tamil Nadu, Chennai, pursuant to Section 103 of the Companies Act, 1956.

PART - F

GENERAL TERMS AND CONDITIONS THAT WILL BE APPLICABLE TO THE SCHEME

19 APPLICATION TO COURT

19.1 The Demerged Company and the Resulting Company shall obtain the requisite consents, approvals or permission of any authority as may be required or which by law may be necessary.

19.2 The Demerged Company and the Resulting Company shall, with reasonable dispatch, make respective applications to the Court under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions, if any of the Act, seeking necessary orders or directions for dispensing with or convening, holding and or conducting meeting of the classes of their respective shareholders of the Demerged Company and the Resulting Company for sanctioning this Scheme of arrangement with such modifications, as may be approved by the Court.

19.3 Upon this Scheme being approved by the requisite majority of the equity shareholders of the Demerged Company and the Resulting Company, the Companies shall, with all reasonable dispatch, file respective petitions before the High Court for sanction of the Scheme under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act, and for such other Order or Orders, as the Courts may deem fit for carrying the Scheme into effect. Upon this Scheme being approved by the requisite majority of the Shareholders of the Demerged Company and Resulting Company respectively, the Shareholders of these Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in the Scheme.

20 MODIFICATIONS / AMENDMENTS TO THE SCHEME

20.1 The Demerged Company and the Resulting Company through their respective Board of Directors including any Committee of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

20.2 If any part or provision of this Scheme if found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and Resulting Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

20.3 For the purpose of giving effect to the Scheme after it is sanctioned by the Court, the Directors of the Demerged Company and the Resulting Company are authorized to identify/allocate/apportion the assets and liabilities covered under the Scheme.

21 CONDITIONALITY OF THE SCHEME

21.1 This Scheme is conditional upon and subject to –

a. The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned, including the Securities and Exchange Board of India and Trade Mark Registry, as may be applicable, being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

b. The Scheme being agreed to by the respective requisite majorities of the members of the Demerged Company and the Resulting Company, if meetings of Equity Shareholders of the said companies are convened by the Court, and the sanction of the Court being accorded to the Scheme.

c. The sanction by the Court under Sections 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act being obtained by the Demerged Company and the Resulting Company.

d. The filing with the Registrar of Companies, Tamil Nadu at Chennai, of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Companies.

22 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of the Scheme not being sanctioned by the Court 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. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

23 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, levies, fees, duties and expenses of the Demerged Company and the Resulting Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme whether such costs are incurred prior to or after the Effective Date, shall be borne and paid by the Demerged Company.

24 CHANGE OF NAME OF THE DEMERGED COMPANY

Upon the Scheme becoming effective, without any further act or deed, the Demerged Company shall be renamed as "Polaris Consulting and Services Limited". The approval and consent of the Scheme by the Shareholders of the Demerged Company shall be deemed to be the approval of shareholders by way of special resolution for change of name as contemplated herein under Section 21 of the Companies Act, 1956. The sanction of this Scheme by the High Court shall be deemed to be compliance of Sections 21, 23 of the Companies Act, 1956 and other applicable provisions of the Act.

SCHEDULE I

Immovable Properties owned by the Demerged Company to be transferred to Resulting Company being part of the Product Business Undertaking

NAME	DESCRIPTION OF THE PROPERTY	OFFICE SPACE
Nxt Level	Plot No (OLD No. G-3) NEW No-G-3, SIPCOT Information Technology park, SERUSERI, Survey NO. 111/1 PART, 130/ 1 PART, Egattur village AND 168/1 PART OF Navloor Village, SIRUSERI, Egattur Taluk, Kancheepuram	2,10,000 Sq. Ft.(SIPCOT 99 Years Lease land)
Anand Theatre	SEETHAKATHI BUSINESS CENTRE Door No. 684, 685,686,687,688,689,690 Anna Salai, Nungambakkam Village Division Block No-6, Egmore, Nungambakkam Taluk, Chennai District, 11th floor of the rear side of the building.	12,632 Sq.Ft (Owned)
Nalanda Training Centre	Karapakkam Village, Chinglepet Taluk, Kancheepuram District	10.58 Acres Land. (Owned)
Silver Metropolis	Land and IT Park, Commerical building in eighth, ninth & tenth Floor, named as Silver Metropolis, comprising Survey No:85, lying & being Goregaon abutting Western Express Highway, within the limits of Municipal Corporation of Greater Mumbai.	63,999 Sq. Ft (Owned)
Staff Quarters	Land & Multistoreyed residential apartments building - Whispering Palms, Wing A, Building No:4, Situated lying & being at Akurli Kandivli (East), Mumbai - 400101,	68,365 Sq. Ft (Owned)
The Capital - Adjacent land	Land and IT Park Commercial building - Serial No:203/part situated at Manikonda Jagir village, Manikonda Gram Panchayat, Rajendra Nagar, Mandal, Rangareddy District, Andhra Pradesh,	1.5 acres Land.(Owned)
Intellect Towers	Land and IT Park - Commercial building, comprised in Plot No:249, Phase IV, Situated at Udyog Vihar, Gurgaon	36,795.73 Sq. Ft (owned)

SCHEDULE II

Intellectual Properties owned by the Demerged Company which is going to be transferred to the Resulting Company as part of the Product Business Undertaking

SL. NO.	TITLE OF PATENT
1	ZOLOG
2	WALLET BANKING
3	CBX
4	Intellect Armor
5	Liquidity Management - Configurable Principal Formula definition
6	Liquidity Management - Capability to simulate liquidity structures for analysing benefits of different liquidity models
7	Liquidity Management – Ability to simulate multiple Liquidity models and generate recommendations for LM model based on goals selected by users
8	Liquidity Management – Sweeping and Pooling - Omnibus
9	A Retail Business Machine
10	Wallet Banking System
11	Zolog Human Interface
12	Liquidity Analytics
13	Liquidity Modelling
14	Sweeping and Pooling - Omnibus
15	Configurable Principal/Interest Formula
16	FT-BOT Design - Robin
17	FT-BOT Utility – Touring
18	FT-BOT Utility – Video Conferencing
19	FT-BOT Utility – Core Banking
20	FT-BOT Utility - Insurance
21	FT OS
22	FT App Store & FT Tunes
23	3rd Party App Interop
24	FT App Store Multi Level Distribution
25	Decomposition of Finite Func
26	Context Based Action
27	Design your canvas
28	CORA - Configure Once Run Anywhere
29	App Studio
30	Analytics to action (Decision Support System)
31	IADT (Information Analytics Decision and Transaction)
32	Third Party Integration with CAML
33	Advanced Custom Filtering-Reporting
34	Cash on Arrival ATMs
35	Seamless Billing Experience
36	RTFC
37	CFF – Risk
38	Sweeping Algorithms
39	Notional Pooling Algorithms
40	Multi-Card Emulation on Single Plastic
41	XAP - eXtreme Analytics Processing
42	FABX
43	IGTB
44	Intellect HUB
45	Intellect Canvas
46	Octopus

TRADEMARKS	
Sl. No.	**DESCRIPTION OF MARK**
1	Retail Excel
2	INTELLECT SUITE-*Enterprise Platform for Boundryless Banking*
3	Intellect Suite- Enterprise Platform for Boundaryless Banking-keep growing
4	intellect FRONT OFFICE Branch Banking is back
5	INSUREWARE
6	ORBI-BROKERAGE(word)
7	ORBITECH
8	ORBITECH (Logo)
9	ORBI – LENDING
10	ORBI – TRADE
11	ORBI - INVESTMENTS
12	ORBI - INTEGRATOR
13	ORBI - TREASURY
14	ORBI – CASH
15	ORBI – CARDS
16	ORBI – CORE
17	ORBI – INVEST
18	ORBI – ONE
19	ORBI
20	retail excel - power of simplicity

S. NO	**DESCRIPTION OF MARK**
1	Zolog
2	Zolog (Logo)
S. NO	**NAME**
1	CBX
2	Intellect
3	M180
4	FTGRID
5	IGTB
6	Intellect FABX
7	Intellect HUB
8	Intellect Canvas
9	Octopus

COPYRIGHTS	
Sl. No.	**Description of Work**
1	GUB M180 (L0, L1)
2	Global Insurance Level Zero(11331/2011-COL.)
3	IGTB
4	Intellect FABX
5	Intellect HUB
6	Intellect Canvas
7	Octopus

SCHEDULE III

Investments in Subsidiaries / Associate Companies which are going to be transferred to the Resulting Company as part of the Product Business Undertaking

WHOLLY OWNED FOREIGN SUBSIDIARIES		
Sl. No.	**Name of the Subsidiary**	**Country**
1.1	Polaris Software Lab S A	Switzerland
1.2	Polaris Software Lab FZ LLC	Dubai
1.3	Polaris Software Lab Vietnam Co. Ltd.	Vietnam

WHOLLY OWNED INDIAN SUBSIDIARIES		
S No	**Name of the Subsidiary**	**Country**
2.1	Laser Soft Infosystems Ltd.	India
2.2	Polaris Enterprise Solution Ltd.	India
2.3	Indigo Tx Software Pvt. Ltd.	India
2.4	SFL Properties Pvt. Ltd.	India

JOINT VENTURES- 51 % HOLDING		
S No	**Name of the Subsidiary**	**Country**
3.1	Sonali Polaris FT Ltd.	Bangladesh

EQUITY INVESTMENTS IN PRODUCT COMPANIES		
S No	**Name of the Company**	**Country**
4.1	NMS Works Software Private Limited	India
4.2	Adrenalin eSystems Limited	India

OVERSEAS SUBSIDIARIES TO BE DEMERGED		
S No	**Name of the Subs**	**Country**
5.1	Polaris Software Lab PTE Ltd. *(60:40 Ratio for Services : Products)*	Singapore
5.2	Polaris Software Lab Limited *(60:40 Ratio for Services : Products)*	UK

SCHEDULE IV

Terms And Conditions For The Issuance And Allotment Of 7.75% Non-Convertible Debentures By The Resulting Company

Issuer	Intellect Design Arena Limited
Instrument	Secured, non-convertible fully paid up Debentures
Coupon Rate	7.75% per annum payable on redemption
Tenure/Maturity	90 (Ninety) days from the date of allotment
Face Value	Rs.42/- (Rs. Rupees Forty Two Only) per Debenture
Market Lot	1 (One) Debenture or as may be required by the Stock Exchanges
Quantum	The maximum extent of the NCDs shall be limited to an amount that will ensure compliance with the regulatory approvals obtained including the requirement to maintain the minimum level of public shareholding under the listing agreement proposed to be entered into with the Stock Exchanges with whom its shares are to be listed. To the extent that the election by the Eligible Members would result in the issuance of NCDs in excess of a value that would result in a fall in the minimum level of public shareholding required to be maintained as stated above, the entitlement to the Eligible Members to receive NCDs will be considered on a pro-rata basis so as to ensure that the minimum level of public shareholding as required under the listing agreement is maintained.
Redemption	Redeemable at par in full at the end of 90 (Ninety) days the from date of allotment
Physical/Demat	The NCD's will be issued in Demat mode only
Security	Identified Immoveable property of the Resulting Company
Valuation	NCD Valuation is based on relative valuation of the businesses of the Services and Products Business, taking into account business health of the respective businesses considering net assets employed by each business, revenues generated by each business and EBITDA margins of each business. The indicative figure for relative valuation is as per extant guidelines viz., using the higher of the past six month's average or past two week average share prices.
Listing	Upon the issuance and allotment of NCDs of the Resulting Company in terms of Clause 17.3 above, the Resulting Company will take necessary steps including filing of applications with such of the recognized stock exchanges as the Board of Directors of the Resulting Company may deem fit, for the purpose of listing and trading of the NCDs of the Resulting Company on the said recognized stock exchanges, in accordance with applicable law

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/240840-Z

June 06, 2014

The Assistant Vice President- Secretarial,
Polaris Software Lab Limited
Polaris House, 244, Anna Salai,
Chennai-600006

Kind Attn: Mr. V.V. Naresh

Dear Sir,

Sub.: Observation letter for Draft Scheme of Arrangement ("Demerger") between Polaris Financial Technology Limited and Intellect Design Arena Limited and their respective shareholders under sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956

This has reference to Draft Scheme of Arrangement ("Demerger") between Polaris Financial Technology Limited and Intellect Design Arena Limited and their respective shareholders under sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 submitted to NSE vide your letter dated March 25, 2014.

Based on our letter reference no Ref: NSE/LIST/237085-M submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. SEBI has vide letter dated June 05, 2014 has given following comments on the draft scheme of Amalgamation:

a) Additional information submitted by the company Polaris Financial Technology Limited, after filing the scheme with the stock exchange including the revised draft scheme of Arrangement submitted vide letter dated April 02, 2014 is displayed from the date of receipt of this letter on the website of the listed company.

b) After listing of equity shares of Intellect Design Arena Limited, at the time of exercising the option by the eligible members to receive Non Convertible Debentures (NCDs) in lieu of equity shares of Intellect Design Arena Limited, the company to ensure compliance with the Takeover Regulations and Minimum Public Shareholding.

c) Intellect Design Arena Limited will have to apply separately for the exemption of 19(2)(b) of the Securities Contract (Regulation) Rules, 1957.

d) The company shall duly comply with various provisions of the Circulars.

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

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

However, the listing of equity shares of Intellect Design Arena Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Intellect Design Arena Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Intellect Design Arena Limited is at the discretion of the Exchange.

The listing of Intellect Design Arena Limited, pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Intellect Design Arena Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the company.

2. To publish an advertisement in the newspapers containing all the information about Intellect Design Arena Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Intellect Design Arena Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in Intellect Design Arena Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval 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 June 06, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above 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 II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
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CIN NO:U67120MH2005PLC155188

DCS/AMAL/BS/24(f)/072/2014-15

June 6, 2014

The Company Secretary
Polaris Financial Technology Limited
Polaris House, 244, Anna Salai,
Chennai Tamil Nadu - 600 006

Dear Sir / Madam,

Sub: **Observation letter regarding the Scheme of Arrangement between Polaris Financial Technology Ltd (Polaris) and Intellect Design Arena Ltd (IDAL) (WOS of Polaris)**

We are in receipt of draft Scheme of Arrangement involving demerger of Product Business Undertaking of the company into Intellect Design Arena Ltd (IDAL) (WOS of Polaris).

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated May 02, 2014 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 20, 2013; SEBI has vide its letter dated June 5, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***After listing of equity shares of IDAL, at the time of exercising the option by the eligible members to receive the Non Convertible Debentures (NCD's) in lieu of equity shares of IDAL, the company to ensure compliance with Takeover Regulations and Minimum Public shareholding.***
- ***Intellect Design Arena Ltd will have to apply separately for the exemption of 19(2)(b) of the Securities Contract (Regulation) Rules, 1957***
- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval 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.

Yours faithfully,

Bhuvana Sriram
Dy. Manager

Pooja Sanghvi
Asst. Manager

MADRAS STOCK EXCHANGE LTD.

Phone : 25228951 / 52 / 53 / 57 / 4393
Fax : 044-25244897
E-mail Id : info@mseindia.in
Website : www.mseindia.in

Exchange Building :
Post Box No. 183
New No. 30, Second Line Beach,
Chennai - 600 001.

MSE/LD/PSK/738/192/94
9th June 2014

The Company Secretary,
Polaris Financial Technology Limited
"Polaris House",
244, Anna Salai,
CHENNAI-600 006

Dear Sir,

Sub: Application under clause-24(f) of the Listing Agreement to the proposed Scheme of Arrangement involving reduction in capital of M/s. Polaris Financial Technology Limited

Please refer to your letter dated 25th March 2014 along with the draft scheme of arrangement involving demerger of Products Business Undertaking of M/s. Polaris Financial Technology Limited to M/s. Intellect Design Arena Limited (IDAL).

The Exchange noted the confirmation given by the company that the scheme of arrangement does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the Rules, Regulations and Guidelines made under these Acts and the provisions as explained in clause-24(g) of the listing Agreement or the requirements of the Exchange.

SEBI, vide its letter dated 05.06.2014, given the following comments on the draft scheme of arrangement:

1. After listing of equity shares of IDAL, at the time of exercising the option by the eligible members to receive Non-convertible Debentures (NCDs) in lieu of equity shares of IDAL, the company to ensure compliance with Takeover Regulations and Minimum Public Shareholding.

2. Interlect Design Area Limited will have to apply separately for the exemption of 19(2)(b) of Securities Contract (Regulation) Rules, 1957

3. The company shall duly comply with various provisions of the Circulars.

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

MADRAS STOCK EXCHANGE LTD.

Phone : 25228951 / 52 / 53 / 57 / 4393
Fax : 044-25244897
E-mail Id : info@mseindia.in
Website : www.mseindia.in

Exchange Building :
Post Box No. 183
New No. 30, Second Line Beach,
Chennai - 600 001.

You are advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its no-objection / approval at any later 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, etc.

Thanking you,

Yours faithfully,

P. SAMPATHKUMAR
ASST. GENERAL MANAGER- LISTING & HR

POLARIS®
live your dream

COMPLAINTS REPORT FOR THE PERIOD MARCH 28, 2014 - APRIL 17, 2014

PART A

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

PART B

S.No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1	NIL	NIL	NIL

For Polaris Financial Technology Limited

V.V.Naresh
Vice President , Company Secretary & Compliance Officer

Place : Chennai
Date : 18-Apr-14

Polaris Financial Technology Limited, 'ACROPOLIS', 6th Floor, No.148, Dr. Radhakrishna Road, Mylapore, Chennai 600 004, India. Tel: +91-44-3341 8000
Regd. Office: 'Polaris House', 244, Anna Salai, Chennai - 600 006. India. Tel: +91-44-2857 4000, Fax: +91-44-2852 0200
Corporate Headquarters: 'Foundation', 24, Rajiv Gandhi Salai, Chennai - 600 113. India. Tel: +91-44-2743 5001 /+91-44-3987 3000, Fax: +91-44-2743 5165

India: Bangalore, Chennai, Hyderabad, Mangalore, Mumbai, New Delhi, Pune, Thane | Australia: Melbourne, Sydney | Canada: Mississauga, Toronto
Chile: Santiago | China: Shanghai | France: Paris | Germany: Frankfurt | Hong Kong | Ireland: Dublin | Japan: Tokyo | Korea: Seoul
Malaysia: Kuala Lumpur | Netherlands: Utrecht | Philippines: Manila | Saudi Arabia: Riyadh | Singapore | Spain: Madrid | Switzerland: Neuchatel
CIN:L65993TN1990PLC024142 elfast, London | USA: Chicago, New Jersey, Pittsburgh, San Francisco | Vietnam: Ho Chi Minh City
www.polarisFT.com

SPARK CAPITAL
enhancing value

18th March 2014

Board of Directors,
Polaris Financial Technology Ltd,
Polaris House, 244, Anna Salai,
Chennai - 600006, India.

Subject: Regarding Fairness Opinion ("Opinion") on the share entitlement ratio as provided in the entitlement ratio report ("Entitlement Ratio Report") issued by Price Waterhouse & Co dated 17th March 2014

We refer to the Request Letter ("Letter") dated 17th March 2014 requesting us to issue an Opinion on entitlement ratio as provided in the Entitlement Ratio Report as issued by Price Waterhouse & Co in respect of the proposed Scheme of Arrangement (the "Scheme") between Polaris Financial Technology Ltd ("Polaris"/ "Demerged Company"), Intellect Design Arena Limited ("Intellect/ Resulting Company") and their respective Shareholders.

Polaris, registered under the Companies Act, 1956 having its registered office at Chennai, in the state of Tamilnadu, India is a listed entity whose equity shares are listed on Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd (NSE) and Madras Stock Exchange Ltd (MSE). Polaris is primarily engaged in the business of developing software products and rendering software services for financial institutions. Polaris mainly has two undertakings, namely, Products Business Undertaking and Services Business Undertaking.

Intellect, registered under the Companies Act, 1956 having its registered office at Chennai, in the state of Tamilnadu, has been incorporated inter-alia to engage in the business of developing software products. The Scheme, inter alia, provides for the demerger of Products Business from Polaris to the Resulting Company ("Demerger").

We understand that the Board of Directors of Polaris have proposed that:

1. The Resulting Company shall issue and allot shares to the members of the Demerged Company in the ratio specified below upon the Scheme coming into effect.

   1 equity share of the face value of Rs.5/- (Rupees Five only) each in the Resulting Company for every 1 equity share of the face value of Rs.5/- (Rupees 5 only) each held in the Demerged Company ("Share Entitlement Ratio")

2. The Resulting Company will be listed on BSE, NSE and MSE after obtaining necessary approvals

   Further members of the Resulting Company will have the option to:

   i) Retain the equity shares of the Resulting Company issued and allotted to them OR
   ii) Receive 1 Non-Convertible Debenture in the Resulting Company in consideration of cancellation of 1 equity share of Rs. 5 each/- which will be issued and allotted in the Resulting Company as envisaged in the Scheme

The terms and conditions of the Demerger are more fully described in the Scheme, and the above summary of the Demerger is qualified in its entirety by reference to the terms of the Scheme.

We understand that the appointed date for the Demerger is the opening of business hours on 1st April 2014. In connection with the Demerger, you have requested us to examine the Entitlement Ratio Report dated 17th March 2014 of Price Waterhouse & Co as also the information provided by Polaris, the Resulting Company & the Scheme and issue our Opinion on the "Share Entitlement Ratio" for the purpose of the Demerger.

The Opinion requested from us is to be provided in our capacity as Category I Merchant Banker (Registration code – MB/INM000011138) and is required to be submitted to the stock exchanges as required under clause 24(h) of listing agreement (SEBI Amendment SEBI/CFD/DIL/LA/ 5/2008/4/09 dated 4th September 2008).

SPARK CAPITAL ADVISORS (INDIA) PRIVATE LIMITED
'Reflections' New No. 2, Leith Castle Center Street, Santhome High Road, Chennai 600 028
Tel : +91 44 43440000 Fax : +91 44 43440080 / 90
www.sparkcapital.in

For the said examination and for arriving at the Opinion set forth below, we have reviewed the following documents provided to us by Polaris

- Letter issued to Spark Capital
- Draft Scheme of Arrangement
- Entitlement Ratio Report issued by the Price Waterhouse & Co
- FY13 annual report and proforma YTD financials of Polaris
- FY13 annual report of Intellect Design Arena Limited
- MoA and AoA of Polaris and Intellect Design Arena Limited

Further we have also discussed and participated in certain discussions with the Company including:

- The operations and financial conditions of Services Business Undertaking and Products Business Undertaking with the representatives of Polaris; and
- Participating in certain discussions among representatives of Polaris in connection with the transactions contemplated by the Scheme

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information including segmental financial data and analyses that was provided or otherwise made available to us by Polaris for the purposes of this Opinion. We have not conducted any due diligence and express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not reviewed any books and records of Demerged/ Resulting Company (other than those provided/made available). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Demerged Company/Resulting Company and neither express any opinion with respect thereto nor accept any responsibility thereof. We have not made any independent valuation or appraisal of the assets or liabilities of Demerged Company/Resulting Company nor have we been furnished with any such appraisals. With respect to financial and other information and data relating to Demerged Company and the Resulting Company provided to or otherwise reviewed by or discussed with us, we have been advised by the management of Polaris that such information and data were reasonably prepared on bases reflecting the best currently available data and judgments of the management of Polaris. We have relied on the information provided by the management of Polaris, and do not provide any opinion on the allocation of specific assets and liabilities across the various businesses. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was provided or otherwise made available to us by Polaris for the purposes of this Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims. In addition, we have assumed that the Scheme will be approved by regulatory authorities including the Honourable High Court of Judicature at Madras and that the Demerger will be consummated in accordance with the terms set forth in the Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of Demerged Company/Resulting Company other than those disclosed in the information provided. We have assumed that the Resulting Company does not have any material assets or liabilities prior to the Demerger, and accordingly have not attributed any value to the Resulting Company prior to the Demerger, for the purposes of determining the Share Entitlement Ratio.

We understand that the management of Polaris, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and Opinion. To avoid factual inaccuracies in our report, as a part of our standard practice, Polaris has been provided an opportunity to review the Opinion (without fairness opinion).

We have relied upon and assumed without independent verification, with the consent of Board of Directors of Polaris, that the Demerger will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals (including approvals of all classes of shareholders of Polaris), consents and releases for the Demerger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Polaris and the Resulting Company or the contemplated benefits of the Demerger. We have further assumed that such approvals, consents and releases will be duly obtained, as required, pursuant to applicable laws and contractual obligations, without any delays. Representatives of Polaris have advised us, and we further have assumed, that the final terms of the Scheme will not vary from those set forth in the draft reviewed by us. Further, we have assumed that there will not be any adverse rulings or proceedings whatsoever

(whether of any court, regulatory body or otherwise) arising out of or in relation to the Demerger as contemplated.

We have not provided any opinion on the fair value of the Non-Convertible Debentures, the equity value of the Services Business Undertaking and the Products Business Undertaking and the tax implications of the Demerger on the shareholders of Polaris, and any resulting impact on a shareholder's decision to choose between the alternate forms of consideration.

Our Opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this Opinion, we do not have an obligation to update, revise or reaffirm this Opinion. Spark Capital Advisors (India) Private Limited ("Spark Capital", which term shall mean to include its subsidiaries) is providing an Opinion on the Entitlement Ratio Report issued by Price Waterhouse and Co and will receive a fee for our services. Spark Capital is also acting as a financial advisor to the corporate restructuring undertaken by Polaris by way of this Demerger. In the past, Spark Capital has provided financial advisory services to Polaris and have received fees for the rendering of these services.

In the ordinary course of business, Spark Capital is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the Spark Capital may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction subject to applicable law.

It is understood that this letter is issued to the Board of Directors of Polaris in connection with the Demerger and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent except that a copy of this opinion may be included in its entirety in any filing Polaris is required to make with the Securities and Exchange Board of India (SEBI) or with or to any Indian Stock Exchange in connection with this transaction if such inclusion is required by applicable law.

We express no opinion whatever and make no recommendation at all as to Polaris or the Resulting Company's underlying decision to effect the Demerger or as to how the holders of equity shares of Polaris or the Resulting Company should vote at their respective meetings to be held in connection with the Demerger or as to how they may choose to exercise their options permitted under the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Demerger including the terms of the Non-Convertible Debentures like coupon rate, tenor and redemption value. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of Polaris/Resulting Company will trade following the announcement of the Demerger or as to the financial performance of Polaris or the Resulting Company following the consummation of the Demerger.

In no event shall we be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of Polaris/Intellect, their Directors, employees or agents. In no circumstances shall the liability of Spark Capital, its partners or employees, relating to services provided in connection with the Opinion exceed the amount paid to us in respect of the fees, if any, charged for these services.

Based on our examination of the Entitlement Ratio Report and subject to the foregoing, we are of the opinion that the Share Entitlement Ratio as provided in the Entitlement Ratio Report is fair to the equity shareholders of Polaris.

For and on behalf of
Spark Capital Advisors (India) Private Limited

K Ramakrishnan
Executive Director and Head, Investment Banking
Chennai
18th March 2014

ITEM – VII

Form No. 37
IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Ordinary Original Civil Jurisdiction)

COMPANY APPLICATION No. 604 of 2014

In the Matter of the Companies Act, 1956 (I of 1956)
And
In the Matter of Section 391 to 394 of The Companies Act, 1956
And
In The Matter Of Scheme of Arrangement cum Demerger
Between
POLARIS FINANCIAL TECHNOLOGY LIMITED
(Demerged Company)
And
INTELLECT DESIGN ARENA LIMITED
(Resulting company)
And
Their Respective Share Holders

M/s.POLARIS FINANCIAL TECHNOLOGY LIMITED
Having its registered office at
"Polaris House", 244,
Anna Salai, Chennai – 600006
Represented by its Vice President and Company Secretary , Mr. V.V.Naresh

... Applicant/ Demerged Company

FORM OF PROXY

I/We, the undersigned, equity shareholder(s) of the above Company hereby appoint _____ and failing him/her _____ as my/our Proxy, to act for me/us at the meeting of the equity shareholders of the Applicant Company to be held at "The Music Academy", New No. 168, T.T.K Road, Royapettah, Chennai-600 014 on Wednesday, the 23rd day of July 2014 at 02.30 P.M. for the purpose of considering and, if thought fit, approving, with or without modification(s) of the Scheme of Arrangement cum Demerger proposed to be made between Polaris Financial Technology Limited and Intellect Design Arena Limited and their respective shareholders and at such meeting and any adjournment thereof, to vote for me/us and in my/our name _____ (here, "if for", insert "for", "if against", insert "against") the said Scheme of Arrangement cum Demerger, either with our without modification, as my/our Proxy may approve.

Dated at _____ this the _____ day of _____ 2014

Address : _____ Signature

Folio No: _____ DP ID No. _____ Client ID No. _____ No. of Shares_____

Notes:

1. Please affix Revenue Stamp before putting Signature
2. All alterations made in the form of proxy should be initialled.
3. Proxy must be deposited at the Registered Office/ Principal Office of the Applicant Company, not later than 48 hours before the meeting.
4. Proxy need not be a shareholder of the Applicant/Transferee Company.
5. In case of multiple Proxies, the Proxy later in time shall be accepted.

POLARIS FINANCIAL TECHNOLOGY LIMITED

(Formerly known as Polaris Software Lab Limited)

CIN: L65993TN1993PLC024142

Registered Office: Polaris House, No.244, Anna Salai, Chennai-600 006.

Email: shareholder.query@polarisft.com, company.secretary@polarisft.com

Website: www.polarisFT.com Phone: 044-39874000 Fax: 044-2852 3280

ATTENDANCE SLIP

Folio No. _____ Client ID No. _____

DP ID No._____ No. of Shares _____

I/we _____ (Name of the Shareholder / Proxy) hereby record my presence at the Meeting, convened pursuant to Orders of the Hon'ble High Court of Judicature at Madras, of the meeting of the Equity Shareholders of the Company to be held at "The Music Academy", New No. 168, T.T.K Road, Royapettah, Chennai-600 014 on Wednesday, the 23rd day of July 2014 at 02.30 P.M.

Signature of the Shareholder/proxy

Note: Please complete this attendance slip and hand it over at the entrance of the meeting hall. Shareholders who come to attend the meeting are requested to bring their copies of Scheme of Arrangement cum Demerger.

Corporate Headquarters
Polaris Financial Technology Ltd.
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Chennai - 603 103
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