

BLUE DART

Blue Dart Express Limited

Blue Dart Centre, Sahar Airport Road, Andheri (East) Mumbai- 400 099

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CIN : L61074MH1991PLC061074 | Website : www.bluedart.com

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Court Convened Meeting of the Equity Shareholders of Blue Dart Express Limited

Day	:	Friday
Date	:	13 th June 2014
Time	:	10:00 am
Venue	:	Hotel Hilton Mumbai International Airport, Sahar Airport Road, Andheri (E), Mumbai 400 099

SR. NO.	CONTENTS	PAGE NO.
1.	Notice of Court Convened Meeting of the Equity Shareholders of Blue Dart Express Ltd.	2
2.	Explanatory Statement under Section 393 of the Companies Act, 1956	5
3.	Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956	14
4.	Copy of observation letter dated March 21, 2014 issued by BSE Limited	26
5.	Copy of observation letter dated March 21, 2014 issued by National Stock Exchange of India Limited	27
6.	Copy of fairness report issued by Ernst & Young Merchant Banking Services Private Ltd.	29
7.	Copy of complaint report dated February 14, 2014 submitted by the Company to BSE & NSE	35-36
8.	Form of Proxy	37
9.	Attendance Slip	39

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO. 297 OF 2014**

In the matter of the Companies Act, 1956;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Blue Dart Express Limited;

AND

In the matter of Scheme of Arrangement between Blue Dart Express Limited and its members

Blue Dart Express Limited)
Blue Dart Centre,)
Sahar Airport Road)
Andheri (East), Mumbai - 400099)**Applicant Company**

NOTICE CONVENING THE MEETING OF THE MEMBERS OF BLUE DART EXPRESS LIMITED

To
The Members of Blue Dart Express Limited

TAKE NOTICE that by an order dated 2nd May 2014, in the above Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the equity shareholders of Blue Dart Express Limited, the Applicant Company abovenamed, be convened and held at Hotel Hilton Mumbai International Airport, Sahar Airport Road, Andheri (E), Mumbai 400 099, India on Friday, 13th June 2014 at 10:00 a.m. for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Arrangement proposed to be made between the Applicant Company and its members for the issue of unsecured, redeemable, non-convertible, fully paid up bonus debentures of the Applicant Company from its free reserve to its members.

TAKE FURTHER NOTICE that in pursuance of the said order, a meeting of the equity shareholders of the Applicant Company will be held at Hotel Hilton Mumbai International Airport, Sahar Airport Road, Andheri (E), Mumbai 400 099, India on Friday, 13th June 2014 at 10:00 a.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, or your authorized representative, is deposited at the registered office of the Applicant Company situated at Blue Dart Centre, Sahar Airport Road, Andheri (East) Mumbai- 400 099 not later than 48 hours before the meeting.

The High Court of Bombay has appointed Mr. Sharad Upasani, the Chairman of the Applicant Company and failing him, Mr. Malcolm Monteiro, Director / Mr. Suresh Sheth, Director, of the Applicant Company to be the Chairman of the said meeting.

A copy each of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, the Attendance Slip and a Form of Proxy are enclosed.

sd/-
SHARAD UPASANI
Chairman appointed for the meeting

Place : Mumbai
Date : 12th May 2014

Registered Office:
Blue Dart Centre, Sahar Airport Road,
Andheri (East), Mumbai - 400099

NOTES:

- (i) All alterations made in the Form of the Proxy should be initialed.
- (ii) Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
- (iii) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the meeting.
- (iv) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification of attendance at the meeting.
- (v) Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
- (vi) The Notice is being sent to all the Members, whose names appeared in the Register of Members as on Friday, 9th May 2014. This notice of the Court Convened Meeting of the Members of the Applicant Company is also displayed/posted on the websites of the Applicant Company www.bluedart.com and that of Central Depository Services (India) Limited ("CDSL") www.evotingindia.com.
- (vii) In compliance with the provisions of the listing agreement, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a Meeting. Please note that the voting through electronic means is optional for the Members.
- (viii) The voting through electronic means will commence on Monday, 9th June 2014 at 10:00 a.m and will end on Tuesday, 10th June 2014 at 6:00 p.m. The Members will not be able to cast their votes electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
- (ix) The Company has appointed Mr. Nilesh Shah, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- (x) The procedure and instructions for voting through electronic means are, as follows. We request you to follow the below procedure for e-voting:

- a) Log on to the e-voting website: www.evotingindia.com and Click 'Shareholders' on the home page.
- b) Select the "Electronic Voting Sequence Number" (EVSN) along with Blue Dart Express Ltd. from the drop down menu and click "SUBMIT".
- c) Enter following details in the appropriate boxes and click "SUBMIT":

	Details
User-Id	For NSDL - 8 characters DP ID + 8 digits demat account number. For CDSL - 16 digits demat account number. For shares held in physical form - Registered Folio No.
Password	Your unique password as contained in the Form.
PAN	10 digit alphanumeric Permanent Account Number issued to you by Income Tax Department as registered with the Company / CDSL / NSDL. In case the shareholders do not have PAN or have not registered the PAN with the Company, please use dummy PAN: BDLEV1234Z.

- d) Shareholders holding shares in physical form will be directed to the voting screen.

- e) Shareholders holding shares in demat form, who log in for first time, will be required to mandatorily change their password in the new password field and will also have option to enter their demographic details i.e. date of birth, mobile number and e-mail id. The shareholders are advised to remember the new password. The new password can be used for voting on future e-voting resolution(s) for Blue Dart Express Limited or any other company in India. However if shareholder holding share in demat form and had logged on to www.evotingindia.com and casted his / her vote for an earlier EVSN of any company, then the existing password needs to be used.
- f) Click on the Resolution File Link on voting screen to view the Notice.
- g) On the voting page, select appropriate option to vote for or against each resolution. Option 'YES' implies assent to the resolution and 'NO' implies dissent to the resolution.
- h) Enter number of shares (which represents no. of votes) under each of the headings of the resolution. The number of shares cannot exceed the number of shares registered in your name as per the records of the Company.
- i) Check the details and click 'SUBMIT'. On completion of e-voting, a confirmation box will appear. If you wish to confirm your vote, click 'OK', else to change your vote, click 'CANCEL' and accordingly modify your vote by following procedure explained in (g) and (h) above.
- j) Once the e-voting is completed, the shareholders will not be allowed to modify the vote.
- k) Shareholders can log in for any number of times till the e-voting on the resolution is completed or till the end of voting period i.e. 6.00 p.m., Tuesday, 10th June 2014 whichever is earlier.
- l) In addition to the above, the non-individual members (like Corporates, FIs, FIS, Mutual Funds, Banks, Trusts etc.) who opt for e-voting, are also required to submit Board Resolution/Power of Attorney authorising any person to exercise the Voting Power on their behalf along with their attested specimen signatures. Scanned copies of such documents are required to be sent to Scrutinizer through e-mail at nilesh@ngshah.com with a copy marked to helpdesk.evoting@cdslindia.com. The file containing the said documents should be named as "Member's name_(EVSN)", e.g., in case of shareholder company XYZ Ltd., the file containing the authorization documents should be named as "XYZ Ltd._(EVSN)". The documents can be sent before/immediately after casting the vote. However, in case the same do not reach Scrutinizer/ CDSL before closure of voting, the vote so exercised will be rejected in the system.
- m) In case you have any queries or issues regarding e-voting, please send your query to helpdesk.evoting@cdslindia.com.

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Blue Dart Express Limited)
Blue Dart Centre,)
Sahar Airport Road)
Andheri (East), Mumbai - 400099)**Applicant Company**

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

In this statement Blue Dart Express Limited is referred to as the **"Applicant Company"** or **"Company"**. The other definitions contained in the enclosed Scheme of Arrangement (**"Scheme"**) will also apply to this Explanatory Statement. The following statement as required under Section 393 of the Companies Act, 1956 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an order dated 2nd May 2014, passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to above, a meeting of the equity shareholders of Blue Dart Express Limited, the Applicant abovenamed, is being convened for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme between Blue Dart Express Limited and its members for the issue of unsecured, redeemable, non-convertible, fully paid up bonus debentures of Blue Dart Express Limited from its free reserves (Surplus in the Statement of Profit and Loss), under sections 391 to 394 of the Companies Act, 1956 (**"Act"**) (hereinafter referred to as the **"Scheme"**). A copy of the Scheme setting out the terms and conditions of the Scheme is attached to this Explanatory Statement is annexed to the notice of the meeting.
2. Apart from the above Court Convened Meeting of the Equity Shareholders of the Applicant Company, pursuant to the amendment to the listing agreement with effect from 17th April 2014, the Applicant Company has also provided e-voting facility to its members.
3. Further, as required under Clause 5.16(b) of SEBI Circular bearing No. CIR/CFD/DIL/8/2013 dated 21st May 2013, the Company has furnished an undertaking dated 15th October 2013 certified by the statutory auditor, Price Waterhouse and duly approved by the Board of the Company stating non-applicability of Para 5.16(a). The said undertaking is displayed on the website of the Applicant Company and the relevant stock exchanges, being, BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**).
4. The resolution to be moved at the said meeting will read as follows:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (**"the Act"**) and subject to the approval of the Hon'ble High Court of Judicature at Bombay, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed by the Board of Directors (hereinafter referred to as the **"Board"**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed arrangements embodied in the Scheme of Arrangement between the Company and its members (the **"Scheme"**) placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution

and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the arrangements embodied in the Scheme or any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise to the Scheme, as the Board may deem fit and proper."

BACKGROUND OF THE APPLICANT COMPANY

5. The Applicant Company was originally incorporated under the provisions of Part IX of the Companies Act, 1956 as a private limited company. Pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Maharashtra, Mumbai, dated 17th June 1994, the Applicant Company was converted into a public limited company.
6. The CIN of the Applicant Company is L61074MH1991PLC061074 and its registered office is situated at Blue Dart Centre, Sahar Airport Road, Andheri, (East) Mumbai - 400 099.
7. The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The main object of Applicant Company is as follows:

"To carry on the courier business for carriage and door-to-door delivery of commercial documents, samples, parcels and printed matters in India and throughout the world."

8. The share capital structure of the Applicant Company as on 31st March 2014 is as under:

Particulars	Amount (₹)
Authorized Capital 4,00,00,000 Equity Shares of ₹10/- each	40,00,00,000
Total	40,00,00,000
Issued, Subscribed and Paid-up Capital 2,37,27,934 Equity Shares of ₹10/- each	23,72,79,340
Add : Forfeited Shares*	3,48,000
Total	23,76,27,340

* During the year 2001-2002, the Applicant Company forfeited 52,700 equity shares. The amount shown as total paid up capital includes ₹3,48,000/- received towards share capital on forfeited shares.

The equity shares issued by the Applicant Company are listed on BSE and NSE.

9. After 31st March 2014 there has been no change in the issued, subscribed and paid up share capital of the Applicant Company.

RATIONALE FOR ISSUANCE OF DEBENTURES

10. Over the last few years, the Applicant Company has accumulated substantial free reserves (Surplus in the Statement of Profit and Loss), built up over the years from its retained profits. This accumulation of Surplus in the Statement of Profit and Loss is well above Applicant Company's current and likely future operational needs. Further, barring unforeseen circumstances, the Applicant Company is confident of generating incremental cash over the next few years. Overall reserves position is expected to improve further even after considering cash requirements for the Applicant Company's capex programme and working capital requirements. The Applicant Company expects to have reasonable liquidity position and also has adequate debt raising capability.
11. Separately, the Applicant Company has completed 30 (thirty) years of operations and is keen to reward its Members for their continued support and belief. Accordingly, the Applicant Company has proposed to issue fully paid up debentures, to its Members by utilizing the Surplus in Statement of Profit and Loss.

SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme have been recorded in the Scheme and reproduced as under:

"Debentures" means redeemable, unsecured, non-convertible fully paid debentures of ₹10/- each (Rupees Ten Only) to be issued in three series viz. Series I, II & III each as a separate tranche pursuant to the present Scheme, by way of bonus, the principal terms & conditions for which have been set out in Annexure A, B and C respectively to this Scheme;

"Members" means the equity shareholder(s) of the Company as on the closing hour of the Record Date;

"Series I Debentures" means unsecured, redeemable, non-convertible, fully paid up debenture of ₹10/- each redeemable at the end of 36 months from date of allotment, the principle terms and conditions for which have been set out in Annexure A of the Scheme;

"Series II Debentures" means unsecured, redeemable, non-convertible, fully paid up debenture of ₹10/- each redeemable at the end of 48 months from date of allotment, the principle terms and conditions for which have been set out in Annexure B of the Scheme;

"Series III Debentures" means unsecured, redeemable, non-convertible, fully paid up debenture of ₹10/- each redeemable at the end of 60 months from date of allotment, the principle terms and conditions for which have been set out in Annexure C of the Scheme;

PART II

3. ISSUE OF DEBENTURES FROM SURPLUS IN THE STATEMENT OF PROFIT AND LOSS:

- 3.1 The provisions of this Clause 3 shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
- 3.2 Upon the Scheme being effective, the Company shall, without any further act, instrument or deed, issue and allot, 7 (Seven) Series I Debentures, 4 (Four) Series II Debentures and 3 (Three) Series III Debentures, each as a separate tranche, all of face value ₹10/- (Rupees Ten Only) each, fully paid up by utilizing its Surplus in the Statement of Profit and Loss, for every 1 (one) equity share held by the Member whose name is recorded in the Register of Members and record of the depository as Members of the Company on the Record Date.
- 3.3 The process for issuance of Debentures, is set out in Clause 5 hereunder.
- 3.4 The issuance of Debentures pursuant to this Scheme will constitute "Deemed Dividend" as defined in Section 2(22)(b) of the Income Tax Act, 1961 and consequently at the time of allotment, the Company will be required to pay Dividend Distribution Tax (DDT) at the applicable rate on the aggregate value of Debentures allotted to the Members. However, such issue of Debentures in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Section 205 and 205A of the Act.
- 3.5 No Debentures will be issued under this Scheme in respect of any equity share of the Company that has been forfeited. The issuance of Debentures, pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise, shall pending allotment or settlement of dispute by order of Court or otherwise and subject to applicable law, will be held in abeyance by the Company.

4. TERMS AND CONDITIONS OF THE DEBENTURES:

- 4.1 The Debentures shall be issued on terms and conditions consistent with the principal terms and conditions set out in Annexure A, B & C and as set out in the Scheme. The Board shall appoint a debenture trustee ("Debenture Trustee") who would be authorized to formalize with the Company detailed terms and conditions for issuance of the Debentures.
- 4.2 As soon as practicable after the issuance of the Debentures, the Company shall take necessary steps towards listing the Debentures on the BSE and/or the NSE, subject to regulatory approvals, with a view to provide liquidity to the Debenture holders. The Debentures will not be registered in any jurisdiction or listed on any stock exchange outside India.

5. **PROCESS FOR ISSUANCE OF DEBENTURES:**

- 5.1 The Debentures shall be issued within a period of 15 Working Days from the Record Date to the Member(s) eligible to receive the same, in the following manner:
- (a) The Company will deliver an amount of not less than ₹332,19,10,760 (Rupees Three Hundred Thirty Two Crore Nineteen Lacs Ten Thousand Seven Hundred And Sixty Only) being equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Board ("**Merchant Banker**") to act on behalf of and as agent and trustee of the Members. The Merchant Banker shall receive the aforesaid amount, subject to receipt of necessary regulatory approvals, in an on-shore escrow account opened by it with a scheduled commercial bank in India to be determined by and upon terms and conditions acceptable to the Board, for this purpose ("**Escrow Account**"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as deemed dividend within the meaning of the term under Section 2(22)(b) of the Income tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make payment hereunder to each Member entitled to such Debentures in terms of the Scheme.
 - (b) The Merchant Banker shall immediately following receipt of funds pursuant to the above, pay to the Company (without any lien, hold-back or deduction whatsoever or otherwise), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures. The said payment for and on behalf of the Members by the Merchant Banker shall be appropriated/considered to be a payment by the Members entitled to the Debentures under this Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each of Series I, Series II and Series III Debentures at the hands of the Members shall be its face value i.e., ₹10/- (Rupees Ten only) each.
 - (c) Upon receipt by the Company of the payment from the Merchant Banker for and on behalf of the Members towards subscription of Debentures of the Company, the Company shall proceed to issue and allot to the Members as on the Record Date, the appropriate number of Debentures to which the concerned Member may be entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 3.2 above.
- 5.2 The Debentures issued to the Members pursuant to this Scheme shall be issued in dematerialized form to the Members who are recorded as holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as maybe required, by direct credit to the account of each Member. For all other Members (including members holding shares in physical form) or in the event that the Company is unable to credit the demat accounts of the aforesaid Members, the Company shall issue Debentures in physical form to such Members. No letter of allotment would be issued for the Debentures in such cases.

6. **NON RESIDENT MEMBERS:**

- 6.1 The approval of the RBI may be required under applicable law for issuance of Debentures to certain non-resident Members, including for the holding or transfer of Debentures by such Members and repatriation of sale proceeds. The Company shall apply to the RBI for the requisite approvals for issue and allotment of Debentures to such non-resident Members of the Company, and the issuance and allotment to such Members will be made subject to and in compliance with the terms and conditions as may be prescribed by the RBI.

7. **AMENDMENT TO ARTICLES OF ASSOCIATION:**

- 7.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, without any further act or deed, the following article, numbered as sub clauses (1), (3) and (4) of Article 204, shall be altered and substituted as in the Articles of Association of the Company the existing sub clauses (1), (3) and (4) of Article 204.

- 204 (1) Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the

realisation and where permitted by law, or any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or the General Reserve or any other reserve or fund of the company or in the hands of the company and available for dividend) may be capitalized. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalized in either of the following ways, or partly in one way and partly in another:

- a. by the issue and distribution as fully paid up shares, debentures, debenture stock or other securities or obligations of the Company; or
- b. by crediting the shares of the company which may have been issued and are not fully paid up, with the whole or any part of the sum, remaining unpaid thereon.
Provided that any amounts standing to the credit of the Share Premium Account may be applied in:
 - i. paying up unissued shares of the company to be issued to the members of the company as fully paid bonus shares
 - ii. in writing off the preliminary expenses of the company
 - iii. in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the company; or
 - iv. in providing for the premium payable on the redemption of any redeemable preference shares or debentures of the company.

Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall, for the purposes of this Article, be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

204 (3) The Directors shall give effect to any such resolution and apply such portion of the profit, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, or other securities or obligations of the Company so distributed under sub-article (1) (a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the paid up capital under sub-article (1)(a) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the capitalised sum.

204 (4) For the purpose of giving effect to any such resolution the directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and that fraction of less value than ₹1/- may be disregarded in order to adjust the right of all parties and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock, or other securities or obligations in trustee upon such trust for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, or other securities or obligations and fractional certificates or coupons or otherwise as they may think fit.

7.2 It is hereby clarified that the consent of the Members to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Company as set out in Clause 7.1 above as also for the issuance of the Debentures, and no further resolution under Section 31 or any other applicable provision of the Act or 2013 Act in this regard, would be required to be separately passed in connection with the alteration and amendment to the Articles or the issuance of Debentures by the Company hereunder.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY:

8.1 The proposed restructuring of the Surplus in the Statement of Profit and Loss by issuance of Debentures pursuant to the Scheme shall be reflected in the books of account of the Company in the following manner.

- (a) an amount representing the aggregate face value of the Debentures shall be transferred from the Surplus in the Statement of Profit and Loss to the Shareholders Account (being the deemed dividend payable to the Members under the Scheme); and
 - (b) an amount representing the aggregate face value of the Debentures shall be transferred to the Shareholders Account (represented by the Merchant Banker) from the Bank Account (being payment effected to the Members as deemed dividend under the Scheme).
- 8.2 The payment by the Company of the dividend distribution tax on the aggregate face value of the Debentures as deemed dividend will be reflected in the books of account of the Company in the following manner:
- (a) an amount representing the dividend distribution tax payable on the aggregate face value of the Debentures as deemed dividend shall be transferred from the Surplus in the Statement of Profit and Loss to the Dividend Distribution Tax Account; and
 - (b) an amount representing the dividend distribution tax payable on the aggregate value of the Debentures shall be transferred from the Dividend Distribution Tax Account to the Central Government Account (being payment of dividend distribution tax on the aggregate value of the Debentures as "deemed dividend").
- 8.3 Similarly, the proposed investment of the aggregate amount of the deemed dividend in Debentures of the Company for and on behalf of the Members by a payment through the Merchant Banker will be reflected in the books of account of the Company in the following manner:
- (a) an amount representing the aggregate face value of the Debentures, for each series of Debentures, shall be transferred to the bank account from the Shareholders Account (represented by the Merchant Banker), (being payment by the Merchant Banker for and on behalf of the Members towards reinvestment of deemed dividend); and
 - (b) an amount representing the aggregate face value of the Debentures shall be transferred from Shareholder A/c to Debentures A/c (being investment of the Members in Debentures under the Scheme).
- 8.4 For removal of doubts, it is expressly recorded and clarified that issue of Debentures constituting deemed dividend does not in any manner involve distribution of Capital Reserves or revenue reserves other than Surplus in Statement of Profit and Loss and the Debentures shall be issued and shall be deemed to have been issued entirety by utilizing the Surplus in Statement of Profit and Loss of the Company exclusively built through undistributed/retained profits of the Company, in the manner provided in the Scheme.
- 8.5 Post the issuance of the Debentures under this Scheme, the Surplus in Statement of Profit and Loss of the Company will stand reduced by an amount equivalent to the aggregate value of the Debentures issued up to a maximum of ₹332,19,10,760/- (Rupees Three Hundred Thirty Two Crore Nineteen Lacs Ten Thousand Seven Hundred And Sixty Only) and an amount equivalent to the dividend distribution tax payable by the Company on the Debentures, at then applicable rate (on such value of Debentures, as above).

9. **SCHEME CONDITIONAL ON APPROVALS/SANCTIONS:**

- 9.1 The Scheme is conditional on and subject to:
- (a) the approval to the Scheme by the requisite majority of the Members and the Creditors of the Company, as the case may be, as prescribed under law;
 - (b) the sanction of the High Court being obtained;
 - (c) the requisite approval of the RBI being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder;
 - (d) Any other sanction or approval, as may be required by law in respect of the Scheme being obtained;
 - (e) The certified copies of the High Court order referred to in this Scheme being filed with the Registrar of Companies; and

- (f) The Company complying with other provisions of the Securities Exchange Board of India Circular bearing No. CIR/CFD/DIL/5/2013 dated 4th February 2013 and clarifications and amendments thereto.

10. EFFECT ON NON RECEIPT OF APPROVALS/SANCTIONS:

- 10.1 In the event of any aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before September 30, 2014 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its Members or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme."

The members are requested to read the entire text of the Scheme to get better acquainted with the provisions thereof as stated above. The aforesaid are only the Salient Features thereof.

11. The financial position of the Applicant Company as indicated by a summary extracted from the audited annual accounts for fifteen months ended 31st March 2013 is as under:

SOURCES OF FUNDS	(Amount in ₹)
Share Capital	237,627,340
Reserves & Surplus	6,259,293,015
Secured Loans	NIL
Unsecured Loans	NIL
Total	6,496,920,355
APPLICATION OF FUNDS	
Fixed Assets	2,324,697,854
Investments	197,681,200
Deferred Tax Assets	(148,633,424)
Current Assets, Loans and advances	7,879,057,870
Less: Current Liabilities & Provisions	3,755,883,145
Net Current Assets	4,123,174,725
Total	6,496,920,355

12. Further, the Surplus in the Statement of Profit & Loss of the Company as per the audited balance sheet of the Applicant Company as at 31st March 2013 stood at ₹5,34,05,83,995 (Rupees Five Hundred Thirty Four Crore Five Lakhs Eighty Three Thousand Nine Hundred Ninety Five only). The details of the same are set out as under:

Amount in ₹

Reserves and Surplus	As at 31st March 2013	As at 31st December 2011
Securities Premium Reserve		
Balance as at the beginning of the period/year	394,057,802	394,057,802
Addition/utilisation during the period/year	-	-
Balance as at the end of the period/year	394,057,802	394,057,802
General Reserve		
Balance as at the beginning of the period/year	335,990,900	244,309,612
Add: Transferred from surplus in the Statement of Profit and Loss during the period	188,660,318	91,681,288
Balance as at the end of the period/year	524,651,218	335,990,900
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the period/year	5,613,647,055	4,538,113,432
Add: Profit for the period/year	1,886,592,501	1,222,368,274
Less: Appropriations		
Proposed dividend	1,684,683,314	47,456,000
Dividend Distribution Tax on Proposed Dividend	286,311,929	7,697,363
Transfer to General Reserve	188,660,318	91,681,288
Balance as at the end of the period/year	5,340,583,995	5,613,647,055
Total	6,259,293,015	6,343,695,757

BOARD APPROVAL AND FAIRNESS REPORT

13. The Scheme was placed before the Board of Directors of the Applicant Company on 15th October 2013, at which time the Board approved the Scheme and the issuance of 7 Series I Debentures, 4 Series II Debentures and 3 Series III Debentures each as a separate tranche, all of face value ₹10/- (Rupees Ten Only) each fully paid up by utilizing its Surplus in the Statement of Profit and Loss, for every 1 (one) equity share held by the shareholders of the company.
14. In accordance with the above SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013, the Audit Committee of the Applicant Company vide its report dated 15th October 2013 recommended the proposed scheme.
15. Additionally, the Applicant Company has obtained a fairness opinion dated 21st January 2014 from Ernst & Young Merchant Banking Services Private Limited and certificate on accounting treatment dated 22nd October 2013 from Price Waterhouse.

EXTENT OF SHAREHOLDING OF DIRECTORS

16. Directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant Company, or to the extent that the said Directors are directors, partners, shareholders of the companies, firms, institutions, associations of persons, bodies corporate, and/or beneficiary/trustee of trusts that hold shares in Applicant Company or to the extent they may be allotted Debentures under the Scheme. Save as aforesaid none of the Directors of Applicant Company have any material interest in this Scheme.
17. The details of the present directors of the Applicant Company and their shareholding in the Applicant Company, either singly or jointly, as on 9th May 2014 are as follows:

Name of Director	Position held	Equity Shares held
Mr. Sharad Upasani	Chairman	NIL
Mr. Anil Khanna	Managing Director	NIL
Mr. Malcolm Monteiro	Director	NIL
Mr. Clyde Cooper	Director	NIL
Mr. Suresh Sheth	Director	NIL

18. The Scheme is conditional on and subject to:
 - (i) the approval to the Scheme by the requisite majority of the Members and the Creditors of the Company, as the case may be, as prescribed under law;
 - (ii) the sanction of the High Court being obtained;
 - (iii) the requisite approval of the RBI, if any, being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder;
 - (iv) Any other sanction or approval, as may be required by law in respect of the Scheme being obtained;
 - (v) The certified copies of the High Court order referred to in this Scheme being filed with the Registrar of Companies; and
 - (vi) The Company complying with other provisions of the Securities Exchange Board of India Circular bearing No. CIR/CFD/DIL/5/2013 dated 4th February 2013 and CIR/CFD/DIL/8/2013 dated 21st May 2013 and clarifications and amendments thereto.
19. In the event of any aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 30th September 2014 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Applicant Company or its Members or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.
20. In terms of the SEBI Circulars mentioned above, Company has filed a Complaints Report dated 14th

February 2014 with BSE and NSE. The Company has taken all efforts to resolve all the complaints received. Hereto annexed and marked as Annexure 1 is the Complaints Report filed by the Company.

21. 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 the commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
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. 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. The following documents will be open for inspection at the registered office of the Company between 11 a.m. and 1 p.m. on any week day which is not a public holiday.
 - (I) Memorandum & Articles of Association of the Applicant Company;
 - (ii) Audited Balance Sheet and Profit and Loss Account for the fifteen months period ended 31st March 2013 of the Applicant Company;
 - (iii) Unaudited financial results of the Applicant Company for the quarter ended 31st December 2013;
 - (iv) Company Summons for Direction No. 297 of 2014 along with all Exhibits;
 - (v) Certified copy of the order dated 2nd May 2014 passed by the High Court of Bombay in Company Summons for Direction No. 297 of 2014;
 - (vi) Complaints Report dated 14th February 2014 submitted by the Applicant Company to BSE and NSE.
 - (vii) Copies of the Observation Letters, each dated 21st March 2014 received from the BSE and the NSE, granting their respective no-objections to the Scheme being filed with the Honourable High Court of Bombay;
 - (viii) Fairness opinion dated 21st January 2014 by Ernst & Young Merchant Banking Services Private Limited.
 - (ix) Report of the Audit Committee dated 15th October 2013; and
 - (x) The Scheme.
24. The soft copies of the documents mentioned in Clause 23 above (except the ones mentioned in 23(i), 23 (ii), 23(iii), 23(iv) and 23(v) are uploaded on the Applicant Company's website and the websites of BSE and NSE.

sd/-
SHARAD UPASANI
Chairman appointed for the meeting

Dated this 12th day of May 2014 at Mumbai

Registered Address:

Blue Dart Centre, Sahar Airport Road,
Andheri (East), Mumbai - 400099

SCHEME OF ARRANGEMENT

("Scheme")

BETWEEN

BLUE DART EXPRESS LIMITED

AND ITS

MEMBERS

This Scheme of Arrangement provides for issuance of unsecured, redeemable, non-convertible, fully paid up debentures, by way of bonus, to be allotted out of free reserves (Surplus in the Statement of Profit and Loss) of Blue Dart Express Limited ("**Company**") to be issued pursuant to Section 391 and any other applicable provisions of the Companies Act, 1956 ("**Act**") and/or Companies Act, 2013 ("**2013 Act**").

BACKGROUND AND OBJECTIVES:

Blue Dart Express Limited is a public limited company incorporated under the provisions of Part IX of the Act as a private limited company. Pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Maharashtra, Mumbai, dated June 17, 1994, the Company was converted into a public limited company. The CIN of the Company is L61074MH1991PLC061074 and its registered office is situated at Blue Dart Centre, Sahar Airport Road, Andheri (East), Mumbai - 400 099 ("**Company**"). The Company is South Asia's premier courier and integrated express package distribution entity.

The Company proposes to issue fully paid up debentures to its Members by utilizing the Surplus in Statement of Profit and Loss.

RATIONALE:

- A. The Company has accumulated substantial free reserves (Surplus in the Statement of Profit and Loss), built up over the years from its retained profits. This accumulation of Surplus in the Statement of Profit and Loss is well above Company's current and likely future operational needs. Further, barring unforeseen circumstances, the Company is confident of generating incremental cash over the next few years. Overall reserves position is expected to improve further even after considering cash requirements for the Company's capex programme and working capital requirements. The Company expects to have reasonable liquidity position and also has adequate debt raising capability.
- B. The Company is in its 30th year of operations and is keen to reward its Members for their continued support and belief. Accordingly, the Company has proposed to issue fully paid up debentures, to its Members by utilizing the Surplus in Statement of Profit and Loss. In the interest of transparency and good corporate governance and by way of abundant caution, the Company has resolved to propose this Scheme of Arrangement between the Company and its Members under Section 391 of the Act, which will be subject to necessary approvals of the High Court, the Members, its creditors, RBI and other authorities (as defined hereinafter).

GENERAL:

- A. The Scheme is divided into the following parts:
 - (i) Part I, deals with the definitions and share capital;
 - (ii) Part II, deals with the scheme for issuance of Debentures (defined hereinafter) to its Members; and
 - (iii) Part III, deals with the general terms and conditions applicable to the Scheme.

PART I

1 DEFINITIONS:

- 1.1 In the Scheme, unless repugnant to the meaning, the following expressions shall have the following meaning:

"2013 Act" means the Companies Act, 2013.

"Act" means the Companies Act, 1956 and shall include any statutory modification, re-enactments or amendments, if any, thereto.

"Board" means the board of directors of the Company and shall include a committee duly constituted and authorized by the board of directors for the purposes of matters, pertaining to the issuance of Debentures under the Scheme and/or any other matter relating thereto.

"BSE" means BSE Limited.

"Company" means Blue Dart Express Limited having its registered office situated at Blue Dart Centre, Sahar Airport Road, Andheri (East) Mumbai - 400 099.

"Debentures" means redeemable, unsecured, non- convertible fully paid debentures of ₹10/- each (Rupees Ten Only) to be issued in three series viz. Series I, II & III each as a separate tranche pursuant to the present Scheme, by way of bonus, the principal terms & conditions for which have been set out in Annexure A, B and C respectively to this Scheme.

"Effective Date" or **"Scheme becoming effective"** means the last of the dates on which all the conditions and matters referred to in Clause 9 of this Scheme occur or have been fulfilled or waived in accordance with the Scheme. References in this Scheme to 'date of coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date.

"High Court" shall mean the Hon'ble High Court of Judicature at Bombay having jurisdiction in relation to the Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the Act or the 2013 Act.

"Members" mean the equity shareholder(s) of the Company as on the closing hour of the Record Date.

"NCLT" means National Company Law Tribunal –to be constituted pursuant to Section 408 of the 2013 Act.

"NSE" means National Stock Exchange India Limited.

"RBI" means the Reserve Bank of India.

"Record Date" means the date, after the Effective Date, to be fixed by the Board of Directors of the Company for the purposes of determining the entitlement of the Members of the Company to whom the Debentures will be allotted pursuant to this Scheme.

"Registrar of Companies" means the Registrar of Companies, Maharashtra at Mumbai.

"Scheme" means this Scheme of Arrangement between the Company and its Members in its present form or in such other form as may be modified or altered by the Members under the supervision and direction of the High Court and as may be sanctioned by the High Court.

"Series I Debenture(s)" means unsecured, redeemable, non-convertible, fully paid up debenture of ₹10/- each redeemable at the end of 36 months from date of allotment, the principle terms and conditions for which have been set out in Annexure A of the Scheme.

"Series II Debenture(s)" means unsecured, redeemable, non-convertible, fully paid up debenture of ₹10/- each redeemable at the end of 48 months from date of allotment, the principle terms and conditions for which have been set out in Annexure B of the Scheme.

"Series III Debenture(s)" means unsecured, redeemable, non-convertible, fully paid up debenture of

₹10/- each redeemable at the end of 60 months from date of allotment, the principle terms and conditions for which have been set out in Annexure C of the Scheme.

"Stock Exchanges" means collectively NSE and BSE.

"Surplus in the Statement of Profit and Loss" represents the free reserves of the Company which have been built through retained undistributed profits and which forms part of the reserves and Surplus of the Company, as reflected in the accounts of the Company.

"Working Day" means any day of the week (excluding Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (at Mumbai) on which banks are open for general banking business in Mumbai and "Working Days" shall be construed accordingly.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, 2013 Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

1.2.2 Reference to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of and to this Scheme.

1.2.3 The headings herein shall not affect the construction of this Scheme.

1.2.4 The singular shall include the plural and vice versa; and references to one gender include all genders.

1.2.5 Any phrase introduced by the terms "including" /include" "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.6 References to person include any individual, firm, body corporate (whether or not incorporated), Government, state or agency of a state or any joint venture, association and partnership.

1.2.7 The annexures to this Scheme form an integral and inseparable part of this Scheme.

2 SHARE CAPITAL:

The share capital of the Company as at March 31, 2013 is as under:

Particulars	Amount (₹)
Authorized Capital 4,00,00,000 Equity Shares of ₹10/- each	40,00,00,000
Total	40,00,00,000
Issued, Subscribed and Paid-up Capital 2,37,27,934 Equity Shares of ₹10/- each	23,72,79,340
Add : Forfeited Shares*	3,48,000
Total	23,76,27,340

* During the year 2001-2002, the Company forfeited 52,700 equity shares. The amount shown as total paid up capital includes ₹3,48,000/- received towards share capital on forfeited shares.

After March 31, 2013 there has been no change in the issued, subscribed and paid up share capital of the Company.

The Surplus in the Statement of Profit & Loss of the Company as per the audited balance sheet of the Company as at March 31, 2013 stood at ₹5,34,05,83,995 (Rupees Five Hundred Thirty Four Crore Five Lakhs Eighty Three Thousand Nine Hundred Ninety Five only).

Reserves and Surplus	As at 31st March 2013	As at 31st December 2011
Securities Premium Reserve		
Balance as at the beginning of the period/year	394,057,802	394,057,802
Addition/utilisation during the period/year	-	-
Balance as at the end of the period/year	394,057,802	394,057,802
General Reserve		
Balance as at the beginning of the period/year	335,990,900	244,309,612
Add: Transferred from surplus in the Statement of Profit and Loss during the period	188,660,318	91,681,288
Balance as at the end of the period/year	524,651,218	335,990,900
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the period/year	5,613,647,055	4,538,113,432
Add: Profit for the period/year	1,886,592,501	1,222,368,274
Less: Appropriations		
Proposed dividend	1,684,683,314	47,456,000
Dividend Distribution Tax on Proposed Dividend	286,311,929	7,697,363
Transfer to General Reserve	188,660,318	91,681,288
Balance as at the end of the period/year	5,340,583,995	5,613,647,055
Total	6,259,293,015	6,343,695,757

PART II

3 ISSUE OF DEBENTURES FROM SURPLUS IN THE STATEMENT OF PROFIT AND LOSS:

- 3.1 The provisions of this Clause 3 shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
- 3.2 Upon the Scheme being effective, the Company shall, without any further act, instrument or deed, issue and allot, 7 (Seven) Series I Debentures, 4 (Four) Series II Debentures and 3 (Three) Series III Debentures, each as a separate tranche, all of face value ₹10/- (Rupees Ten Only) each, fully paid up by utilizing its Surplus in the Statement of Profit and Loss, for every 1 (one) equity share held by the Member whose name is recorded in the Register of Members and record of the depository as Members of the Company on the Record Date.
- 3.3 The process for issuance of Debentures, is set out in Clause 5 hereunder.
- 3.4 The issuance of Debentures pursuant to this Scheme will constitute "Deemed Dividend" as defined in Section 2(22)(b) of the Income Tax Act, 1961 and consequently at the time of allotment, the Company will be required to pay Dividend Distribution Tax (DDT) at the applicable rate on the aggregate value of Debentures allotted to the Members. However, such issue of Debentures in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Section 205 and 205A of the Act.
- 3.5 No Debentures will be issued under this Scheme in respect of any equity share of the Company that has been forfeited. The issuance of Debentures, pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise, shall pending allotment or settlement of dispute by order of Court or otherwise and subject to applicable law, will be held in abeyance by the Company.

4 TERMS AND CONDITIONS OF THE DEBENTURES:

- 4.1 The Debentures shall be issued on terms and conditions consistent with the principal terms and condition set out in Annexure A, B & C and as set out in the Scheme. The Board shall appoint a debenture trustee ("**Debenture Trustee**") who would be authorized to formalize with the Company detailed terms and conditions for issuance of the Debentures.
- 4.2 As soon as practicable after the issuance of the Debentures, the Company shall take necessary steps

towards listing the Debentures on the BSE and/or the NSE, subject to regulatory approvals, with a view to provide liquidity to the Debenture holders. The Debentures will not be registered in any jurisdiction or listed on any stock exchange outside India.

5 PROCESS FOR ISSUANCE OF DEBENTURES:

5.1 The Debentures shall be issued within a period of 15 Working Days from the Record Date to the Member(s) eligible to receive the same, in the following manner:

- (a) The Company will deliver an amount of not less than ₹332,19,10,760 (Rupees Three Hundred Thirty Two Crore Nineteen Lacs Ten Thousand Seven Hundred And Sixty Only) being equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Board ("**Merchant Banker**") to act on behalf of and as agent and trustee of the Members. The Merchant Banker shall receive the aforesaid amount, subject to receipt of necessary regulatory approvals, in an on-shore escrow account opened by it with a scheduled commercial bank in India to be determined by and upon terms and conditions acceptable to the Board, for this purpose ("**Escrow Account**"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as deemed dividend within the meaning of the term under Section 2(22)(b) of the Income tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make payment hereunder to each Member entitled to such Debentures in terms of the Scheme.
- (b) The Merchant Banker shall immediately following receipt of funds pursuant to the above, pay to the Company (without any lien, hold-back or deduction whatsoever or otherwise), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures. The said payment for and on behalf of the Members by the Merchant Banker shall be appropriated/considered to be a payment by the Members entitled to the Debentures under this Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each of Series I, Series II and Series III Debentures at the hands of the Members shall be its face value i.e., ₹10/- (Rupees Ten only) each.
- (c) Upon receipt by the Company of the payment from the Merchant Banker for and on behalf of the Members towards subscription of Debentures of the Company, the Company shall proceed to issue and allot to the Members as on the Record Date, the appropriate number of Debentures to which the concerned Member may be entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 3.2 above.

5.2 The Debentures issued to the Members pursuant to this Scheme shall be issued in dematerialized form to the Members who are recorded as holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as maybe required, by direct credit to the account of each Member. For all other Members (including members holding shares in physical form) or in the event that the Company is unable to credit the demat accounts of the aforesaid Members, the Company shall issue Debentures in physical form to such Members. No letter of allotment would be issued for the Debentures in such cases.

6 NON RESIDENT MEMBERS:

6.1 The approval of the RBI may be required under applicable law for issuance of Debentures to certain non-resident Members, including for the holding or transfer of Debentures by such Members and repatriation of sale proceeds. The Company shall apply to the RBI for the requisite approvals for issue and allotment of Debentures to such non-resident Members of the Company, and the issuance and allotment to such Members will be made subject to and in compliance with the terms and conditions as may be prescribed by the RBI.

7 AMENDMENT TO ARTICLES OF ASSOCIATION:

7.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, without any further act or deed, the following article, numbered as sub clauses (1), (3) and (4) of Article 204, shall be altered and substituted as in the Articles of Association of the Company the existing sub clauses (1), (3) and (4) of Article 204.

204 (1) Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realisation and where permitted by law, or any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or the General Reserve or any other reserve or fund of the company or in the hands of the company and available for dividend) may be capitalized. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalized in either of the following ways, or partly in one way and partly in another:

- a. by the issue and distribution as fully paid up shares, debentures, debenture stock or other securities or obligations of the Company; or
- b. by crediting the shares of the company which may have been issued and are not fully paid up, with the whole or any part of the sum, remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account may be applied in:

- i. paying up unissued shares of the company to be issued to the members of the company as fully paid bonus shares
- ii. in writing off the preliminary expenses of the company
- iii. in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the company; or
- iv. in providing for the premium payable on the redemption of any redeemable preference shares or debentures of the company.

Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall, for the purposes of this Article, be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

204 (3) The Directors shall give effect to any such resolution and apply such portion of the profit, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, or other securities or obligations of the Company so distributed under sub-article (1) (a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the paid up capital under sub-article (1)(a) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the capitalised sum.

204 (4) For the purpose of giving effect to any such resolution the directors may settle any difficulty which may arise in regard to the distribution or payment as foresaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and that fraction of less value than ₹1/- may be disregarded in order to adjust the right of all parties and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock, or other securities or obligations in trustee upon such trust for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, or other securities or obligations and fractional certificates or coupons or otherwise as they may think fit.

7.2 It is hereby clarified that the consent of the Members to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Company as set out in Clause 7.1 above as also for the issuance of the Debentures, and no further resolution under Section 31 or any other applicable provision of the Act or 2013 Act in this regard, would be required to be separately passed in connection with the alteration and amendment to the Articles or the issuance of Debentures by the Company hereunder.

8 ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY:

8.1 The proposed restructuring of the Surplus in the Statement of Profit and Loss by issuance of Debentures pursuant to the Scheme shall be reflected in the books of account of the Company in the following

manner.

- (a) an amount representing the aggregate face value of the Debentures shall be transferred from the Surplus in the Statement of Profit and Loss to the Shareholders Account (being the deemed dividend payable to the Members under the Scheme); and
- (b) an amount representing the aggregate face value of the Debentures shall be transferred to the Shareholders Account (represented by the Merchant Banker) from the Bank Account (being payment effected to the Members as deemed dividend under the Scheme).

8.2 The payment by the Company of the dividend distribution tax on the aggregate face value of the Debentures as deemed dividend will be reflected in the books of account of the Company in the following manner:

- (a) an amount representing the dividend distribution tax payable on the aggregate face value of the Debentures as deemed dividend shall be transferred from the Surplus in the Statement of Profit and Loss to the Dividend Distribution Tax Account; and
- (b) an amount representing the dividend distribution tax payable on the aggregate value of the Debentures shall be transferred from the Dividend Distribution Tax Account to the Central Government Account (being payment of dividend distribution tax on the aggregate value of the Debentures as "deemed dividend").

8.3 Similarly, the proposed investment of the aggregate amount of the deemed dividend in Debentures of the Company for and on behalf of the Members by a payment through the Merchant Banker will be reflected in the books of account of the Company in the following manner:

- (a) an amount representing the aggregate face value of the Debentures, for each series of Debentures, shall be transferred to the bank account from the Shareholders Account (represented by the Merchant Banker), (being payment by the Merchant Banker for and on behalf of the Members towards reinvestment of deemed dividend); and
- (b) an amount representing the aggregate face value of the Debentures shall be transferred from Shareholder A/c to Debentures A/c (being investment of the Members in Debentures under the Scheme).

8.4 For removal of doubts, it is expressly recorded and clarified that issue of Debentures constituting deemed dividend does not in any manner involve distribution of Capital Reserves or revenue reserves other than Surplus in Statement of Profit and Loss and the Debentures shall be issued and shall be deemed to have been issued entirety by utilizing the Surplus in Statement of Profit and Loss of the Company exclusively built through undistributed/retained profits of the Company, in the manner provided in the Scheme.

8.5 Post the issuance of the Debentures under this Scheme, the Surplus in Statement of Profit and Loss of the Company will stand reduced by an amount equivalent to the aggregate value of the Debentures issued upto a maximum of ₹332,19,10,760/- (Rupees Three Hundred Thirty Two Crore Nineteen Lacs Ten Thousand Seven Hundred And Sixty Only) and an amount equivalent to the dividend distribution tax payable by the Company on the Debentures, at then applicable rate (on such value of Debentures, as above).

9 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS:

9.1 The Scheme is conditional on and subject to:

- (a) the approval to the Scheme by the requisite majority of the Members and the Creditors of the Company, as the case may be, as prescribed under law;
- (b) the sanction of the High Court being obtained;
- (c) the requisite approval of the RBI being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder;
- (d) Any other sanction or approval, as may be required by law in respect of the Scheme being obtained;

- (e) The certified copies of the High Court order referred to in this Scheme being filed with the Registrar of Companies; and
- (f) The Company complying with other provisions of the Securities Exchange Board of India Circular bearing No. CIR/CFD/DIL/5/2013 dated 4th February 2013 and clarifications and amendments thereto.

10 EFFECT ON NON RECEIPT OF APPROVALS/SANCTIONS:

In the event of any aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before September 30th, 2014 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its Members or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

PART III

11 GENERAL TERMS AND CONDITIONS:

- 11.1 Nothing contained herein shall be construed as restricting the Company from being entitled to declare and pay dividends, whether interim or final, to its shareholders whether during the pendency of the Scheme or otherwise and the holders of the shares of the Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 11.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any Member of the Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the board of directors of the Company and subject to the approval, if required, of the shareholders of the Company.
- 11.3 The Scheme is an arrangement between the Company and its Members under Section 391 of the Act and does not envisage transfer or vesting of any properties and/or liabilities to or in favor of a transferee company as contemplated in Section 394 of the Act. The Scheme does not involve any "conveyance" or "transfer" of any property and does not relate to amalgamation or merger of companies under the order of the High Court under Section 394 of the Act, and accordingly the order sanctioning the Scheme shall not be deemed to be a conveyance within the meaning of section 2(g) of the Maharashtra Stamp Act 1958 and/or the provisions of the Indian Stamp Act, 1899, as the case may be (as applicable in the State of Maharashtra) and therefore, no stamp duty will be payable under Article 25 of the Maharashtra Stamp Act 1958.
- 11.4 The Scheme and issuance of Debentures hereunder is intended exclusively for the Members of the Company and does not constitute an offer or an invitation to the public to subscribe to the Debentures. Neither the Scheme, nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.
- 11.5 The Debentures being issued to the Members is from and out of the Surplus in the Statement of Profit and Loss of the Company. Save and except as stated in this Scheme, there will be no flow of funds from the Members to the Company, there is neither invitation to subscribe nor pay into the Company any money. Consequently, the provisions of Section 58A of the Act, or the Rules framed there under are not attracted.
- 11.6 The borrowing powers of the Company shall be deemed to have been increased from ₹100 crore to ₹500 crore. It is hereby clarified that the consent of the Members to the Scheme shall be deemed as an approval of the Members under Section 180(1) (c) or any other applicable provisions under the 2013 Act for increasing the limit of borrowings by the Company, from ₹100 crore to ₹500 crore.

12 APPLICATIONS TO HON'BLE HIGH COURT:

The Company shall with all reasonable dispatch, make applications/petitions to the High Court under Section 391 and other applicable provisions of the Act for sanctioning the Scheme.

13 MODIFICATIONS/AMENDMENTS TO THE SCHEME AND REMOVAL OF DIFFICULTIES:

- 13.1 The Company (by its Board) may, in its full and absolute discretion, assent to any alteration or modification

to this Scheme which the Board deems fit, or which the High Court and/or any other authority may deem fit to approve or impose.

- 13.2 The Company (by its Board) may give such directions as it may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising as a result of inadequacy of information provided by a Member or in connection with the issuance of the Debentures or in connection with any deceased or insolvent Members, depositors or Debenture-holders of the Company), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law) or that otherwise as may be considered to be in the best interest of the Company and its Members and do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.
- 13.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any Member of the Company, the Board or any person authorized by the Board shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of the share in the Company and in relation to the issuance of the Debentures after the effectiveness of the Scheme.

14 OVERRIDING EFFECT:

Upon coming into effect of this Scheme the rights, liabilities and obligations of the Members, the Company and any other party under the Scheme, shall be governed by the terms and conditions of this Scheme and shall be binding upon them.

15 COMPLIANCE WITH STATUTORY PROVISIONS:

All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any term and conditions or any other provisions of law.

16 NON SANCTIONING OF THE SCHEME:

In the event of non-sanctioning of the Scheme by the High Court and/or withdrawal of the Scheme due to any reason beyond the control of the Company the amendment in the Articles of Association of the Company, in respect of Sub clauses (1), (3) and (4) of Clause 204 of the Articles of Association of the Company, shall be deemed to have not been taken and or implemented.

17 SEVERABILITY:

If any part of this Scheme is found to be unworkable for any reason, whatsoever, including by reason of order of a court or Regulatory authority or any legislative amendment, the same shall not, subject to the decision of the Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

18 COSTS, CHARGES & EXPENSES:

All costs, charges and expenses of the Company in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion thereof in pursuance of the Scheme, including the fees in connection with the appointment of the Merchant Banker and opening of the Escrow Account, if any, shall be borne and paid by the Company. For the avoidance of doubt it is clarified that Members will be required to bear and pay all taxes as may be applicable to them in relation to the Debentures.

19 BINDING EFFECT:

This Scheme when sanctioned by the High Court and upon effectiveness shall be binding on the Company, all its creditors, Members and all other persons dealing/concerning with the Company.

ANNEXURE- A

Principal Terms and Conditions of issue of Series I Debenture:

1	Issuer	Blue Dart Express Limited
2	Instrument	Unsecured, redeemable, non-convertible fully paid up Debentures
3	Quantum	Not less than ₹1,66,09,55,380/- (Rupees One Hundred Sixty Six Crore Nine Lacs Fifty Five Thousand Three Hundred Eighty Only), through issue of Series I Debentures.
4	Tenor	36 months from the date of allotment
5	Redemption	Redeemable at par in full at the end of 36 months from date of allotment
6	Face Value	₹10/- (Rupees Ten only) per Debenture
7	Market Lot	1 (one) Debenture or as may be required by the Stock Exchanges
8	Coupon Rate	The coupon rate will be as determined by the Board of Directors
9	Interest payments	Interest will be payable annually. The first interest payment will be paid on March 31, 2015 from the date of allotment to March 31, 2015 and thereafter interest will be paid on March 31 of each year except in the year of redemption wherein the interest will be payable from April 1 of that year till the date of redemption of the Debentures along with the redemption amount. No interest will accrue after the date of redemption.
10	Taxation	All payments of principal and interest in respect of the Debentures to be made less any deductions or withholding for or on account of any present or future taxes or duties as required by applicable laws
11	Rating	Proposed to be rated
12	Listing	Proposed to be listed on the BSE and/or NSE.
13	Debenture Trustee	A debenture trustee shall be appointed by the Board.

ANNEXURE- B

Principal Terms and Conditions of issue of Series II Debenture:

1	Issuer	Blue Dart Express Limited
2	Instrument	Unsecured, redeemable, non-convertible fully paid up Debentures
3	Quantum	Not less than ₹94,91,17,360/- (Rupees Ninety Four Crore Ninety One Lacs Seventeen Thousand Three Hundred Sixty Only), through issue of Series II Debentures.
4	Tenor	48 months from the date of allotment
5	Redemption	Redeemable at par in full at the end of 48 months from date of allotment
6	Face Value	₹10/- (Rupees Ten only) per Debenture
7	Market Lot	1 (one) Debenture or as may be required by the Stock Exchanges
8	Coupon Rate	The coupon rate will be as determined by the Board of Directors
9	Interest payments	Interest will be payable annually. The first interest payment will be paid on March 31, 2015 from the date of allotment to March 31, 2015 and thereafter interest will be paid on March 31 of each year except in the year of redemption wherein the interest will be payable from April 1 of that year till the date of redemption of the Debentures along with the redemption amount. No interest will accrue after the date of redemption.
10	Taxation	All payments of principal and interest in respect of the Debentures to be made less any deductions or withholding for or on account of any present or future taxes or duties as required by applicable laws
11	Rating	Proposed to be rated
12	Listing	Proposed to be listed on the BSE and/or NSE.
13	Debenture Trustee	A debenture trustee shall be appointed by the Board.

ANNEXURE- C

Principal Terms and Conditions of issue of Series III Debenture:

1	Issuer	Blue Dart Express Limited
2	Instrument	Unsecured, redeemable, non-convertible fully paid up Debentures
3	Quantum	Not less than ₹71,18,38,020/- (Rupees Seventy One Crore Eighteen Lacs Thirty Eight Thousand Twenty Only), through issue of Series III Debentures.
4	Tenor	60 months from the date of allotment
5	Redemption	Redeemable at par in full at the end of 60 months from date of allotment
6	Face Value	₹10/- (Rupees Ten only) per Debenture
7	Market Lot	1 (one) Debenture or as may be required by the Stock Exchanges
8	Coupon Rate	The coupon rate will be as determined by the Board of Directors
9	Interest payments	Interest will be payable annually. The first interest payment will be paid on March 31, 2015 from the date of allotment to March 31, 2015 and thereafter interest will be paid on March 31 of each year except in the year of redemption wherein the interest will be payable from April 1 of that year till the date of redemption of the Debentures along with the redemption amount. No interest will accrue after the date of redemption.
10	Taxation	All payments of principal and interest in respect of the Debentures to be made less any deductions or withholding for or on account of any present or future taxes or duties as required by applicable laws
11	Rating	Proposed to be rated
12	Listing	Proposed to be listed on the BSE and/or NSE.
13	Debenture Trustee	A debenture trustee shall be appointed by the Board.

DCS/AMAL/PS/24(f)/423/2013-14

March 21, 2014

The Company Secretary
Blue Dart Express Limited
Blue Dart Centre, Sahar Airport Road
Andheri (E), Mumbai - 400099

Dear Sir/Madam,

Sub: Observation letter regarding the Scheme of Arrangement/ Amalgamation between Blue Dart Express Limited and its members.

We are in receipt of draft Scheme of Arrangement/ Amalgamation involving issue of Debentures by way of Bonus, unsecured, redeemable, non-convertible, fully paid up debentures (deemed dividend) of the face value of Rs. 10/- each fully paid up.

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 February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 21, 2014 given the following comment(s) on the draft scheme of arrangement: !

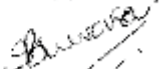
- The company shall duly comply with various provisions of the aforesaid SEBI circular.
- Company to ensure that the information submitted to the stock exchange along with the various other documents are disseminated from the date of this letter on the website of the company along with various documents submitted pursuant to the said circular.
- Company shall duly comply with all the requirements as per Part A, Annexure I of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with revised circular CIR/CFD/DIL/8/2013 dated May 21, 2013

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

Ref: NSE/LIST/233882-3

March 21, 2014

The Company Secretary
Blue Dart Express Limited
Blue Dart Centre, Sahar Airport Road,
Andheri(E), Mumbai 400099.

Kind Attn.: Mr. Tushar Gunderia

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Blue Dart Express Limited and its members.

We are in receipt of the draft Scheme of Arrangement between Blue Dart Express Limited and its members.

We have perused the draft Scheme of Arrangement and the related documents/details submitted by Blue Dart Express Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of the Securities Laws or the Stock Exchange requirements.

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 March 21, 2014, has given following comments on the draft Scheme of Arrangement:

- a. The Company to ensure that the information submitted to Stock Exchanges alongwith various documents are disseminated from the date of this letter on the websites of the listed company along with various documents submitted pursuant to the said Circular(s) and
- b. The Company shall duly comply with all the requirements as per Part A, Annexure I of the circular CIR/CFD/DIL/5/2013 dated February 04, 2013 read with revised circular CIR/CFD/DIL/8/2013 dated May 21, 2013.

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 Companies to file the Scheme with Honble High Court.

However, the Exchange reserves its rights 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 the Observation Letter shall be six months from March 21, 2014, within which the Scheme shall be submitted to the Honble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Honble High Court, the listed company shall submit to the Stock Exchange the following:



Continuation Sheet

Ref: NSE/LIST/

March 21, 2014

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. 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 this Circular.

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

This Document is Digitally Signed



Signer : Patel Kamlesh
Date : Fri, Mar 21st 2014 18:01:58 IST
Location : NSE

21 January 2014

The Board of Directors
Blue Dart Express Limited
Blue Dart Centre,
Sahar Airport Road
Andheri (East)
Mumbai 400099,

Re: Fairness opinion on the proposed debenture issue

Dear Sirs,

We refer our engagement letter dated 3 January 2014, wherein Blue Dart Express Limited ("Blue Dart" or "Company") has requested us to provide fairness opinion in relation to issue of unsecured, redeemable, non-convertible, fully paid up debentures ("Debentures") by way of bonus.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Blue Dart Express Limited operates as a courier and integrated package distribution company covering over 33,739 locations and over 220 countries and territories worldwide through DHL Express. The Company was founded in the year 1983 and has its registered office at Blue Dart Centre, Sahar Airport Road, Andheri (East), Mumbai 400099.

We understand that the Board of Directors of Blue Dart are proposing to issue Debentures, by way of bonus, to equity shareholders.

Upon the Scheme being effective, the Company shall issue and allot, 7 (Seven) Series I Debentures, 4 (Four) Series II Debentures and 3 (Three) Series III Debentures, each as a separate tranche, all of face value Rs. 10/- (Rupees Ten Only) each, fully paid up by utilizing its Surplus in the Statement of Profit and Loss, for every 1 (one) equity share held by the Member whose name is recorded in the Register of Members and record of the depository as Members of the Company on the Record Date.

As represented to us, the coupon rate will be as determined by the Board of Directors on a date close to the issue date considering interest rate scenario prevailing at that point of time.

In this connection, the Company has engaged Ernst & Young Merchant Banking Services Private Limited (hereinafter referred to as "EY" or "EYMB SPL") to submit a fairness opinion report for submission to stock exchanges/Securities Exchange Board of India (SEBI) / High Court of Judicature at Bombay and to other regulatory bodies ("Purpose"). Our scope of work is to comment on the fairness of ratio for issue of Debentures proposed by the Board of Directors inter se equity shareholders.



1



This report is our deliverable to the above engagement

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the above mentioned Purpose and should not be used for any other purpose.

SOURCES OF INFORMATION

The information which we have used to prepare our report consists of the Scheme of Arrangement and annual reports of Blue Dart for last 5 years. Further, we have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives of the Company.

STATEMENT OF LIMITING CONDITIONS

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

This report, its contents and the results herein (i) are specific to the purpose of fairness opinion agreed as per the terms of our engagement; (ii) are specific to the date of this report. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The opinion rendered in this report only represent our opinion based upon information furnished by the Company and the said opinion shall be considered advisory in nature. The recipients are expected to exercise their own discretion before relying upon it. We have no obligation to update this report.

In the course of the engagement, we were provided with both written and verbal information.

In accordance with the terms of our engagement, we have assumed and relied upon, without independently verifying, the accuracy of the information that was publicly available / provided to us by the Company. We have not audited, reviewed or otherwise investigated the financial information used by us but have relied on the audited financial statements. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statement. We have been given to understand by the Company that they have provided us all relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. The Management of the Company has indicated to us that they have understood



that any omissions, inaccuracies or misstatements may materially affect our results. Accordingly, we assume no responsibility for any errors in the information furnished by the Company and their impact on the report. However nothing has come to our attention to indicate that the information provided would not afford reasonable grounds upon which to base the report.

The report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, this report has given no consideration to matters of a legal nature.

This report does not look into the business/ commercial reasons behind the Scheme. Similarly, it does not address the relative merits of the Scheme as compared with any other alternatives (eg. dividend, buyback) or whether or not such alternatives could be achieved or are available.

No investigation / enquiry of the Company's claim to title of assets has been made for the purpose of this report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets beyond the loans disclosed in the latest audited balance sheet.

Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of the Company under the terms of our engagement and do not accept any liability to any third party.

This report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any prospectus, offering memorandum, public document, loan agreement or other document given to third parties, other than in connection with the proposed Scheme, without our prior written consent. In addition, this report does not in any manner address the prices at which Blue Dart's equity shares will trade following the announcement of the proposed Scheme and we express no opinion or recommendation as to how the shareholders of Company should vote at any shareholders' meeting(s), if any, to be held in connection with the proposed Scheme. The report does not evaluate fairness from lenders/creditors' or other stakeholders (other than shareholders) perspective.

It may be mentioned that Blue Dart has been provided an opportunity to review the draft report for the current engagement as part of our standard practice to make sure that factual inaccuracies are avoided in our report.



SHARE CAPITAL DETAILS OF THE COMPANY

Blue Dart's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

The issued, subscribed and paid up share capital of the company comprises of 23,727,934 shares of Rs. 10 each.

The shareholding pattern of Blue Dart as at 30 September 2013 is as follows:

Shareholders	% shareholding		
Promoter / Promoter Group			75.00%
Public and others, split into			25.00%
A) Institutions, further split into		13.75%	
- Foreign Institutional Investors	5.62%		
- Domestic Institutional Investors	8.13%		
B) Non Institutions		11.25%	
Total			100.00%

Source: www.bseindia.com

OUR OPINION

The fairness opinion has been prepared based on our analysis of the various qualitative factors relevant to the Company. In arriving at the opinion, we have primarily evaluated the following two aspects

- that the Scheme should be fair to the shareholders as a whole; and
- that the Scheme should *inter-se* be fair to shareholders.

We note that the Debentures to be issued have a face value of Rs. 10 each and aggregate value upto a maximum of Rs. 332.19 crores. The debentures are to be redeemed at par between 36 to 60 months after the date of allotment.

As of March 31, 2013, the Company has a cash balance of Rs. 236.49 crores. Further, the Company has made cash profits¹ of Rs. 84.3 crores during 6 months ending September 30, 2013. Further, we note that during the last six financial periods, the Company in aggregate has generated cash from operations in excess of its investment needs. A part of this cash generation has been used to pay dividends. But in each of these years, the Company has not undertaken any borrowings.

We also queried the Management on its forecast cash flow over the debenture redemption period. The Management confirmed to us that, barring any unforeseen circumstances, it is



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confident of generating incremental net cash flows over the next five years (after considering its investment needs).

Thus, barring any unforeseen circumstances, the Company expects to have comfortable liquidity position and sufficient debt raising capacity. Further, should there be any requirement for raising debt, the Management does not foresee any difficulty. Thus, the debenture issue, while providing an incremental benefit to the shareholders, does not in any way adversely impact the financial position or credit worthiness of the Company. Hence, in our opinion, the debenture issue is fair to shareholders as a whole.

Next we evaluate the *inter-se* fairness of the debenture to the shareholders.

The shareholding pattern of the Company will remain unaffected on account of the issue of Debentures by way of bonus. Further, Debentures would be issued in the same proportion as the equity shareholding to all shareholders. While, prior to the issue, a shareholder had economic interest in only the equity shares of the company, he/she would now have economic interest in the Debentures and the equity shares. The proportion of shares or Debentures for a particular shareholder (relative to total number of shares or Debentures) will be in line with the shareholding pattern of the Company before the issue of Debentures.

Based upon the rationale as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the bonus ratio for issue of Debentures proposed by the Management is fair to the shareholders.

We are not commenting upon the fairness of the Scheme per se or the quantum/type of Debentures proposed to be issued or the possible coupon rate of these Debentures. We have not evaluated this from tax or other stakeholders' perspective.

Navin Vohra, Director

Ernst & Young Merchant Banking Services Private Limited



Annexure 1

Year ended	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Mar-13
Period in months	12	12	12	12	12	15
Cash flows from operating activities						
Operating profit before working capital changes & taxes	13,483	12,794	10,456	15,919	17,904	28,461
Adjustment for changes in working capital	-1,225	-3,156	-3,481	-7,468	-1,370	-1,592
Cash generated from operations (before taxes)	12,258	9,638	6,975	8,451	16,534	26,869
Taxes paid	-4,020	-4,174	-3,002	-4,725	-6,021	-8,650
Net cash from operating activities	8,238	5,464	3,973	3,726	10,513	18,219
Net cash from investing activities	-5,130	-3,321	-5,865	-2,519	-9,937	2,228
Surplus cash from Operations after investing activities	3,108	2,143	-1,892	1,207	576	20,447
Cash flow from financing activities	-1,338	-330	-335	-281	-276	-553
Surplus cash after financing activities	1,770	1,814	-2,228	926	300	19,894
Cash and bank balances						
Closing	2,960	4774	2,547	3,473	3,748	23,642
Source: Annual reports						

9/12





February 14, 2014

Pooja Sanghvi
Department of Corporate Services - Listing
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400001

Blue Dart Center, Sahar Airport Road,
Andheri (East), Mumbai - 400099 India
Tel. : 28396444
Fax : 28244131
www.bluedart.com

Dear Sir/Madam

Application by Blue Dart Express Limited under Clause 24(f) of the Listing Agreement – Scheme of Arrangement and Email dated October 29 2013

We refer to our application dated October 22, 2013 made in terms of Clause 24(f) of the listing Agreement and your subsequent email dated October 29, 2013 and the hosting of the scheme and other documents on the website on January 23, 2014. Please see below the complaints report dated February 14, 2014 for the period from January 24, 2014 to February 13, 2014.

Part A

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

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1.	Nil	Nil	Nil

Name & Designation of the Contact Person : Tushar Gunderia
Company Secretary and Head - Legal & Compliance
Telephone Nos. (landline & mobile) : Tel No. 28396444 Extn 33407
Cell no. 9820537768
Email ID. : Tusharg@bluedart.com

For Blue Dart Express Limited


Yogesh Chingra
Finance Director & COO


Tushar Gunderia
Company Secretary

Place: Mumbai

February 14, 2014

Nidhi Thakkar
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051

BLUE DART
EXPRESS LIMITED



Blue Dart Center, Sahar Airport Road,
Andheri (East), Mumbai - 400099 India
Tel. : 28396444
Fax : 28244131
www.bluedart.com

Dear Sir/Madam

Application under Clause 24(f) of the Listing Agreement – Scheme of Arrangement and Email dated October 25, 2013

We refer to our application dated October 22, 2013 made in terms of Clause 24(f) of the listing Agreement and your subsequent email dated October 25, 2013 and the hosting of the scheme and other documents on the website on January 23, 2014. Please see below the complaints report dated February 14, 2014 for the period from January 24, 2014 to February 13, 2014.

Part A

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

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1.	Nil	Nil	Nil

Name & Designation of the Contact Person : Tushar Gunderia
Company Secretary and Head - Legal & Compliance
Telephone Nos. (landline & mobile) : Tel No. 28396444 Extn 33407
Cell no. 9820537768
Email ID. : Tusharg@bluedart.com

For Blue Dart Express Limited

Yogesh D. Ingria
Finance Director & COO

Place: Mumbai

Tushar Gunderia
Company Secretary

BLUE DART

Blue Dart Express Limited

Blue Dart Centre, Sahar Airport Road, Andheri (East) Mumbai- 400 099

Phone : 022- 28396444 | Fax : 022-2824 4131

CIN : L61074MH1991PLC061074 | Website : www.bluedart.com

Email : communications@bluedart.com

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY SUMMONS FOR DIRECTIONS NO. 297 OF 2014

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of Blue Dart Express Limited;

And

In the matter of Scheme of Arrangement between Blue Dart Express Limited and its member

Blue Dart Express Limited)
Blue Dart Centre,)
Sahar Airport Road)
Andheri (East), Mumbai - 400099) **Applicant Company**

FORM OF PROXY

I/We the undersigned being equity shareholder/s of Blue Dart Express Limited, the Applicant Company, do hereby appoint Mr/Mrs/Ms. _____ and failing him/her Mr/Mrs/Ms. _____ as my/our proxy, to act for me/us at the Meeting of Equity Shareholders of Blue Dart Express Limited, the Applicant to be held at Hotel Hilton Mumbai International Airport, Sahar Airport Road, Andheri (E), Mumbai 400 099, India on Friday 13th June 2014 at 10:00 a.m., for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme Of Arrangement proposed to be made between Blue Dart Express Limited and its members, and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name(s) _____ (here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word Scheme) the said arrangement embodied in the Scheme, either with or without modifications(s)*, as my/our proxy may approve.

Dated this ____ day of _____, 2014.

Name: _____

Address: _____

(For Demat Holding) DP ID: _____ Client ID: _____

(For Physical Holding) Folio No.: _____ No. of shares held: _____

Signature of Shareholder(s)

Sole/First Holder _____

Second Holder _____

Third Holder _____

Signature of Proxy: _____

Affix ₹1
Revenue
Stamp

NOTES

- (i) Please affix revenue stamp before putting signature.
- (ii) Proxy need not be shareholder.
- (iii) Alterations, if any, made in the form of proxy should be initialed.
- (iv) THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF BLUE DART EXPRESS LIMITED NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE SAID MEETING.
- (v) In case of multiple proxies, the proxy later in time shall be accepted.

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BLUE DART

Blue Dart Express Limited

Blue Dart Centre, Sahar Airport Road, Andheri (East) Mumbai- 400 099

Phone : 022- 28396444 | Fax : 022-2824 4131

CIN : L61074MH1991PLC061074 | Website : www.bluedart.com

Email : communications@bluedart.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID.* _____

Folio No. _____

Client ID* _____

No. of share(s) held: _____

I/We hereby certify that I/we am/are registered equity shareholder/proxy for the registered equity shareholder of the Applicant Company. I/We hereby record my/our presence at the General Meeting of the Applicant Company held on Friday, 13th June 2014 at 10:00 a.m. at Hotel Hilton Mumbai International Airport, Sahar Airport Road, Andheri (E), Mumbai 400 099.

Member/Proxy name in block letters

Member/Proxy signature

*Applicable for investors holding shares in electronic forms



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