

Adani Power Limited

Registered Office:

Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat

Phone No.: +91 79 25555094 **Fax No.:** +91 79 25555604

CIN : L40100GJ1996PLC030533 **Website :** www.adanipower.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS	
Day	: Thursday
Date	: 14 th August 2014
Time	: 10:00 a.m. (1000 hours)
Venue	: J. B Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

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**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 170 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 Adani Power Limited,

And

In the matter of the Scheme of Arrangement among Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (India) Limited and their respective shareholders and creditors.

Adani Power Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat

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..... **Applicant Company**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF
ADANI POWER LIMITED**

To,

The Equity Shareholders of Adani Power Limited (the "Applicant Company"),

TAKE NOTICE that by an Order made on the 27th day of June 2014, in the above Company Application, the Hon'ble High Court of Gujarat at Ahmedabad (the "**Hon'ble High Court**") has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at J. B Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, on Thursday the 14th day of August 2014 at 10:00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement among Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (India) Limited and their respective shareholders and creditors (the "**Scheme**");

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be convened and held at J. B Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, on Thursday the 14th day of August 2014 at 10:00 a.m. (1000 hours) 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 authorised representative, is deposited at the registered office of the Applicant Company at Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad–380 009, Gujarat, not later than 48 (forty-eight) hours before the said meeting.

The Hon'ble High Court has appointed Mr. Gautam S. Adani, the Chairman of the Applicant Company, and in his absence, Mr. Rajesh S. Adani, the Managing Director of the Applicant Company, and in his absence, Mr. Vneet S Jaain, the Executive 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, Observation Letter dated 21st March 2014 from BSE Limited ("BSE") conveying No Objection for filing the Scheme with the Hon'ble High Court, Observation Letter dated 21st March 2014 from the National Stock Exchange of India Limited ("NSE") conveying No Objection for filing the Scheme with the Hon'ble High Court, Complaints Report dated 14th February 2014 submitted by the Applicant Company to BSE and NSE, Form of Proxy and Attendance slip are enclosed.

Sd/-

Vneet S Jaain

Chairman appointed for the meeting

Dated this 30th day of June 2014
Place: Ahmedabad

Notes:

1. All alterations made in the form of proxy should be initialed.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013) at the meeting of the Equity Shareholders of the Applicant Company. The authorised representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the meeting of the Equity Shareholders of the Applicant Company provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the Equity Shareholders of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty-eight) hours before the commencement of the meeting of the Equity Shareholders of the Applicant Company.

Enclosed : As above.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 170 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 Adani Power Limited;

And

In the matter of the Scheme of Arrangement among Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (India) Limited and their respective shareholders and creditors;

Adani Power Limited,
a company incorporated under the provisions of the
Companies Act, 1956 and having its registered
office at Shikhar, Near Adani House, Mithakhali Six
Roads, Navrangpura, Ahmedabad-380 009, Gujarat

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..... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an order dated 27th June 2014 passed by the Hon'ble High Court of Gujarat at Ahmedabad (**High Court**) in the Company Application referred to hereinabove, separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company are being convened at J. B Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, on Thursday the 14th day of August 2014 at 10.00 a.m. (1000 hours) for Equity Shareholders; at 11.30 a.m. (1130 hours) or so soon thereafter after the conclusion of the meeting of the Equity Shareholders of the Applicant Company for Secured Creditors; and at 1.30 p.m. (1330 hours) or so soon thereafter after the conclusion of the meeting of the Secured Creditors of Adani Power Maharashtra Limited for the Unsecured Creditors of the Applicant Company, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement among Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (India) Limited and their respective shareholders and creditors (the "Scheme").
2. In this Explanatory Statement Adani Power Limited is hereinafter referred to as the "**Transferor Company no.1**", Adani Power Maharashtra Limited is hereinafter referred to as the "**Transferor Company no.2**" and Adani Transmission (India) Limited is hereinafter referred to as the "**Transferee Company**". The Transferor Company no.1 and the Transferor Company no.2 are together referred as the "**Transferor Companies**". Where the context so requires, the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company are together referred to as the "**Companies**". Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
3. The respective Board of Directors of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company at their meetings, all held on 28th December 2013 approved the Scheme. Further, the committee of the Board of Directors of the Transferor Company no.1 and the respective Board of Directors of the Transferor Company no.2 and the Transferee Company, in their respective meetings, all held on 17th February 2014 approved necessary changes in the Scheme consequent upon the change of name of the Transferee Company with effect from 13th February 2014. A copy of the Scheme setting out the terms and conditions of the arrangement, inter alia, providing for the demerger of the Transferred Undertakings (as defined in the Scheme) of the Transferor Companies and vesting

into the Transferee Company is enclosed with the notice convening the meeting, to which this Explanatory Statement is also an enclosure.

4. The background of the Companies involved in the Scheme is as under:

4.1 The Transferor Company no.1:

- (a) The Transferor Company no.1 was incorporated on 22nd August 1996 under the provisions of the Companies Act, 1956 (hereinafter referred to as the 'Act') in the State of Gujarat in the name of Adani Power Limited. The name of the Transferor Company no.1 was changed to Adani Power Private Limited with effect from 3rd June 2002. The name of the Transferor Company no.1 was further changed to Adani Power Limited with effect from 12th April 2007. The Registered Office of the Transferor Company no.1 is situated at Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India. The Corporate Identification Number of the Transferor Company No. 1 is L40100GJ1996PLC030533
- (b) The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company no.1 as on 31st May 2014 was as follows:

Particulars	Amount in Rupees
Authorised:	
350,00,00,000 Equity shares of Rs. 10/- each	3500,00,00,000
50,00,00,000 Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/- each	500,00,00,000
Total	4000,00,00,000
Issued, Subscribed and Paid-up:	
287,19,22,110 Equity Shares of Rs. 10/- each, fully paid up	2871,92,21,100
Total	2871,92,21,100

There is no change in the capital structure of the Transferor Company no.1, till date.

- (c) The objects of the Transferor Company no.1 are set out in its Memorandum of Association. The main objects of the Transferor Company no.1 are, inter alia, as follows:

"III. A.

1. To carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity.
2. To explore, develop, generate, accumulate, supply and distribute or to deal in other forms of energy from any source whatsoever.
3. To establish, operate and maintain generating stations, accumulation, tie lines, substations, workshops, transmission lines and to lay down cables, wires.
4. To manufacture, deal in, let on hire, install, repair and maintain plant, machinery, equipment, appliances, components and apparatus of any nature whatsoever used in connection with generation storage, supply, distributors, application of electrical energy."

- (d) The Transferor Company no.1 is engaged, inter alia, in the business of generation of power and has installed and commissioned power plant of 4620 MW capacity in the State of Gujarat. The Transferor Company no.1 is also in the business of power transmission and in this regard the Transferor Company no.1 has erected, installed and commissioned (a) +/- 500 kv High Voltage Direct Current (HVDC) bi-pole transmission line from Mundra Thermal Power Plant (Gujarat) of the Transferor Company no.1 to Mohindergarh (Haryana) of about 990 kms. alongwith terminal stations, earth electrode stations, earth electrode lines and Optical Fibre Ground Wire (OPGW) repeater stations; (b) associated 400 kv double circuit (D/C) transmission line from Mohindergarh to Power Grid Corporation of India Limited (PGCIL) Bhiwani sub-station (Haryana) of about 50 kms. alongwith end termination bays; (c) 400 kv D/C transmission line from Mohindergarh to Dhanonda (Haryana) of about 5 kms. and termination bays at Mohindergarh; and (d) 400 kv D/C transmission line of Mundra-Sami-Dehgam (Gujarat) of

about 434 kms. alongwith switch yard/end termination bays and switching station at Sami (Gujarat) including fixed series capacitor. The equity shares of the Transferor Company no.1 are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Transferor Company no.1 is a subsidiary of Adani Enterprises Limited ("AEL"). As on 31st May 2014 AEL holds 68.99% of the Equity Shares in the paid-up share capital of the Transferor Company no.1. AEL has also provided loans (about Rs. 6183.01 crores outstanding as on 27th December 2013 and about Rs. 5,257 crores outstanding as on the Appointed Date i.e. 31st March 2014) to the Transferor Company no.1 for its business operations.

4.2 The Transferor Company no.2:

- (a) The Transferor Company no. 2 was incorporated on 11th April 2007 under the Act in the State of Gujarat in the name of Adani Power Maharashtra Private Limited. The name of the Transferor Company no. 2 was changed to Adani Power Maharashtra Limited with effect from 16th May 2008. The Registered Office of the Transferor Company no. 2 is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India. The Corporate Identification Number of the Transferor Company No. 2 is U40101GJ2007PLC050506.
- (b) The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company no. 2 as on 31st May 2014 was as follows:

Particulars	Amount in Rupees
Authorised:	
425,00,00,000 Equity shares of Rs. 10/- each	4250,00,00,000
75,00,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each	750,00,00,000
Total	5000,00,00,000
Issued, Subscribed and Paid-up:	
285,47,31,240 Equity Shares of Rs. 10/- each, fully paid up	2854,73,12,400
Total	2854,73,12,400

There is no change in the capital structure of the Transferor Company no.2, till date.

- (c) The objects of the Transferor Company no.2 are set out in its Memorandum of Association. The main objects of the Transferor Company no.2 are as follows:

"III. A.

1. To carry on the business of generation, accumulation, distribution and supply of and to generally deal in electricity.
2. To explore, develop, generate, accumulate, supply and distribute or to deal in other forms of energy from any source whatsoever.
3. To establish, operate and maintain generating stations, accumulation, tie lines, substations, workshops, transmission lines and to lay down cables, wires.
4. To manufacture, deal in, let on hire, install, repair and maintain plant, machinery, equipment, appliances, components and apparatus of any nature whatsoever used in connection with generation storage, supply, distributors, application of electrical energy."

- (d) The Transferor Company no. 2 is engaged, inter alia, in the business of generation of power and out of the total capacity of 3300 MW, the Transferor Company no. 2 has installed and commissioned power plant of 2640 MW capacity (as on 31st May 2014) in the State of Maharashtra. In respect of the balance, the Transferor Company no. 2 is in the process of commissioning power plant (660 MW) capacity in the State of Maharashtra. The Transferor Company no. 2 is also in the business of power transmission and in this regard the Transferor Company no. 2 has erected, installed and commissioned 400 kv D/C transmission line from Tiroda (Maharashtra) to Warora (Maharashtra) of about 218 kms. alongwith end termination bays. The Transferor Company no. 2 is a wholly owned subsidiary of the Transferor Company no. 1. The Transferor Company no. 2 is also a subsidiary of AEL in terms of section 2(87) of the

Companies Act, 2013. AEL has also provided loans (about Rs. 30.64 crores outstanding as on 27th December 2013 and about Rs. 432 crores outstanding as on the Appointed Date i.e. 31st March 2014) to the Transferor Company no. 2 for its business operations.

4.3 The Transferee Company:

- (a) The Transferee Company was incorporated on 2nd December 2013 under the provisions of the Act in the name of Adani Transmission (Gujarat) Limited. The name of the Transferee Company was changed to Adani Transmission (India) Limited with effect from 13th February 2014. The Registered Office of the Transferee Company is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India. The Corporate Identification Number of the Transferee Company is U40101GJ2013PLC077700.
- (b) The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st May 2014 was as follows:

Particulars	Amount in Rupees
Authorised:	
50,000 equity shares of Rs. 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid Up:	
50,000 equity shares of Rs. 10/- each	5,00,000
Total	5,00,000

There is no change in the capital structure of the Transferee Company, till date.

- (c) The objects of the Transferee Company are set out in its Memorandum of Association. The main object of the Transferee Company is as follows:

"III [A]

- To carry on in India or abroad the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems/networks, power systems, generating stations based on conventional/nonconventional resources for evacuation, transmission, distribution or supply of power through establishing or using stations, tie-lines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis or otherwise, and to acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Board, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms."
- (d) The Transferee Company was recently incorporated to, inter alia, carry on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems. The Transferee Company is a wholly owned subsidiary of the Transferor Company no. 1. The Transferee Company is also a subsidiary of AEL in terms of Section 2(87) of the Companies Act, 2013.

- 5.1 In order to achieve utmost synergy and efficiency of operations and management of the power transmission business which includes opportunity to pursue focused growth opportunities in the power transmission business, the Transferor Companies and the Transferee Company have, as part of the business reorganisation, decided to restructure their power transmission business in the interest of all stakeholders. Therefore, with a view to effect such reorganisation, the present Scheme is proposed for demerger of the Transferred Undertakings of the Transferor Companies and transfer of the same to the Transferee company.

- 5.2 The Scheme would, inter alia, result in the following:
- (a) Better Regulatory compliance of power transmission business; and
 - (b) Efficient and focused management of power transmission business.
6. The Scheme alongwith the report on valuation ("**Valuation Report**") submitted by M/s. BSR and Associates, Chartered Accountants, ("**Independent Valuer**") in respect of the Transferred Undertaking 1 (as defined in the Scheme), was placed before the Audit Committee of the Transferor Company no.1 on 28th December 2013. A Fairness Opinion, by ICICI Securities Limited ("**Fairness Opinion**"), was also submitted to the Transferor Company no.1's Audit Committee. The Audit Committee, inter alia, based on the aforesaid, concluded that the Scheme would be to the benefit of the Transferor Company no.1 and its shareholders and recommended the Scheme to the Board of Directors of the Transferor Company no.1 by its report dated 28th December 2013.
7. The Scheme alongwith the Valuation Report was placed before the Board of Directors of the Transferor Company no.1 in its meeting held on 28th December 2013. The Fairness Opinion was also submitted to the Transferor Company no.1's Board of Directors. Based on the report submitted by the Audit Committee recommending the draft Scheme and subject to the approval, inter alios, by (i) the shareholders and the creditors of the Transferor Company no.1; (ii) sanction of the Scheme by the High Court in terms of section 391 to 394 and all other relevant provisions of the Act; and (iii) such other regulatory approvals as may be required, the Board of Directors of the Transferor Company no.1 approved the Scheme.
8. The Scheme alongwith the report on valuation submitted by KPMG India Private Limited in respect of the Transferred Undertaking 2 (as defined in the Scheme) was placed before the Board of Directors of the Transferor Company no.2 in its meeting held on 28th December 2013. The Board of Directors of the Transferor Company no.2 duly approved the report on valuation submitted by KPMG India Private Limited and the Scheme. The Scheme was approved by the Board of Directors of the Transferee Company, at its meeting held on 28th December 2013.
9. The Scheme alongwith related documents was hosted on the websites of the Transferor Company no.1, BSE and NSE and was open for complaints/comments from 23rd January 2014 to 13th February 2014. During the above period, the Transferor Company no.1 has not received any complaint/comment and accordingly, a Nil complaints report was filed with the BSE and NSE on 14th February 2014. A copy of the complaints report dated 14th February 2014 submitted by the Transferor Company no.1 to BSE and NSE is enclosed in terms of Paragraph 5.14 of the Circular dated 4th February 2013, under reference CIR/CFD/DIL/5/2013, issued by the Securities and Exchange Board of India ("SEBI").
10. In the meantime, the name of the Transferee Company was changed from Adani Transmission (Gujarat) Limited to Adani Transmission (India) Limited with effect from 13th February 2014. The committee of the Board of Directors of the Transferor Company no.1 and the respective Board of Directors of the Transferor Company no.2 and the Transferee Company in their meetings, all held on 17th February 2014, approved necessary changes in the Scheme consequent upon the change of name of the Transferee Company.
11. The Transferor Company no.1 has obtained the approval to the Scheme in terms of Clause 24(f) of the Listing Agreement from BSE and NSE by their Observation Letters both dated 21st March 2014. Copies of the said Observation Letters are enclosed in terms of Paragraph 5.4 of the Circular dated 4th February 2013, under reference CIR/CFD/DIL/5/2013, issued by SEBI.
12. The salient features of the Scheme are as under:
- I. DEFINITIONS**
- "Appointed Date" means 31st March 2014;
- "CERC" means Central Electricity Regulatory Commission constituted under section 76 of The Electricity Act, 2003;
- "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in clause 25 of the Scheme have been fulfilled and necessary orders, approvals and

consents referred to therein have been obtained. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme being effective"** shall mean the Effective Date;

"MERC" means Maharashtra Electricity Regulatory Commission constituted under section 82 of The Electricity Act, 2003;

"Remaining Business 1" means all the remaining businesses and/or divisions/undertakings of the Transferor Company no.1 other than the Transferred Undertaking 1;

"Remaining Business 2" means all the remaining businesses and/or divisions/undertakings of the Transferor Company no.2 other than the Transferred Undertaking 2;

"Transferred Undertaking 1" means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company no.1 pertaining to its power transmission business, on a going concern basis, which shall mean and include, without limitation:

- (a) +/- 500 kv High Voltage Direct Current (HVDC) bi-pole transmission line from Mundra Thermal Power Plant (Gujarat) to Mohindergarh (Haryana) of about 990 kms. alongwith terminal stations, earth electrode stations, earth electrode lines and Optical Fibre Ground Wire (OPGW) repeater stations;
- (b) associated 400 kv double circuit (D/C) transmission line from Mohindergarh to Power Grid Corporation of India Limited (PGCIL) Bhiwani sub-station (Haryana) of about 50 kms. alongwith end termination bays;
- (c) 400 kv D/C transmission line from Mohindergarh to Dhanonda (Haryana) of about 5 kms. and termination bays at Mohindergarh;
- (d) 400 kv D/C transmission line of Mundra-Sami-Dehgam (Gujarat) of about 434 kms. alongwith switch yard/end termination bays and switching station at Sami (Gujarat) including fixed series capacitor;
- (e) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise, in relation to sub-stations, switch yards, terminal stations, earth electrode stations, OPGW repeater stations, foundations for tower structures/switch yards/sub-stations/terminal stations equipments, workshops, stores, office buildings, stock yards (whether open or covered), fire fighting reservoirs, earthing/grounding systems, guest houses, residential premises occupied by the employees engaged for the purposes of the power transmission business, etc.), which immovable properties are currently being used for the purpose of the power transmission business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (f) all assets, as are movable in nature pertaining to the power transmission business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work-in-progress, transmission towers, insulators, conductors, OPGW, earth wires, hardware fittings, earthing arrangements, transmission tower/line accessories, DG sets, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations, vehicles, inventory, tools and plants, testing equipments, tension stringing equipments and emergency restoration systems), actionable claims, earnest monies and sundry debtors, financial assets, outstanding loans and

advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs and tax refunds;

- (g) all permits, licences, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of power transmission business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the power transmission business;
- (h) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the power transmission business;
- (i) all applications (including hardware, software, licences, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the power transmission business;
- (j) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company no.1 pertaining to the power transmission business or in connection with or relating to the Transferor Company no.1 in respect of the power transmission business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company no.1 and pertaining to the power transmission business;
- (k) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, datas, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the power transmission business;
- (l) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks/financial institutions to be transferred to the Transferee Company), obligations, duties and liabilities including contingent liabilities of the Transferor Company no.1 pertaining to and/or arising out of and/or relatable to the power transmission business;
- (m) all employees of the Transferor Company no.1 employed/engaged in the power transmission business as on the Effective Date; and

- (n) all legal or other proceedings of whatsoever nature that pertain to the power transmission business of the Transferor Company no. 1.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the power transmission business of the Transferor Company no. 1 or whether it arises out of the activities or operations of the power transmission business of the Transferor Company no. 1, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company no. 1 and the Transferee Company.

"Transferred Undertaking 2" means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company no. 2 pertaining to its power transmission business, on a going concern basis, which shall mean and include, without limitation:

- (a) 400 kv D/C transmission line from Tiroda (Maharashtra) to Warora (Maharashtra) of about 218 kms. alongwith end termination bays;
- (b) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise, in relation to sub-stations, switch yards, foundations for tower structures/switch yards/sub-stations equipments, workshops, stores, office buildings, stock yards (whether open or covered), earthing/grounding systems, guest houses, residential premises occupied by the employees engaged for the purposes of the power transmission business, etc.), which immovable properties are currently being used for the purpose of the power transmission business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (c) all assets, as are movable in nature pertaining to the power transmission business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work-in-progress, transmission towers, insulators, conductors, earth wires, hardware fittings, earthing arrangements, transmission tower/line accessories, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations, vehicles, inventory, tools and plants, testing equipments and tension stringing equipments), actionable claims, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs and tax refunds;
- (d) all permits, licences, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of power transmission business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the power transmission business;
- (e) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of the meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence

agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the power transmission business;

- (f) all applications (including hardware, software, licences, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the power transmission business;
- (g) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company no. 2 pertaining to the power transmission business or in connection with or relating to the Transferor Company no. 2 in respect of the power transmission business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company no. 2 and pertaining to the power transmission business;
- (h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, datas, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the power transmission business;
- (i) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions, obligations, duties and liabilities including contingent liabilities of the Transferor Company no. 2 pertaining to and/or arising out of and/or relatable to the power transmission business;
- (j) all employees of the Transferor Company no. 2 employed/engaged in the power transmission business as on the Effective Date; and
- (k) all legal or other proceedings of whatsoever nature that pertain to the power transmission business of the Transferor Company no. 2.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the power transmission business of the Transferor Company no. 2 or whether it arises out of the activities or operations of the power transmission business of the Transferor Company no. 2, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company no. 2 and the Transferee Company.

"Transferred Undertakings" means together the "Transferred Undertaking 1" and "Transferred Undertaking 2".

II.A. TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING 1

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Transferred Undertaking 1 shall, without any further act, instrument, deed, matter or thing, be demerged from

the Transferor Company no. 1 and transferred to and vested in the Transferee Company or be deemed to have been demerged from the Transferor Company no. 1 and transferred to and vested in the Transferee Company as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to section 394(2) of the Act, subject however, to the subsisting charges thereon in favour of banks and/or financial institutions in relation to the liabilities/borrowings being transferred to the Transferee Company under this Scheme.

- (b) Upon the coming into effect of this Scheme, all debts (whether secured or unsecured), borrowings including loans and borrowings from banks and/or financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Transferee Company), obligations, duties and liabilities (including contingent liabilities) of the Transferor Company no. 1 relating to the Transferred Undertaking 1 shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, borrowings, obligations, duties and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company no. 1 and to keep the Transferor Company no.1 indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- (c) In so far as the assets of the Transferred Undertaking 1 are concerned, the security, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business 1 of the Transferor Company no. 1 shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Transferor Company no.1 which are not transferred to the Transferee Company.
- (d) In so far as the assets of the Remaining Business 1 of the Transferor Company no. 1 are concerned, the security/existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Transferred Undertaking 1 (as that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Transferee Company) shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- (e) In so far as the existing security in respect of the loans of the Transferor Company no. 1 and other liabilities relating to the Remaining Business 1 of the Transferor Company no. 1 are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Company no. 1 only on the assets remaining with the Transferor Company no. 1.
- (f) Without any prejudice to the provisions of the foregoing clauses, the Transferor Company no. 1 and the Transferee Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.

II.B. LEGAL PROCEEDINGS IN RELATION TO THE TRANSFERRED UNDERTAKING 1

Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company no. 1, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking 1 shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company no. 1 and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with

the Transferor Company no. 1. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Transferred Undertaking 1 or not, a decision jointly taken by the Board of Directors of the Transferor Company no. 1 and the Transferee Company in this regard, shall be conclusive evidence of the matter.

II.C. CONTRACTS, DEEDS, ETC. IN RELATION TO THE TRANSFERRED UNDERTAKING 1

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking 1 to which the Transferor Company no. 1 is a party or to the benefit of which the Transferor Company no. 1 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company no. 1, the Transferee Company had been a party or beneficiary or obligee thereto.

II.D. EMPLOYEES OF THE TRANSFERRED UNDERTAKING 1

Upon the coming into effect of this Scheme, all the employees relating to the Transferred Undertaking 1 that were employed by the Transferor Company no. 1, immediately before Effective Date, shall become employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Transferred Undertaking 1 of the Transferor Company no. 1 immediately prior to the demerger of the Transferred Undertaking 1.

II.E. CONSIDERATION FOR TRANSFER OF THE TRANSFERRED UNDERTAKING 1

- (a) The consideration for the demerger pursuant to Part II of the Scheme shall be determined as follows:

An amount of Rs. 4293.61 crores (Rupees Four Thousand Two Hundred Ninety Three Crores and Sixty One Lacs) as determined, based on fair value of assets of the Transferred Undertaking 1:

- (i) reduced by the liabilities of Rs. 2981.53 crores (Rupees Two Thousand Nine Hundred Eighty One Crores and Fifty Three Lacs) towards banks and financial institutions and allocated for the Transferred Undertaking 1;
 - (ii) reduced by the liability of Rs. 1200.00 crores (Rupees Twelve Hundred Crores) to be discharged by the Transferee Company to AEL and pertaining to the Transferred Undertaking 1; and
 - (iii) increased by the net current assets of Rs. 56.39 crores (Rupees Fifty Six Crores and Thirty Nine Lacs) of the Transferred Undertaking 1.
- (b) The amount so arrived at, under sub-clause (a) above, shall be the "**Consideration**", which amount shall be subject to adjustments to be made pursuant to sub-clause (d) below. It is hereby clarified that the amounts stipulated in sub-clause (a) above are based on figures as of 31st October 2013 provided by the Transferor Company no. 1.
- (c) The Transferee Company shall discharge the Consideration, subject to sub-clause (d) and sub-clause (e) herein below, in the following manner:
- (i) The Transferee Company shall, within 60 (Sixty) days from the Effective Date, issue and allot to the Transferor Company no. 1 10,00,00,000 (Ten Crores) equity shares of the face value of Rs. 10/- (Ten) each at par credited as fully paid-up; and
 - (ii) The Transferee Company shall, within 90 (Ninety) days from the Effective Date, pay the balance amount of the Consideration in cash to the Transferor Company no. 1.
- (d) For determining the Consideration on the Appointed Date, the following adjustments shall be made to the Consideration determined under sub-clause (a) above:
- (i) If the estimated liabilities as on the Appointed Date, as mentioned in sub-clause (a)(i) and sub-clause (a)(ii) above, is increased or decreased compared with the figures of the corresponding liabilities as on 31st October 2013 provided by the Transferor Company no. 1, the difference shall be adjusted to the Consideration determined under sub-clause (a) above;

- (ii) If the estimated net current assets as on the Appointed Date, as mentioned in sub-clause (a)(iii) above, is increased or decreased compared with the figures of the net current assets as on 31st October 2013 provided by the Transferor Company no. 1, the difference shall be adjusted to the Consideration determined under sub-clause (a) above; and
- (iii) If the fixed assets of the Transferred Undertaking 1 as on the Appointed Date is increased or decreased with the figures of the fixed assets of the Transferred Undertaking 1 as on 31st October 2013 provided by the Transferor Company no. 1, the difference shall be adjusted to the Consideration determined under sub-clause (a) above.
- (e) Any increase or decrease in the aggregate Consideration duly adjusted under sub-clause (d) above, would be discharged by increasing or decreasing the balance amount of the Consideration to be paid to the Transferor Company no. 1 under sub-clause (c) (ii) above. In the event of the decrease in the aggregate Consideration duly adjusted under sub-clause (d) above is more than the amount to be paid under sub-clause (c) (ii) above then in that case the Consideration under sub-clause (c) (i) above would be reduced accordingly.
- (f) In case of any doubt or difficulty that may arise in implementing sub-clauses (a) to (e) above, the same shall be resolved mutually by the board of directors of the Transferor Company no. 1 and the Transferee Company.
- (g) The Transferred Undertaking 1 has been duly valued by M/s. BSR and Associates, Chartered Accountants, an independent valuer. Further, ICICI Securities Limited has provided a fairness opinion on fairness of the Consideration determined for the transfer of the Transferred Undertaking 1 to the Transferee Company. The valuation report and the fairness opinion as aforesaid have been duly approved by the Boards of Directors of the Transferor Company no. 1 and the Transferee Company.
- (h) The Equity Shares issued pursuant to sub-clause (c) (i) above shall be issued in a dematerialised form by the Transferee Company. The Transferor Company no. 1 shall be required to have an account with the depository participant and shall provide details thereof and such other confirmations as may be required by the Transferee Company.
- (i) The Equity Shares of the Transferee Company to be issued to the Transferor Company no. 1 in terms of sub-clause (c) (i) above shall be subject to the provisions of the Articles of Association of the Transferee Company and shall rank paripassu with the existing Equity Shares of the Transferee Company in all respects.
- (j) The issue and allotment of Equity Shares by the Transferee Company to the Transferor Company no. 1 in terms of sub-clause (c) (i) above shall be an integral part of this Scheme, and deemed to be in due compliance of the provisions of section 81(1A) and other applicable provisions of the Act.

II.F. ACCOUNTING IN THE BOOKS OF THE TRANSFEROR COMPANY NO. 1 AND THE TRANSFEE COMPANY

- (a) Upon the coming into effect of this Scheme, the Transferee Company shall account for the Scheme, with effect from the Appointed Date as under:
The Transferee Company shall record the assets and liabilities pertaining to the Transferred Undertaking 1 vested in it in accordance with clause 4 of the Scheme, as per the fair values attributable to such assets and liabilities.
- (b) Upon the coming into effect of this Scheme, the Transferor Company no. 1 shall account for the Scheme, with effect from the Appointed Date as under:
 - (i) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking 1 shall stand reduced/closed on transfer to the Transferee Company in accordance with clause 4 of the Scheme; and
 - (ii) Any difference between the items mentioned in sub-clause (b) (i) above and Consideration as detailed in clause II.E. above, shall be adjusted by the Transferor Company no. 1 in its profit and loss account.

II.G. REMAINING BUSINESS 1

The Remaining Business 1 and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company no. 1 subject to the provisions of the Scheme.

III.A. TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING 2

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Transferred Undertaking 2 shall, without any further act, instrument, deed, matter or thing, be demerged from the Transferor Company no. 2 and transferred to and vested in the Transferee Company or be deemed to have been demerged from the Transferor Company no.2 and transferred to and vested in the Transferee Company as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to section 394(2) of the Act, subject however, to the subsisting charges thereon in favour of banks and/or financial institutions in relation to the liabilities/borrowings being transferred to the Transferee Company under this Scheme.
- (b) Upon the coming into effect of this Scheme, all debts (whether secured or unsecured), borrowings including loans and borrowings from banks and/or financial institutions, obligations, duties and liabilities (including contingent liabilities) of the Transferor Company no. 2 relating to the Transferred Undertaking 2 shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, borrowings, obligations, duties and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company no. 2 and to keep the Transferor Company no. 2 indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- (c) In so far as the assets of the Transferred Undertaking 2 are concerned, the security, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business 2 of the Transferor Company no. 2 shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Transferor Company no. 2 which are not transferred to the Transferee Company.
- (d) In so far as the assets of the Remaining Business 2 of the Transferor Company no. 2 are concerned, the security/existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Transferred Undertaking 2 shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- (e) In so far as the existing security in respect of the loans of the Transferor Company no. 2 and other liabilities relating to the Remaining Business 2 of the Transferor Company no. 2 are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Company no. 2 on the assets remaining with the Transferor Company no. 2.
- (f) Without any prejudice to the provisions of the foregoing clauses, the Transferor Company no. 2 and the Transferee Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.

III.B. LEGAL PROCEEDINGS IN RELATION TO THE TRANSFERRED UNDERTAKING 2

Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company no. 2, under any

statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking 2 shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company no. 2 and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company no. 2. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Transferred Undertaking 2 or not, a decision jointly taken by the Board of Directors of the Transferor Company no. 2 and the Transferee Company in this regard, shall be conclusive evidence of the matter.

III.C. CONTRACTS, DEEDS, ETC IN RELATION TO THE TRANSFERRED UNDERTAKING 2

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking 2 to which the Transferor Company no. 2 is a party or to the benefit of which the Transferor Company no. 2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company no. 2, the Transferee Company had been a party or beneficiary or obligee thereto.

III.D. EMPLOYEES OF THE TRANSFERRED UNDERTAKING 2

Upon the coming into effect of this Scheme, all the employees relating to the Transferred Undertaking 2 that were employed by the Transferor Company no. 2, immediately before Effective Date, shall become employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Transferred Undertaking 2 of the Transferor Company no. 2 immediately prior to the demerger of the Transferred Undertaking 2.

III.E. CONSIDERATION FOR TRANSFER OF THE TRANSFERRED UNDERTAKING 2

- (a) The consideration for the demerger pursuant to Part III of the Scheme shall be determined as follows:
- An amount of Rs. 665.62 crores (Rupees Six Hundred Sixty Five Crores and Sixty Two Lacs) as determined, based on fair value of assets of the Transferred Undertaking 2:
- (i) reduced by the liabilities of Rs. 455.40 crores (Rupees Four Hundred Fifty Five Crores and Forty Lacs) towards banks and financial institutions and allocated for the Transferred Undertaking 2;
 - (ii) reduced by the liability of Rs. 30.00 crores (Rupees Thirty Crores) to be discharged by the Transferee Company to AEL and pertaining to the Transferred Undertaking 2; and
 - (iii) increased by the net current assets of Rs. 21.60 crores (Rupees Twenty One Crores and Sixty Lacs) of the Transferred Undertaking 2.
- (b) The amount so arrived at, under sub-clause (a) above, shall be the "Consideration", which amount shall be subject to adjustments to be made pursuant to sub-clause (d) below. It is hereby clarified that the amounts stipulated in sub-clause (a) above are based on figures as of 31st October 2013 provided by the Transferor Company no. 2.
- (c) The Transferee Company shall discharge the Consideration, subject to sub-clause (d) and sub-clause (e) herein below, in the following manner:
- (i) The Transferee Company shall, within 60 (Sixty) days from the Effective Date, issue and allot to the Transferor Company no.2 1,00,00,000 (One Crore) equity shares of the face value of Rs. 10/- (Ten) each at par credited as fully paid-up; and
 - (ii) The Transferee Company shall, within 90 (Ninety) days from the Effective Date, pay the balance amount of the Consideration in cash to the Transferor Company no.2.
- (d) For determining the Consideration on the Appointed Date, the following adjustments shall be made to the Consideration determined under sub-clause (a) above:

- (i) If the estimated liabilities as on the Appointed Date, as mentioned in sub-clause (a) (i) and sub-clause (a) (ii) above, is increased or decreased compared with the figures of the corresponding liabilities as on 31st October 2013 provided by the Transferor Company no. 2, the difference shall be adjusted to the Consideration determined under sub-clause (a) above;
 - (ii) If the estimated net current assets as on the Appointed Date, as mentioned in sub-clause (a) (iii) above, is increased or decreased compared with the figures of the net current assets as on 31st October 2013 provided by the Transferor Company no. 2, the difference shall be adjusted to the Consideration determined under sub-clause (a) above; and
 - (iii) If the fixed assets of the Transferred Undertaking 2 as on the Appointed Date is increased or decreased with the figures of the fixed assets of the Transferred Undertaking 2 as on 31st October 2013 provided by the Transferor Company no. 2, the difference shall be adjusted to the Consideration determined under sub-clause (a) above.
- (e) Any increase or decrease in the aggregate Consideration duly adjusted under sub-clause (d) above, would be discharged by increasing or decreasing the balance amount of the Consideration to be paid to the Transferor Company no. 2 under sub-clause (c) (ii) above. In the event of the decrease in the aggregate Consideration duly adjusted under sub-clause (d) above is more than the amount to be paid under sub-clause (c) (ii) above then in that case the Consideration under sub-clause (c) (i) above would be reduced accordingly.
 - (f) In case of any doubt or difficulty that may arise in implementing sub-clauses (a) to (e) above, the same shall be resolved mutually by the board of directors of the Transferor Company no. 2 and the Transferee Company.
 - (g) The Transferred Undertaking 2 has been duly valued by KPMG India Private Limited, an independent valuer. The valuation report as aforesaid has been duly approved by the Boards of Directors of the Transferor Company no. 2 and the Transferee Company.
 - (h) The Equity Shares issued pursuant to sub-clause (c) (i) above shall be issued in a dematerialised form by the Transferee Company. The Transferor Company no. 2 shall be required to have an account with the depository participant and shall provide details thereof and such other confirmations as may be required by the Transferee Company.
 - (i) The Equity Shares of the Transferee Company to be issued to the Transferor Company no. 2 in terms of sub-clause (c) (i) above shall be subject to the provisions of the Articles of Association of the Transferee Company and shall rank paripassu with the existing Equity Shares of the Transferee Company in all respects.
 - (j) The issue and allotment of Equity Shares by the Transferee Company to the Transferor Company no. 2 in terms of sub-clause (c) (i) above shall be an integral part of this Scheme, and deemed to be in due compliance of the provisions of section 81(1A) and other applicable provisions of the Act.

III.F. ACCOUNTING IN THE BOOKS OF THE TRANSFEROR COMPANY NO. 2 AND THE TRANSFEE COMPANY

- (a) Upon the coming into effect of this Scheme, the Transferee Company shall account for the Scheme, with effect from the Appointed Date as under:
The Transferee Company shall record the assets and liabilities pertaining to the Transferred Undertaking 2 vested in it in accordance with clause 13 of the Scheme, as per the fair values attributable to such assets and liabilities.
- (b) Upon the coming into effect of this Scheme, the Transferor Company no. 2 shall account for the Scheme, with effect from the Appointed Date as under:
 - (i) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking 2 shall stand reduced/closed on transfer to the Transferee Company in accordance with clause 13 of the Scheme; and
 - (ii) Any difference between the items mentioned in sub-clause (b) (i) above and Consideration as detailed in clause III.E. shall be adjusted by the Transferor Company no. 2 in its profit and loss account.

III.G. REMAINING BUSINESS 2

The Remaining Business 2 and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company no. 2 subject to the provisions of the Scheme.

IV. INCREASE IN AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

(a) Upon the coming into effect of this Scheme, the Authorised Share Capital of the Transferee Company shall, without any further act or deed be automatically increased from Rs. 5,00,000/- (Rupees Five Lacs Only) to Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crores Only). Consequently, clause V of the Memorandum of Association of the Transferee Company (relating to Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to sections 16, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

(b) Upon the coming into effect of this Scheme, the Transferee Company shall file necessary form of notice of increase of Authorised Share Capital with the Registrar of Companies, Gujarat at Ahmedabad and shall pay necessary fees/ duties as may be required to be paid in accordance with law.

V. SCHEME CONDITIONAL ON APPROVAL/SANCTION

This Scheme is conditional upon and subject to:

- (a) the approval by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Transferor Companies and the Transferee Company in accordance with section 391 of the Act;
- (b) the Scheme being sanctioned by the High Court in terms of sections 391 to 394 and other relevant provisions of the Act and the requisite orders of the High Court referred to in clause 23 of the Scheme being obtained;
- (c) the Scheme being approved by BSE and NSE, pursuant to clause 24(f) of the Listing Agreement;
- (d) approvals being obtained from CERC for assignment/transfer of licence issued in favour of the Transferor Company no. 1 to the Transferee Company;
- (e) approvals being obtained from MERC for assignment/transfer of licence issued in favour of the Transferor Company no. 2 to the Transferee Company; and
- (f) the certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat at Ahmedabad.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient features thereof.

13. No investigation proceedings are pending under Sections 235 to 251 of the Act in respect of the Transferor Company no.1.
14. To the knowledge of the Transferor Company no.1, no winding up proceedings have been filed or are pending against the Transferor Company no.1 under the Act.
15. The rights and interests of the Equity Shareholders and/or creditors of the Companies will not be prejudicially affected by the Scheme.
16. Based on the audited accounts, as on 31st March 2014, of the Transferor Company no. 1 and the Transferor Company no. 2, respectively, the Consideration determined, as on the Appointed Date i.e. 31st March 2014, for transfer of Transferred Undertaking 1 and the Transferred Undertaking 2, in terms of clauses 10 and 19 of the Scheme, comes to Rs. 307.06 crores and Rs. 280.50 crores, respectively.

17. The background of the Board of Directors of the Transferor Company no.1 as on 31st May 2014 was as under:

Sr. No.	Name of the Director	Designation	Age (Years)	Educational Qualification
1	Mr. Gautam S. Adani	Chairman	51	S.Y.B.Com
2	Mr. Rajesh S. Adani	Managing Director	49	B.Com
3	Mr. Vneet S Jaain	Executive Director	43	B.E. (Mechanical Engineering)
4	Mr. B B Tandon IAS (Retd)	Director	72	M.A.,LL.B., CAIIB,
5	Mr. Vijay Ranchan IAS (Retd)	Director	71	M.A.
6	Mr. C. P Jain	Director	68	B.Com, LL.B., FCA, A.D.I.M

18. The background of the Board of Directors of the Transferor Company no.2 as on 31st May 2014 was as under:

Sr. No.	Name of the Director	Designation	Age (Years)	Educational Qualification
1	Mr. Jayadeb Nanda	Chairman & Managing Director	56	B.Sc. (Engineering- Electrical)
2	Mr. C. P Sahoo	Director	53	B.Sc.(Engineering – Mechanical)
3	Mr. R. K. Madan	Director	72	B.Sc. (Engineering- Electrical)
4	Mr. Vinod Bhandawat	Director	46	B.Com., ACA, ACS
5	Mr. Vijay Ranchan IAS (Retd)	Director	71	M.A.

19. The background of the Board of Directors of the Transferee Company as on 31st May 2014 was as under:

Sr. No.	Name of the Director	Designation	Age (Years)	Educational Qualification
1	Mr. Vneet S Jaain	Chairman	43	B.E.(Mechanical Engineering)
2	Mr. Deepak Bhargava	Director	58	B.E. (Electrical)
3	Mr. Vinod Bhandawat	Director	46	B.Com, ACA, ACS
4	Mr. Kandarp Patel	Director	42	B.E. (Electrical), MBA

20. The Directors of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company, respectively, may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Transferor Company no.1 and/or to the extent of their shareholding as nominees in the said Companies and/or to the extent the said Directors are common Directors in the Companies and/or to the extent the said Directors are the partners, Directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that holds shares in the Transferor Company no.1 and/or to the extent the said Directors are the Directors/shareholders of AEL and/or to the extent the said Directors are the partners, Directors, members of companies, firms, association of persons, bodies corporate and/or beneficiary of trust that holds shares in AEL and/or to the extent the directors of AEL who are the shareholders of the Companies.

21. The shareholding of the Directors of the Transferor Company no.1 in the Companies as on 31st May 2014 are as under:

Name	Shares held in the Transferor Company no.1	Shares held in the Transferor Company no. 2	Shares held in the Transferee Company
Mr. Gautam S. Adani [@]	Nil	50*	Nil
Mr. Rajesh S. Adani ^{@@}	Nil	50*	Nil
Mr. Vneet S Jaain [§]	65880	1*	1*
Mr. B B Tandon	5000	Nil	Nil
Mr. Vijay Ranchan [#]	5000	Nil	Nil
Mr. C. P Jain	Nil	Nil	Nil

- * holding equity shares as nominee of the Transferor Company no.1 | @@ also director of AEL and holds the aforesaid 62,11,97,910 equity shares of AEL as joint Trustee of S.B. Adani Family Trust
 @ also director of AEL and holds 88,36,750 equity shares of AEL as Trustee of Gautam S. Adani Family Trust and holds 62,11,97,910 equity shares of AEL as Trustee of S. B. Adani Family Trust | § also director of the Transferee Company and holds 3,840 equity shares of AEL
 # also director of the Transferor Company no.2

22. The shareholding of the Directors of the Transferor Company no. 2 in the Companies as on 31st May 2014 are as under:

Name	Shares held in the Transferor Company no.2	Shares held in the Transferor Company no. 1	Shares held in the Transferee Company
Mr. Jayadeb Nanda	1*	Nil	Nil
Mr. C. P. Sahoo	Nil	2975	Nil
Mr. R.K Madan	Nil	30440	Nil
Mr. Vinod Bhandawat [@]	Nil	Nil	1*
Mr. Vijay Ranchan [§]	Nil	5000	Nil

- * holding equity shares as nominee of the Transferor Company no.1 | § also director of the Transferor Company no.1
 @ also director of the Transferee Company

23. The shareholding of the Directors of the Transferee Company in the Companies as on 31st May 2014 are as under:

Name	Shares held in the Transferee Company	Shares held in the Transferor Company no. 1	Shares held in the Transferor Company no.2
Mr. Vneet S Jaain [@]	1*	65880	1*
Mr. Deepak Bhargava	1*	Nil	Nil
Mr. Vinod Bhandawat [§]	1*	Nil	Nil
Mr. Kandarp Patel	1*	13015	Nil

- * holding equity shares as nominee of the Transferor Company no.1 | § also director of the Transferor Company no.2
 @ also director of the Transferor Company no.1

24. The shareholding of the Directors of AEL in the Companies as on 31st May 2014 are as under:

Name	Shares held in the Transferor Company no.1	Shares held in the Transferor Company no. 2	Shares held in the Transferee Company
Mr. Gautam S. Adani [@]	Nil	50*	Nil
Mr. Rajesh S. Adani [@]	Nil	50*	Nil
Mr. Vasant S. Adani	Nil	Nil	Nil
Mr. Ameet H. Desai	Nil	Nil	Nil
Mr. Anil Ahuja	Nil	Nil	Nil
Mr. S.K. Tuteja	5000	Nil	Nil
Dr. Ravindra Dholakia	368	Nil	Nil
Mr. Berjis Desai	Nil	Nil	Nil

- * holding equity shares as nominee of the Transferor Company no.1 | @ also director of the Transferor Company no.1

25. The shareholding pattern of the Transferor Company no. 1 as on 31st May 2014 was as under:

CATEGORY CODE	CATEGORY OF SHAREHOLDERS	NO OF SHARE HOLDERS	TOTAL NUMBER OF SHARES	ASA PERCENTAGE
(I)	(II)	(III)	(IV)	(VI)
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
(a)	Individual /HUF	0	0	0.00
(b)	Central Government/State Government(s)	0	0	0.00
(c)	Bodies Corporate	2	2025356085	70.52
(d)	Financial Institutions / Banks	0	0	0.00
(e)	Others	0	0	0.00
	Sub-Total A(1) :	2	2025356085	70.52
(2)	FOREIGN			
(a)	Individuals (NRIs/Foreign Individuals)	1	57700000	2.01
(b)	Bodies Corporate	1	70878997	2.47
(c)	Institutions	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0.00
(e)	Others	0	0	0.00
	Sub-Total A(2) :	2	128578997	4.48
	Total A=A(1)+A(2)	4	2153935082	75.00
(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	5	1150233	0.04
(b)	Financial Institutions /Banks	11	16170388	0.56
(c)	Central Government / State Government(s)	0	0	0.00
(d)	Venture Capital Funds	0	0	0.00
(e)	Insurance Companies	0	0	0.00
(f)	Foreign Institutional Investors	73	216911893	7.55
(g)	Foreign Venture Capital Investors	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0.00
(i)	Others	0	0	0.00
	Sub-Total B(1) :	89	234232514	8.16
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	1835	28967022	1.01
(b)	Individuals			
	(i) Individuals holding nominal share capital upto Rs.1 lakh	283802	86235204	3.00
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	595	17692461	0.62

CATEGORY CODE	CATEGORY OF SHAREHOLDERS	NO OF SHARE HOLDERS	TOTAL NUMBER OF SHARES	AS A PERCENTAGE
(I)	(II)	(III)	(IV)	(VI)
(c)	Others			
	Trusts	12	9648	0.00
	Non Resident Indians	2202	2662454	0.09
	Foreign Nationals	7	1316900	0.04
	Foreign Bodies Corporate	6	342488213	11.93
	Directors & their relatives	3	75880	0.00
	Clearing members	473	4306732	0.15
(d)	Qualified Foreign Investor	0	0	0.00
	Sub-Total B(2) :	288935	483754514	16.84
	Total B=B(1)+B(2) :	289024	717987028	25.00
	Total (A+B) :	289028	2871922110	100.00
(C)	Shares held by custodians, against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group			
(2)	Public	0	0	0.00
	GRAND TOTAL (A+B+C) :	289028	2871922110	100.00

26. The shareholding pattern of the Transferor Company no. 2 as on 31st May 2014 was as under:

NAME	NUMBER OF SHARES HELD	%
Adani Power Limited	285,47,31,136	100.00
Mr. Gautam S. Adani	50*	-
Mr. Rajesh S. Adani	50*	-
Mr. Devang Desai	1*	-
Mr. Vneet S Jaain	1*	-
Mr. Jayadeb Nanda	1*	-
Mr. Jatin Jalundhwala	1*	-
TOTAL	285,47,31,240	100.00

* holding equity shares as nominee of the Transferor Company no.1.

27. The shareholding pattern of the Transferee Company as on 31st May 2014 before issuance of shares in terms of the Scheme is as under:

NAME	NUMBER OF SHARES HELD	%
Adani Power Limited	49994	100.00
Mr. Devang Desai	1*	-
Mr. Vneet S Jaain	1*	-
Mr. Deepak Bhargava	1*	-
Mr. Vinod Bhandawat	1*	-
Mr. Kandarp Patel	1*	-
Mr. Jatin Jalundhwala	1*	-
TOTAL	50,000	100.00

* holding equity shares as nominee of the Transferor Company no. 1

28. The shareholding pattern of the Transferee Company after the issuance of shares in terms of the Scheme will be as under:

NAME	NUMBER OF SHARES	%
Adani Power Limited	10,00,49,994**	90.91**
Adani Power Maharashtra Limited	1,00,00,000**	9.09**
Mr. Devang Desai	1*	0.00
Mr. Vneet S Jaain	1*	0.00
Mr. Deepak Bhargava	1*	0.00
Mr. Vinod Bhandawat	1*	0.00
Mr. Kandarp Patel	1*	0.00
Mr. Jatin Jalundhwala	1*	0.00
Total	11,00,50,000**	100.00

* shall continue to hold equity shares as nominee(s) of the Transferor Company no.1

** expected figures which are subject to Clause 10.5 and Clause 19.5 of the Scheme.

29. The capital structure of the Transferee Company after the implementation of the Scheme will be as follows:

Particulars	Amount in Rupees
Authorised:	
12,00,00,000 equity shares of Rs. 10/- each	120,00,00,000
Total	120,00,00,000
Issued, Subscribed and Paid Up:	
11,00,50,000 equity shares of Rs. 10/- each	110,05,00,000*
Total	110,05,00,000*

** Expected figures which are subject to clause 10.5 and clause 19.5 of the Scheme

30. The Transferor Company no.1 had preferred Company Application No. 170 of 2014 for seeking directions from the High Court to convene separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company no.1 to consider and approve the Scheme. The High Court by its order dated 27th June 2014 was pleased to direct the convening of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company no.1 on 14th August 2014.
31. An equity shareholder/creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not be a member/creditor of the Transferor Company no.1. The instrument appointing the proxy should however be deposited at the registered office of the Transferor Company no.1 not later than 48 (forty eight) hours prior to the commencement of the respective meetings.
32. Corporate members/creditors intending to send their authorised representative 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 respective meetings authorising such person to attend and vote on its behalf at such meeting.

33. The following documents will be open for inspection at the registered office of the Transferor Company no.1 between 11.00 a.m. and 1.00 p.m. on all days (except Saturdays, Sundays and Public Holidays) upto the date of the Court convened meeting:
- (a) Copy of the order dated 27th June 2014 of the High Court passed in Company Application No. 170 of 2014 directing the convening of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors;
 - (b) Copy of the Company Application No. 170 of 2014, alongwith annexures, filed by the Transferor Company no.1 before the High Court;
 - (c) Copy of the Scheme;
 - (d) Memorandum and Articles of Association of the Transferor Company no.1, the Transferor Company no. 2 and the Transferee Company;
 - (e) The Audited Financial Statements of the Transferor Company no. 1 and the Transferor Company no. 2 for the last 3 financial periods ended 31st March 2014, 31st March 2013 and 31st March 2012 and the Audited Financial Statement of the Transferee Company for the financial period ended 31st March 2014;
 - (f) The Audited Financial Statements of AEL for the financial period ended 31st March 2014;
 - (g) Copy of the certificates dated 28th December 2013 and 16th June 2014 issued by M/s. Parikh Mehta & Associates, Chartered Accountants showing the balance of the unsecured loan taken by the Transferor Company no. 1 from AEL as on 27th December 2013 and as on 31st March 2014;
 - (h) Copy of the certificates dated 28th December 2013 and 16th June 2014 issued by M/s. Parikh Mehta & Associates, Chartered Accountants showing the balance of the unsecured loan taken by the Transferor Company no. 2 from AEL as on 27th December 2013 and as on 31st March 2014;
 - (i) Copies of the Observation Letters both dated 21st March 2014 received from BSE and NSE, respectively;
 - (j) Copy of the Valuation Report dated 27th December 2013 from M/s. BSR and Associates, Chartered Accountants;
 - (k) Copy of the Valuation Report dated 27th December 2013 from KPMG India Private Limited;
 - (l) Copy of the Fairness Opinion dated 27th December 2013 from ICICI Securities Limited;
 - (m) Copy of the Audit Committee report dated 28th December 2013;
 - (n) Complaints Report dated 14th February 2014 submitted by the Transferor Company no. 1 to the BSE and NSE and also uploaded on respective websites; and
 - (o) Copy of the Undertaking dated 28th December 2013 issued by the Transferor Company no. 1 and the Certificate dated 28th December 2013 issued by M/s. Deloitte Haskins & Sells, Chartered Accountants and the Statutory Auditor of the Transferor Company no. 1 in respect of non-applicability of Paragraph 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 (as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013).
34. This statement may be treated as an Explanatory Statement under Section 393 of the Act and also Section 102 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and a Form of Proxy may be obtained from the registered office of the Transferor Company no. 1 on all days (except Saturdays, Sundays and Public Holidays).
35. After the Scheme is approved by the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company no. 1, it will be subject to approval/ sanction by the High Court.

Sd/-

Vneet S Jaain

Chairman appointed for the meeting

Dated this 30th day of June 2014.

Place: Ahmedabad

Registered Office:

Shikhar,
Near Adani House,
Mithakhali Six Roads,
Navrangpura,
Ahmedabad-380 009,
Gujarat.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AMONG

ADANI POWER LIMITED

... Transferor Company no.1

AND

ADANI POWER MAHARASHTRA LIMITED

... Transferor Company no.2

AND

ADANI TRANSMISSION (INDIA) LIMITED

..... Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Preamble

This Scheme (as defined hereinafter) is presented under sections 391 to 394 and other relevant provisions of the Act (as defined hereinafter), for demerger of the Transferred Undertakings (as defined hereinafter) of the Transferor Companies (as defined hereinafter) and transfer of the Transferred Undertakings to the Transferee Company (as defined hereinafter) and for matters consequential, supplemental and/or otherwise integrally connected therewith.

A. Background, Rationale and Objectives

1. The Transferor Company no.1 (as defined hereinafter) was incorporated on August 22, 1996, under the provisions of the Act, in the name of Adani Power Limited. The name of the Transferor Company no.1 was changed to Adani Power Private Limited with effect from June 3, 2002 and the name was further changed to Adani Power Limited with effect from April 12, 2007.
2. The Transferor Company no.1 is engaged, inter alia, in the business of generation of power and has installed and commissioned power plant of 4620 MW capacity in the State of Gujarat. The Transferor Company no.1 is also in the business of power transmission and in this regard the Transferor Company no.1 has erected, installed and commissioned (a) +/- 500 kv High Voltage Direct Current (HVDC) bi-pole transmission line from Mundra Thermal Power Plant (Gujarat) of the Transferor Company no.1 to Mohindergarh (Haryana) of about 990 kms. alongwith terminal stations, earth electrode stations, earth electrode lines and Optical Fibre Ground Wire (OPGW) repeater stations; (b) associated 400 kv double circuit (D/C) transmission line from Mohindergarh to Power Grid Corporation of India Limited (PGCIL) Bhiwani sub-station (Haryana) of about 50 kms. alongwith end termination bays; (c) 400 kv D/C transmission line from Mohindergarh to Dhanonda (Haryana) of about 5 kms. and termination bays at Mohindergarh; and (d) 400 kv D/C transmission line of Mundra-Sami-Dehgam (Gujarat) of about 434 kms. alongwith switch yard/end termination bays and switching station at Sami (Gujarat) including fixed series capacitor. The equity shares of the Transferor Company no.1 are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Transferor Company no.1 is a subsidiary of Adani Enterprises Limited (AEL). As on December 27, 2013, AEL holds 68.99% of the Equity Shares in the paid-up share capital of the Transferor Company no.1. AEL has also provided loans (about Rs. 6183.01 crores as on December 27, 2013) to the Transferor Company no.1 for its business operations.

3. The Transferor Company no.2 (as defined hereinafter) was incorporated on April 11, 2007, under the provisions of the Act, in the name of Adani Power Maharashtra Private Limited. The name of the Transferor Company no.2 was changed to Adani Power Maharashtra Limited with effect from May 16, 2008.
4. The Transferor Company no.2 is engaged, inter alia, in the business of generation of power and out of the total capacity of 3300 MW, the Transferor Company no.2 has installed and commissioned power plant of 1980 MW capacity in the State of Maharashtra. In respect of the balance, the Transferor Company no.2 is in the process of commissioning power plant (1320 MW) capacity in the State of Maharashtra. The Transferor Company no.2 is also in the business of power transmission and in this regard the Transferor Company no.2 has erected, installed and commissioned 400 kv D/C transmission line from Tiroda (Maharashtra) to Warora (Maharashtra) of about 218 kms. alongwith end termination bays. The Transferor Company no.2 is a wholly owned subsidiary of the Transferor Company no.1. The Transferor Company no.2 is also a subsidiary of AEL in terms of section 2(87) of the Companies Act, 2013. AEL has also provided loans (about Rs. 30.64 crores as on December 27, 2013) to the Transferor Company no.2 for its business operations.
5. The Transferee Company was recently incorporated on December 2, 2013, under the provisions of the Act, in the name of Adani Transmission (Gujarat) Limited to, inter alia, carry on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems. The name of the Transferee Company was changed to Adani Transmission (India) Limited with effect from February 13 2014. The Transferee Company is a wholly owned subsidiary of the Transferor Company no.1. The Transferee Company is also a subsidiary of AEL in terms of section 2(87) of the Companies Act, 2013.
6. In order to achieve utmost synergy and efficiency of operations and management of the power transmission business which includes opportunity to pursue focused growth opportunities in the power transmission business, the Transferor Companies and the Transferee Company have, as part of the business reorganisation, decided to restructure their power transmission business in the interest of all stakeholders. Therefore, with a view to effect such reorganisation, the present Scheme is proposed for demerger of the Transferred Undertakings of the Transferor Companies and transfer of the same to the Transferee Company.
7. The Scheme would, inter alia, result in the following:
 - (a) Better Regulatory Compliance of Power Transmission business
 - (b) Efficient and focused management of Power Transmission business

B. Parts of the Scheme

The Scheme is divided into following parts:

- Part I** : deals with the Definitions and Share Capital of the Transferor Companies and the Transferee Company;
- Part II** : deals with the demerger of the Transferred Undertaking 1 from the Transferor Company no.1 and its vesting in the Transferee Company for consideration and matters incidental thereto;
- Part III** : deals with the demerger of the Transferred Undertaking 2 from the Transferor Company no.2 and its vesting in the Transferee Company for consideration and matters incidental thereto; and
- Part IV** : deals with General Terms and Conditions that would be applicable to the Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. Definitions

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

- 1.1 **"Act"** means the Companies Act, 1956 and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force;

- 1.2 **"Appointed Date"** means 31st March 2014;
- 1.3 **"Board"** or **"Board of Directors"** means the Board of Directors of the Transferor Company no.1 or the Transferor Company no.2 or the Transferee Company as the context may require and shall include a committee of such Board duly constituted and authorised;
- 1.4 **"CERC"** means Central Electricity Regulatory Commission constituted under section 76 of The Electricity Act, 2003;
- 1.5 **"Effective Date"** means the last of the dates on which all conditions, matters and filings referred to in clause 25 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme being effective"** shall mean the Effective Date;
- 1.6 **"High Court"** means the High Court of Gujarat at Ahmedabad having jurisdiction in relation to the Transferor Companies and the Transferee 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 in relation to the Scheme under the Act;
- 1.7 **"MERC"** means Maharashtra Electricity Regulatory Commission constituted under section 82 of The Electricity Act, 2003;
- 1.8 **"Remaining Business 1"** means all the remaining businesses and/or divisions/undertakings of the Transferor Company no.1 other than the Transferred Undertaking 1;
- 1.9 **"Remaining Business 2"** means all the remaining businesses and/or divisions/undertakings of the Transferor Company no.2 other than the Transferred Undertaking 2;
- 1.10 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this scheme of arrangement in its present form filed with the High Court or with any modifications/amendments approved or imposed or directed by the High Court or modifications/amendments made under clause 24 hereof;
- 1.11 **"Transferor Company no.1"** means Adani Power Limited, a company incorporated under the provisions of the Act and having its registered office at Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat;
- 1.12 **"Transferor Company no.2"** means Adani Power Maharashtra Limited, a company incorporated under the provisions of the Act and having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat;
- 1.13 **"Transferor Companies"** means together Transferor Company no.1 and the Transferor Company no.2 and **"Transferor Company"** means one of them;
- 1.14 **"Transferee Company"** means Adani Transmission (India) Limited, a company incorporated under the provisions of the Act and having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat;
- 1.15 **"Transferred Undertaking 1"** means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company no.1 pertaining to its power transmission business, on a going concern basis, which shall mean and include, without limitation:
- (a) +/- 500 kv High Voltage Direct Current (HVDC) bi-pole transmission line from Mundra Thermal Power Plant (Gujarat) to Mohindergarh (Haryana) of about 990 kms. alongwith terminal stations, earth electrode stations, earth electrode lines and Optical Fibre Ground Wire (OPGW) repeater stations;
 - (b) associated 400 kv double circuit (D/C) transmission line from Mohindergarh to Power Grid Corporation of India Limited (PGCIL) Bhiwani sub-station (Haryana) of about 50 kms. alongwith end termination bays;
 - (c) 400 kv D/C transmission line from Mohindergarh to Dhanonda (Haryana) of about 5 kms. and termination bays at Mohindergarh;
 - (d) 400 kv D/C transmission line of Mundra-Sami-Dehgam (Gujarat) of about 434 kms. alongwith switch yard/end termination bays and switching station at Sami (Gujarat) including fixed series capacitor;

- (e) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise, in relation to sub-stations, switch yards, terminal stations, earth electrode stations, OPGW repeater stations, foundations for tower structures/switch yards/sub-stations/terminal stations equipments, workshops, stores, office buildings, stock yards (whether open or covered), fire fighting reservoirs, earthing/grounding systems, guest houses, residential premises occupied by the employees engaged for the purposes of the power transmission business, etc.), which immovable properties are currently being used for the purpose of the power transmission business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (f) all assets, as are movable in nature pertaining to the power transmission business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work-in-progress, transmission towers, insulators, conductors, OPGW, earth wires, hardware fittings, earthing arrangements, transmission tower/line accessories, DG sets, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations, vehicles, inventory, tools and plants, testing equipments, tension stringing equipments and emergency restoration systems), actionable claims, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs and tax refunds;
- (g) all permits, licences, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of power transmission business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the power transmission business;
- (h) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the power transmission business;
- (i) all applications (including hardware, software, licences, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the power transmission business;
- (j) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or

possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company no.1 pertaining to the power transmission business or in connection with or relating to the Transferor Company no.1 in respect of the power transmission business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company no.1 and pertaining to the power transmission business;

- (k) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, datas, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the power transmission business;
- (l) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks/financial institutions to be transferred to the Transferee Company), obligations, duties and liabilities including contingent liabilities of the Transferor Company no.1 pertaining to and/or arising out of and/or relatable to the power transmission business;
- (m) all employees of the Transferor Company no.1 employed/engaged in the power transmission business as on the Effective Date; and
- (n) all legal or other proceedings of whatsoever nature that pertain to the power transmission business of the Transferor Company no.1.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the power transmission business of the Transferor Company no.1 or whether it arises out of the activities or operations of the power transmission business of the Transferor Company no.1, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company no.1 and the Transferee Company.

1.16 "**Transferred Undertaking 2**" means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company no.2 pertaining to its power transmission business, on a going concern basis, which shall mean and include, without limitation:

- (a) 400 kv D/C transmission line from Tiroda (Maharashtra) to Warora (Maharashtra) of about 218 kms. alongwith end termination bays;
- (b) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise, in relation to sub-stations, switch yards, foundations for tower structures/switch yards/sub-stations equipments, workshops, stores, office buildings, stock yards (whether open or covered), earthing/grounding systems, guest houses, residential premises occupied by the employees engaged for the purposes of the power transmission business, etc.), which immovable properties are currently being used for the purpose of the power transmission business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (c) all assets, as are movable in nature pertaining to the power transmission business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work-in-progress, transmission towers, insulators, conductors, earth wires, hardware fittings, earthing arrangements, transmission tower/line accessories, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations, vehicles, inventory, tools and plants, testing equipments and tension stringing equipments), actionable claims, earnest monies and

- sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs and tax refunds;
- (d) all permits, licences, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of power transmission business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the power transmission business;
- (e) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of the meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/pachnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the power transmission business;
- (f) all applications (including hardware, software, licences, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the power transmission business;
- (g) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company no.2 pertaining to the power transmission business or in connection with or relating to the Transferor Company no.2 in respect of the power transmission business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company no.2 and pertaining to the power transmission business;
- (h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, datas, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the power transmission business;
- (i) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions, obligations, duties and liabilities including contingent liabilities of the Transferor Company no.2 pertaining to and/or arising out of and/or relating to the power transmission business;

- (j) all employees of the Transferor Company no.2 employed/engaged in the power transmission business as on the Effective Date; and
- (k) all legal or other proceedings of whatsoever nature that pertain to the power transmission business of the Transferor Company no.2.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the power transmission business of the Transferor Company no.2 or whether it arises out of the activities or operations of the power transmission business of the Transferor Company no.2, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company no.2 and the Transferee Company.

1.17 **"Transferred Undertakings"** means together the "Transferred Undertaking 1" and "Transferred Undertaking 2".

2. Date of coming into effect

2.1 This Scheme shall be effective from the Appointed Date, but shall be operative from the Effective Date.

3. Share Capital

3.1 The authorized, issued, subscribed and paid up share capital of the Transferor Company no.1 as on December 27, 2013 was as under:

Particulars	Amount in Rupees
Authorised:	
350,00,00,000 Equity shares of Rs. 10/- each	3500,00,00,000
50,00,00,000 Cumulative Compulsorily Convertible Participatory Preference Shares of Rs. 10/ each	500,00,00,000
Total	4000,00,00,000
Issued, Subscribed and Paid-up:	
287,19,22,110 Equity Shares of Rs. 10/- each, fully paid up	2871,92,21,100
Total	2871,92,21,100

3.2 The authorized, issued, subscribed and paid up share capital of the Transferor Company no. 2 as on December 27, 2013 was as under:

Particulars	Amount in Rupees
Authorised:	
425,00,00,000 Equity shares of Rs. 10/- each	4250,00,00,000
75,00,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each	750,00,00,000
Total	5000,00,00,000
Issued, Subscribed and Paid-up:	
285,47,31,240 Equity Shares of Rs. 10/- each, fully paid up	2854,73,12,400
Total	2854,73,12,400

- 3.3 The authorized, issued, subscribed and paid up share capital of the Transferee Company as on December 27, 2013 was as under:

Particulars	Amount in Rupees
Authorised:	
50,000 Equity shares of Rs. 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid Up:	
50,000 Equity shares of Rs. 10/- each	5,00,000
Total	5,00,000

PART II

DEMERGER OF THE TRANSFERRED UNDERTAKING 1 FROM THE TRANSFEROR COMPANY NO.1 AND ITS VESTING IN THE TRANSFEEE COMPANY

4. **Transfer and vesting of the Transferred Undertaking 1**
- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Transferred Undertaking 1 shall, without any further act, instrument, deed, matter or thing, be demerged from the Transferor Company no.1 and transferred to and vested in the Transferee Company or be deemed to have been demerged from the Transferor Company no.1 and transferred to and vested in the Transferee Company as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to section 394(2) of the Act, subject however, to the subsisting charges thereon in favour of banks and/or financial institutions in relation to the liabilities/borrowings being transferred to the Transferee Company under this Scheme.
- 4.2 In respect of such of the assets of the Transferred Undertaking 1 as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall stand transferred by the Transferor Company no.1 upon coming into effect of this Scheme pursuant to the provisions of section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking 1.
- 4.3 In respect of assets other than those dealt with in clause 4.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company no.1 to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 4.4 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company no.1 in any leasehold/leave and licence/right of way properties of the Transferor Company no.1 in relation to the Transferred Undertaking 1, shall, pursuant to section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company on the same terms and conditions.
- 4.5 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or

executed in favour of the Transferor Company no.1, and the rights and benefits under the same, in so far as they relate to the Transferred Undertaking 1 and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties and all other interests relating to the goods or services being dealt with by the Transferred Undertaking 1, shall be transferred to and vested in the Transferee Company and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Transferred Undertaking 1 of the Transferor Company no.1 in the Transferee Company and continuation of operations pertaining to the Transferred Undertaking 1 of the Transferor Company no.1 in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company no.1, the Transferee Company had been a party or beneficiary or obligee thereto.

- 4.6 In so far as various incentives, exemptions, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company no.1 are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertaking 1, vest with and be available to the Transferee Company on the same terms and conditions.
- 4.7 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company no.1 after the Appointed Date and prior to the Effective Date for operation of the Transferred Undertaking 1 shall also stand transferred to and vested in the Transferee Company upon coming into effect of this Scheme.
- 4.8 Upon the coming into effect of this Scheme, all debts (whether secured or unsecured), borrowings including loans and borrowings from banks and/or financial institutions (to the extent of the said loans/borrowings that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Transferee Company), obligations, duties and liabilities (including contingent liabilities) of the Transferor Company no.1 relating to the Transferred Undertaking 1 shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, borrowings, obligations, duties and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company no.1 and to keep the Transferor Company no.1 indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 4.9 Where any of the liabilities and obligations of the Transferor Company no.1 as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company no.1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all liabilities and obligations incurred by the Transferor Company no.1 for the operations of the Transferred Undertaking 1 after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 4.10 Any claims, liabilities or demands arising on account of the Transferred Undertaking 1 which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Transferor Company no.1, then the Transferee Company shall indemnify the Transferor Company no.1 for any payments made in relation to the same.
- 4.11 In so far as the assets of the Transferred Undertaking 1 are concerned, the security, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business 1 of the Transferor Company no.1 shall, without any further act, instrument or

deed be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Transferor Company no.1 which are not transferred to the Transferee Company.

- 4.12 In so far as the assets of the Remaining Business 1 of the Transferor Company no.1 are concerned, the security/existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Transferred Undertaking¹ (as that may be allocated/demarcated by the concerned banks and/or financial institutions to be transferred to the Transferee Company) shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- 4.13 In so far as the existing security in respect of the loans of the Transferor Company no.1 and other liabilities relating to the Remaining Business 1 of the Transferor Company no.1 are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Company no.1 only on the assets remaining with the Transferor Company no.1.
- 4.14 Without any prejudice to the provisions of the foregoing clauses, the Transferor Company no.1 and the Transferee Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 4.15 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities being transferred under this Scheme and the Transferor Company no.1 shall not have any obligations in respect of the same.
- 4.16 Upon the coming into effect of this Scheme, the Transferor Company no.1 alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business 1 and the Transferee Company shall not have any obligations in respect of the Remaining Business 1.
- 4.17 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of the foregoing clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5. Legal Proceedings

- 5.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company no.1, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking 1 shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company no.1 and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company no.1. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Transferred Undertaking 1 or not, a decision jointly taken by the Board of Directors of the Transferor Company no.1 and the Transferee Company in this regard, shall be conclusive evidence of the matter.
- 5.2 If proceedings are taken against the Transferor Company no.1 in respect of the matters referred to in clause 5.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company no.1 against all the liabilities and obligations incurred by the Transferor Company no.1 in respect thereof.
- 5.3 The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Transferor Company no.1 in respect of the matters referred to in clause 5.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company no.1.

6. Contracts, deeds, etc.

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking 1 to which the Transferor Company no.1 is a party or to the benefit of which the Transferor Company no.1 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company no.1, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 Notwithstanding the fact that vesting of the Transferred Undertaking 1 occurs by virtue of the Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company no.1 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferor Company no.1 will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company no.1 and to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company no.1 to be carried out or performed.

7. Saving of concluded transactions

7.1 The transfer and vesting of the assets, liabilities and obligations of the Transferred Undertaking 1 under clause 4 hereof and the continuance of the proceedings by or against the Transferee Company under clause 5 hereof shall not affect any transactions or proceedings already completed by the Transferor Company no.1 on and after the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company no.1 as acts, deeds and things done and executed by and on behalf of the Transferee Company.

8. Employees of the Transferred Undertaking 1

8.1 Upon the coming into effect of this Scheme, all the employees relating to the Transferred Undertaking 1 that were employed by the Transferor Company no.1, immediately before Effective Date, shall become employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Transferred Undertaking 1 of the Transferor Company no.1 immediately prior to the demerger of the Transferred Undertaking 1.

8.2 The Transferee Company agrees that the service of all employees pertaining to the Transferred Undertaking 1 with the Transferor Company no.1 up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company no.1 up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company no.1, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

8.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees relating to the Transferred Undertaking 1, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the Transferred Undertaking 1 to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company no.1.

8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund / trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits created by the Transferor Company no.1 for employees of the Transferred Undertaking 1 are concerned, such proportion of the funds,

contributions to the funds or the scheme or the investments made into the funds relating to the employees pertaining to the Transferred Undertaking 1 as on the Effective Date, who are being transferred along with the Transferred Undertaking 1 in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company no.1.

9. Business and property in trust and conduct of the Transferred Undertaking 1 for the Transferee Company

With effect from the Appointed Date and up to and including the Effective Date:

- 9.1 the Transferor Company no.1 shall be carrying on and be deemed to have been carrying on all business and activities relating to the Transferred Undertaking 1 and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferred Undertaking 1 for and on account of, and in trust for the Transferee Company;
- 9.2 all income or profits accruing or arising to the Transferor Company no.1, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Transferred Undertaking 1 shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of the Transferee Company;
- 9.3 the Transferor Company no.1 undertakes that it will preserve and carry on the business of the Transferred Undertaking 1 with diligence and utmost business prudence and agrees that it will not, without prior written consent of the Transferee Company, alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Transferred Undertaking 1 or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of the Transferee Company or undertake substantial expansion or change the general character or nature of the business of the Transferred Undertaking 1; and
- 9.4 the Transferor Company no.1 and/or the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferred Undertaking 1.

10. Consideration

- 10.1 The consideration for the demerger pursuant to Part II shall be determined as follows:
An amount of Rs. 4293.61 crores (Rupees Four Thousand Two Hundred Ninety Three Crores and Sixty One Lacs) as determined, based on fair value of assets of the Transferred Undertaking 1:
- (a) reduced by the liabilities of Rs. 2981.53 crores (Rupees Two Thousand Nine Hundred Eighty One Crores and Fifty Three Lacs) towards banks and financial institutions and allocated for the Transferred Undertaking 1;
- (b) reduced by the liability of Rs. 1200.00 crores (Rupees Twelve Hundred Crores) to be discharged by the Transferee Company to AEL and pertaining to the Transferred Undertaking 1; and
- (c) increased by the net current assets of Rs. 56.39 crores (Rupees Fifty Six Crores and Thirty Nine Lacs) of the Transferred Undertaking 1.
- 10.2 The amount so arrived at, under clause 10.1 above, shall be the "**Consideration**", which amount shall be subject to adjustments to be made pursuant to clause 10.4 below. It is hereby clarified that the amounts stipulated in clause 10.1 above are based on figures as of 31st October 2013 provided by the Transferor Company no.1.
- 10.3 The Transferee Company shall discharge the Consideration, subject to clause 10.4 and clause 10.5 herein below, in the following manner:
- (a) The Transferee Company shall, within 60 (Sixty) days from the Effective Date, issue and allot to the Transferor Company no.1 10,00,00,000 (Ten Crores) equity shares of the face value of Rs. 10/- (Ten) each at par credited as fully paid-up; and

- (b) The Transferee Company shall, within 90 (Ninety) days from the Effective Date, pay the balance amount of the Consideration in cash to the Transferor Company no.1.
- 10.4 For determining the Consideration on the Appointed Date, the following adjustments shall be made to the Consideration determined under clause 10.1 above:
- (i) If the estimated liabilities as on the Appointed Date, as mentioned in clause 10.1(a) and clause 10.1(b) above, is increased or decreased compared with the figures of the corresponding liabilities as on 31st October 2013 provided by the Transferor Company no.1, the difference shall be adjusted to the Consideration determined under clause 10.1 above;
 - (ii) If the estimated net current assets as on the Appointed Date, as mentioned in clause 10.1(c) above, is increased or decreased compared with the figures of the net current assets as on 31st October 2013 provided by the Transferor Company no.1, the difference shall be adjusted to the Consideration determined under clause 10.1 above; and
 - (iii) If the fixed assets of the Transferred Undertaking 1 as on the Appointed Date is increased or decreased with the figures of the fixed assets of the Transferred Undertaking 1 as on 31st October 2013 provided by the Transferor Company no.1, the difference shall be adjusted to the Consideration determined under clause 10.1 above.
- 10.5 Any increase or decrease in the aggregate Consideration duly adjusted under clause 10.4 above, would be discharged by increasing or decreasing the balance amount of the Consideration to be paid to the Transferor Company no.1 under clause 10.3(b) above. In the event of the decrease in the aggregate Consideration duly adjusted under clause 10.4 above is more than the amount to be paid under clause 10.3(b) above then in that case the Consideration under clause 10.3(a) above would be reduced accordingly.
- 10.6 In case of any doubt or difficulty that may arise in implementing clauses 10.1 to 10.5 above, the same shall be resolved mutually by the board of directors of the Transferor Company no.1 and the Transferee Company.
- 10.7 The Transferred Undertaking 1 has been duly valued by M/s. BSR and Associates, Chartered Accountants, an independent valuer. Further, ICICI Securities Limited has provided a fairness opinion on fairness of the Consideration determined for the transfer of the Transferred Undertaking 1 to the Transferee Company. The valuation report and the fairness opinion as aforesaid have been duly approved by the Boards of Directors of the Transferor Company no.1 and the Transferee Company.
- 10.8 The Equity Shares issued pursuant to clause 10.3(a) above shall be issued in a dematerialised form by the Transferee Company. The Transferor Company no.1 shall be required to have an account with the depository participant and shall provide details thereof and such other confirmations as may be required by the Transferee Company.
- 10.9 The Equity Shares of the Transferee Company to be issued to the Transferor Company no.1 in terms of clause 10.3(a) above shall be subject to the provisions of the Articles of Association of the Transferee Company and shall rank pari passu with the existing Equity Shares of the Transferee Company in all respects.
- 10.10 The issue and allotment of Equity Shares by the Transferee Company to the Transferor Company no.1 in terms of clause 10.3(a) above shall be an integral part of this Scheme, and deemed to be in due compliance of the provisions of section 81(1A) and other applicable provisions of the Act.
- 11. Accounting in the books of the Transferor Company no.1 and the Transferee Company**
- 11.1 Upon the coming into effect of this Scheme, the Transferee Company shall account for the Scheme, with effect from the Appointed Date as under:
- The Transferee Company shall record the assets and liabilities pertaining to the Transferred Undertaking 1 vested in it in accordance with clause 4, as per the fair values attributable to such assets and liabilities.
- 11.2 Upon the coming into effect of this Scheme, the Transferor Company no. 1 shall account for the Scheme, with effect from the Appointed Date as under:
- (a) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking 1 shall stand reduced/closed on transfer to the Transferee Company in accordance with clause 4; and

- (b) Any difference between the items mentioned in clause 11.2(a) above and Consideration as detailed in clause 10 shall be adjusted by the Transferor Company no. 1 in its profit and loss account.

12. Remaining Business 1

- 12.1 The Remaining Business 1 and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company no.1 subject to the provisions of the Scheme.
- 12.2 All legal or other proceedings by or against the Transferor Company no.1 under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business 1 (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company no.1 in respect of the Remaining Business 1) shall be continued and enforced by or against the Transferor Company no.1. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Transferor Company no.1.
- 12.3 With effect from the Appointed Date and up to and including the Effective Date:
 - (a) the Transferor Company no.1 shall be deemed to have been carrying on all business and activities relating to the Remaining Business 1 for and on its own behalf;
 - (b) all profits accruing to the Transferor Company no.1 thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business 1 shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company no.1; and
 - (c) all employees relatable to the Remaining Business 1 shall continue to be employed by the Transferor Company no.1 and the Transferee Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PART III

DEMERGER OF THE TRANSFERRED UNDERTAKING 2 FROM THE TRANSFEROR COMPANY NO.2 AND ITS VESTING IN THE TRANSFEEE COMPANY

13. Transfer and vesting of the Transferred Undertaking 2

- 13.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Transferred Undertaking 2 shall, without any further act, instrument, deed, matter or thing, be demerged from the Transferor Company no.2 and transferred to and vested in the Transferee Company or be deemed to have been demerged from the Transferor Company no.2 and transferred to and vested in the Transferee Company as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to section 394(2) of the Act, subject however, to the subsisting charges thereon in favour of banks and/or financial institutions in relation to the liabilities/borrowings being transferred to the Transferee Company under this Scheme.
- 13.2 In respect of such of the assets of the Transferred Undertaking 2 as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall stand transferred by the Transferor Company no.2 upon coming into effect of this Scheme pursuant to the provisions of section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking 2.
- 13.3 In respect of assets other than those dealt with in clause 13.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company no.2 to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or

deposit stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

- 13.4 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company no.2 in any leasehold/leave and licence/right of way properties of the Transferor Company no.2 in relation to the Transferred Undertaking 2, shall, pursuant to section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company on the same terms and conditions.
- 13.5 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor Company no.2, and the rights and benefits under the same, in so far as they relate to the Transferred Undertaking 2 and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties and all other interests relating to the goods or services being dealt with by the Transferred Undertaking 2, shall be transferred to and vested in the Transferee Company and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Transferred Undertaking 2 of the Transferor Company no.2 in the Transferee Company and continuation of operations pertaining to the Transferred Undertaking 2 of the Transferor Company no.2 in the Transferee Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company no.2, the Transferee Company had been a party or beneficiary or obligee thereto.
- 13.6 In so far as various incentives, exemptions, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Transferor Company no.2 are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertaking 2, vest with and be available to the Transferee Company on the same terms and conditions.
- 13.7 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company no.2 after the Appointed Date and prior to the Effective Date for operation of the Transferred Undertaking 2 shall also stand transferred to and vested in the Transferee Company upon coming into effect of this Scheme.
- 13.8 Upon the coming into effect of this Scheme, all debts (whether secured or unsecured), borrowings including loans and borrowings from banks and/or financial institutions, obligations, duties and liabilities (including contingent liabilities) of the Transferor Company no.2 relating to the Transferred Undertaking 2 shall without any further act, instrument or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, borrowings, obligations, duties and liabilities of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company no.2 and to keep the Transferor Company no.2 indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 13.9 Where any of the liabilities and obligations of the Transferor Company no.2 as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company no.2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all liabilities and obligations incurred by the Transferor Company no.2 for the operations of the Transferred Undertaking 2 after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on

behalf of the Transferee Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

- 13.10 Any claims, liabilities or demands arising on account of the Transferred Undertaking 2 which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Transferor Company no.2, then the Transferee Company shall indemnify the Transferor Company no.2 for any payments made in relation to the same.
- 13.11 In so far as the assets of the Transferred Undertaking 2 are concerned, the security, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business 2 of the Transferor Company no.2 shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Transferor Company no.2 which are not transferred to the Transferee Company.
- 13.12 In so far as the assets of the Remaining Business 2 of the Transferor Company no.2 are concerned, the security/existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Transferred Undertaking 2 shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- 13.13 In so far as the existing security in respect of the loans of the Transferor Company no.2 and other liabilities relating to the Remaining Business 2 of the Transferor Company no.2 are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Company no.2 on the assets remaining with the Transferor Company no.2.
- 13.14 Without any prejudice to the provisions of the foregoing clauses, the Transferor Company no.2 and the Transferee Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 13.15 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities being transferred under this Scheme and the Transferor Company no.2 shall not have any obligations in respect of the same.
- 13.16 Upon the coming into effect of this Scheme, the Transferor Company no.2 alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business 2 and the Transferee Company shall not have any obligations in respect of the Remaining Business 2.
- 13.17 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of the foregoing clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

14. Legal Proceedings

- 14.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company no.2, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking 2 shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require the Transferor Company no.2 and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company no.2. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Transferred Undertaking 2 or not, a decision jointly taken by the Board of Directors of the Transferor Company no.2 and the Transferee Company in this regard, shall be conclusive evidence of the matter.

- 14.2 If proceedings are taken against the Transferor Company no.2 in respect of the matters referred to in clause 14.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company no.2 against all the liabilities and obligations incurred by the Transferor Company no.2 in respect thereof.
- 14.3 The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Transferor Company no.2 in respect of the matters referred to in clause 14.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company no.2.
- 15. Contracts, deeds, etc.**
- 15.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking 2 to which the Transferor Company no.2 is a party or to the benefit of which the Transferor Company no.2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company no.2, the Transferee Company had been a party or beneficiary or obligee thereto.
- 15.2 Notwithstanding the fact that vesting of the Transferred Undertaking 2 occurs by virtue of the Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company no.2 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferor Company no.2 will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company no.2 and to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company no.2 to be carried out or performed.
- 16. Saving of concluded transactions**
- 16.1 The transfer and vesting of the assets, liabilities and obligations of the Transferred Undertaking 2 under clause 13 hereof and the continuance of the proceedings by or against the Transferee Company under clause 14 hereof shall not affect any transactions or proceedings already completed by the Transferor Company no.2 on and after the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company no.2 as acts, deeds and things done and executed by and on behalf of the Transferee Company.
- 17. Employees of the Transferred Undertaking 2**
- 17.1 Upon the coming into effect of this Scheme, all the employees relating to the Transferred Undertaking 2 that were employed by the Transferor Company no.2, immediately before Effective Date, shall become employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Transferred Undertaking 2 of the Transferor Company no.2 immediately prior to the demerger of the Transferred Undertaking 2.
- 17.2 The Transferee Company agrees that the service of all employees pertaining to the Transferred Undertaking 2 with the Transferor Company no. 2 up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company no.2 up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company no.2, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 17.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees relating to the Transferred Undertaking 2, and deposit

the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the Transferred Undertaking 2 to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company no.2.

- 17.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund / trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits created by the Transferor Company no.2 for employees of the Transferred Undertaking 2 are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relating to the employees pertaining to the Transferred Undertaking 2 as on the Effective Date, who are being transferred along with the Transferred Undertaking 2 in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company no.2.

18. Business and property in trust and conduct of the Transferred Undertaking 2 for the Transferee Company

With effect from the Appointed Date and up to and including the Effective Date:

- 18.1 the Transferor Company no.2 shall be carrying on and be deemed to have been carrying on all business and activities relating to the Transferred Undertaking 2 and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferred Undertaking 2 for and on account of, and in trust for the Transferee Company;
- 18.2 all income or profits accruing or arising to the Transferor Company no.2, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Transferred Undertaking 2 shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of the Transferee Company;
- 18.3 the Transferor Company no.2 undertakes that it will preserve and carry on the business of the Transferred Undertaking 2 with diligence and utmost business prudence and agrees that it will not, without prior written consent of the Transferee Company, alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Transferred Undertaking 2 or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of the Transferee Company or undertake substantial expansion or change the general character or nature of the business of the Transferred Undertaking 2; and
- 18.4 the Transferor Company no.2 and/or the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferred Undertaking 2.

19. Consideration

- 19.1 The consideration for the demerger pursuant to Part III shall be determined as follows:

An amount of Rs. 665.62 crores (Rupees Six Hundred Sixty Five Crores and Sixty Two Lacs) as determined, based on fair value of assets of the Transferred Undertaking 2:

- (a) reduced by the liabilities of Rs. 455.40 crores (Rupees Four Hundred Fifty Five Crores and Forty Lacs) towards banks and financial institutions and allocated for the Transferred Undertaking 2;
- (b) reduced by the liability of Rs. 30.00 crores (Rupees Thirty Crores) to be discharged by the Transferee Company to AEL and pertaining to the Transferred Undertaking 2; and
- (c) increased by the net current assets of Rs. 21.60 crores (Rupees Twenty One Crores and Sixty Lacs) of the Transferred Undertaking 2.

- 19.2 The amount so arrived at, under clause 19.1 above, shall be the "**Consideration**", which amount shall be subject to adjustments to be made pursuant to clause 19.4 below. It is hereby clarified that the amounts stipulated in clause 19.1 above are based on figures as of 31st October 2013 provided by the Transferor Company no.2.
- 19.3 The Transferee Company shall discharge the Consideration, subject to clause 19.4 and clause 19.5 herein below, in the following manner:
- (a) The Transferee Company shall, within 60 (Sixty) days from the Effective Date, issue and allot to the Transferor Company no.2 1,00,00,000 (One Crore) equity shares of the face value of Rs. 10/- (Ten) each at par credited as fully paid-up; and
 - (b) The Transferee Company shall, within 90 (Ninety) days from the Effective Date, pay the balance amount of the Consideration in cash to the Transferor Company no.2.
- 19.4 For determining the Consideration on the Appointed Date, the following adjustments shall be made to the Consideration determined under clause 19.1 above:
- (i) If the estimated liabilities as on the Appointed Date, as mentioned in clause 19.1(a) and clause 19.1(b) above, is increased or decreased compared with the figures of the corresponding liabilities as on 31st October 2013 provided by the Transferor Company no.2, the difference shall be adjusted to the Consideration determined under clause 19.1 above;
 - (ii) If the estimated net current assets as on the Appointed Date, as mentioned in clause 19.1(c) above, is increased or decreased compared with the figures of the net current assets as on 31st October 2013 provided by the Transferor Company no.2, the difference shall be adjusted to the Consideration determined under clause 19.1 above; and
 - (iii) If the fixed assets of the Transferred Undertaking 2 as on the Appointed Date is increased or decreased with the figures of the fixed assets of the Transferred Undertaking 2 as on 31st October 2013 provided by the Transferor Company no.2, the difference shall be adjusted to the Consideration determined under clause 19.1 above.
- 19.5 Any increase or decrease in the aggregate Consideration duly adjusted under clause 19.4 above, would be discharged by increasing or decreasing the balance amount of the Consideration to be paid to the Transferor Company no.2 under clause 19.3(b) above. In the event of the decrease in the aggregate Consideration duly adjusted under clause 19.4 above is more than the amount to be paid under clause 19.3(b) above then in that case the Consideration under clause 19.3(a) above would be reduced accordingly.
- 19.6 In case of any doubt or difficulty that may arise in implementing clauses 19.1 to 19.5 above, the same shall be resolved mutually by the board of directors of the Transferor Company no.2 and the Transferee Company.
- 19.7 The Transferred Undertaking 2 has been duly valued by KPMG India Private Limited, an independent valuer. The valuation report as aforesaid has been duly approved by the Boards of Directors of the Transferor Company no.2 and the Transferee Company.
- 19.8 The Equity Shares issued pursuant to clause 19.3(a) above shall be issued in a dematerialised form by the Transferee Company. The Transferor Company no.2 shall be required to have an account with the depository participant and shall provide details thereof and such other confirmations as may be required by the Transferee Company.
- 19.9 The Equity Shares of the Transferee Company to be issued to the Transferor Company no.2 in terms of clause 19.3(a) above shall be subject to the provisions of the Articles of Association of the Transferee Company and shall rank pari passu with the existing Equity Shares of the Transferee Company in all respects.
- 19.10 The issue and allotment of Equity Shares by the Transferee Company to the Transferor Company no.2 in terms of clause 19.3(a) above shall be an integral part of this Scheme, and deemed to be in due compliance of the provisions of section 81(1A) and other applicable provisions of the Act.
- 20. Accounting in the books of the Transferor Company no.2 and the Transferee Company**
- 20.1 Upon the coming into effect of this Scheme, the Transferee Company shall account for the Scheme, with effect from the Appointed Date as under:
- The Transferee Company shall record the assets and liabilities pertaining to the Transferred Undertaking 2 vested in it in accordance with clause 13, as per the fair values attributable to such assets and liabilities.

- 20.2 Upon the coming into effect of this Scheme, the Transferor Company no. 2 shall account for the Scheme, with effect from the Appointed Date as under:
- (a) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking 2 shall stand reduced/closed on transfer to the Transferee Company in accordance with clause 13; and
 - (b) Any difference between the items mentioned in clause 20.2(a) above and Consideration as detailed in clause 19 shall be adjusted by the Transferor Company no. 2 in its profit and loss account.
- 21. Remaining Business 2**
- 21.1 The Remaining Business 2 and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company no.2 subject to the provisions of the Scheme.
- 21.2 All legal or other proceedings by or against the Transferor Company no.2 under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business 2 (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company no.2 in respect of the Remaining Business 2) shall be continued and enforced by or against the Transferor Company no.2. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Transferor Company no.2.
- 21.3 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company no.2 shall be deemed to have been carrying on all business and activities relating to the Remaining Business 2 for and on its own behalf;
 - (b) all profits accruing to the Transferor Company no.2 thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business 2 shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company no.2; and
 - (c) all employees relatable to the Remaining Business 2 shall continue to be employed by the Transferor Company no.2 and the Transferee Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PART IV

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

22. Increase in authorised share capital of the Transferee Company

- 22.1 Upon the coming into effect of this Scheme, the Authorised Share Capital of the Transferee Company shall, without any further act or deed be automatically increased from Rs. 5,00,000/- (Rupees Five Lacs Only) to Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crores Only). Consequently, clause V of the Memorandum of Association of the Transferee Company (relating to Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to sections 16, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

- 22.2 Upon the coming into effect of this Scheme, the Transferee Company shall file necessary form of notice of increase of Authorised Share Capital with the Registrar of Companies, Gujarat at Ahmedabad and shall pay necessary fees/ duties as may be required to be paid in accordance with law.

23. Applications to High Court

- 23.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions, under sections 391 to 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme.

24. Modifications or amendments to the Scheme

- 24.1 The Transferor Company no.1, the Transferor Company no.2 and the Transferee Company by their

respective Board of Directors or any Director/Executive/Employee authorised in that behalf (hereinafter referred to as the “Delegates”) may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the High Court or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company no.1, the Transferor Company no.2 and the Transferee Company by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the High Court or any authorities, which the Board of Directors of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company find unacceptable for any reason, then the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company shall be at liberty to withdraw the Scheme.

- 24.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company no.1, the Transferor Company no.2 and the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

25. Scheme conditional on approval/sanction

This Scheme is conditional upon and subject to:

- 25.1 the approval by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Transferor Companies and the Transferee Company in accordance with section 391 of the Act;
- 25.2 the Scheme being sanctioned by the High Court in terms of sections 391 to 394 and other relevant provisions of the Act and the requisite orders of the High Court referred to in clause 23 hereof being obtained;
- 25.3 the Scheme being approved by BSE and NSE, pursuant to clause 24(f) of the Listing Agreement;
- 25.4 approvals being obtained from CERC for assignment/transfer of licence issued in favour of the Transferor Company no.1 to the Transferee Company;
- 25.5 approvals being obtained from MERC for assignment/transfer of licence issued in favour of the Transferor Company no.2 to the Transferee Company; and
- 25.6 the certified copies of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat at Ahmedabad.

26. Severability

- 26.1 If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Companies and the Transferee Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

27. Expenses connected with the Scheme

- 27.1 All costs, charges and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by the Transferor Company no.1.

DC5/AMAL/PS/24(f)/422/2013-14

March 21, 2014

The Company Secretary
Adani Power Limited
Shikhar Near Adani House, Mlthakhali Six Roads,
Navrangpura, Ahmedabad - 380009

Dear Sir/Madam,

Sub: Observation letter regarding the Scheme of Arrangement/ Amalgamation between Adani Power Limited (APL), Adani Power Maharashtra Limited (APML) and Adani Transmission (India) Limited (ATIL) (previously Adani Transmission (Gularat) Ltd).

We are in receipt of draft Scheme of Arrangement/ Amalgamation involving demerger of Power Transmission Business of Adani Power Limited (APL) and Adani Power Maharashtra Limited (APML) into Adani Transmission (India) Limited (ATIL).

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/S/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 20, 2014 received on March 21, 2014 given the following comment(s) on the draft scheme of arrangement:

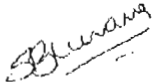
- The company shall duly comply with various provisions of the aforesaid SEBI circular.

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



NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



Ref: NSE/LIST/233810-L

March 21, 2014

The Company Secretary
Adani Power Limited
3rd Floor, "Achalraj"
Opp Mayor Bunglow,
Law Garden,
Ahmedabad - 380006

Kind Attn.: Mr. Rajesh Shah

Dear Sir,

Sub.: Observation letter for Scheme of Arrangement between Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (Gujarat) Limited* and their respective shareholders and creditors

We are in receipt of the draft Scheme of Arrangement under section 391 to 394 and other applicable provision of Companies Act, 1956 of Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (Gujarat) Limited* and their respective shareholders and creditors.

We have perused the draft Scheme of Arrangement and the related documents /details submitted by Adani Power 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 Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated March 20, 2014, has given following comments on the draft scheme of arrangement:

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

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

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

The validity of the "Observation Letter" shall be six months from March 21, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:



Continuation Sheet

Ref: NSE/LIST/233810-L

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

Note*:- Name of Adani Transmission (Gujarat) Limited has been changed to "Adani Transmission (India) Limited".

This Document is Digitally Signed



Signor : Patel Kamlesh
Date: Fri, Mar 21, 2014 13:26:37 IST
Location: NSE



COMPLAINTS REPORT

For the period from 23rd January, 2014 to 13th February, 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	N.A
5	Number of complaints pending	N.A

PART - B

Sr. No.	Name of Complaints	Date of Complaint	Status (Resolved/ Pending)
		N.A	

For Adani Power Limited

Rajesh Shah
Company Secretary

14th February, 2014

Adani Power Ltd
Achalraj
Jopp Mayor Bungalow, Law Garden
Ahmedabad 380 006
Gujarat, India

Tel +91 79 2555 7555
Fax +91 79 2555 7177
info@adani.com
www.adani.com

Registered Office: Shikhar, Nr Mithakhali Circle, Navrangpura, Ahmedabad 380 009. Gujarat, India

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 170 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 Adani Power Limited;

And

In the matter of the Scheme of Arrangement among Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (India) Limited and their respective shareholders and creditors;

Adani Power Limited,
a company incorporated under the provisions of the
Companies Act, 1956 and having its registered office
at Shikhar, Near Adani House, Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380 009, Gujarat

}

..... Applicant Company

**EQUITY SHARE HOLDERS
FORM OF PROXY**

I/We, the undersigned Equity Shareholder/s of Adani Power Limited, being the Applicant Company above named, hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at J. B Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, on Thursday the 14th day of August 2014 at 10:00 a.m. (1000 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement among Adani Power Limited and Adani Power Maharashtra Limited and Adani Transmission (India) Limited and their respective shareholders and creditors (the "**Scheme**") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (***Strike out whatever is not applicable**)

Dated this day of 2014

Name : _____

Reg. Folio No. _____

Address : _____

DP ID No. _____

Client ID No. _____

No. of Shares _____

Affix
15 paise
revenue
stamp

Signature across
the stamp

NOTE:

1. The Proxy must be deposited at the Registered Office of the Applicant Company at Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, not later than 48 (forty-eight) hours before the time for holding the Court Convening meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a shareholder of the Applicant Company.



Adani Power Limited

adani™

Registered office: Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura,
Ahmedabad-380 009, Gujarat.

Phone No.: +91 79 25555094 Fax No.: +91 79 25555604

CIN : L40100GJ1996PLC030533 Website : www.adanipower.com

EQUITY SHAREHOLDERS

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF
THE MEETING HALL

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

ON THURSDAY THE 14TH AUGUST 2014 AT 10:00 A.M.

I/We hereby record my/our presence at the meeting of the Equity Shareholders of Adani Power Limited, the Applicant Company, convened pursuant to the order dated 27th day of June 2014 of the Hon'ble High Court of Gujarat at Ahmedabad at J. B Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, on Thursday the 14th day of August 2014 at 10:00 a.m. (1000 hours).

Name and address of Equity Shareholder

(IN BLOCK LETTERS) : _____

Signature : _____

Reg. Folio No. : _____

Client ID : _____

D. P. ID : _____

No. of Shares : _____

Name of the Proxy*
(IN BLOCK LETTERS) : _____

Signature : _____

*(To be filled in by the Proxy in case he/she attends instead of the shareholder)

Notes:

- Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
- Equity Shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them.
- Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID No. for easy identification of attendance at the meeting.
- Equity Shareholders 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.



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Book Post

If undelivered please return to :
Adani Power Limited
Shikhar, Near Adani House,
Mithakhali Six Roads, Navrangpura,
Ahmedabad-380 009, Gujarat.