

Ref. : SEC/SE/2018/

17th September, 2018

The General Manager Corporate Relation Department BSE Ltd. 1st Floor, New Trading Ring Phiroze Jeejeebhoy Towers Dalal Street MUMBAI : 400 001	The General Manager Listing Department National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block 'G' Bandra-Kurla Complex Bandra (East) MUMBAI : 400 051
Ref. : Company Code No. : 530001	Ref. : Company Code No. : GUJALKALI

Dear Sir,

Sub. : Disclosure of information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Merger of Bhavnagar Energy Company Limited with Gujarat State Electricity Corporation Limited

Dear Sir,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform as under:

At the instance of Government of Gujarat (GoG), the Company, as one of the promoters of Bhavnagar Energy Co. Ltd (BECL) had made strategic investment of Rs.71.22 Crore, (6.757%) holding 7,12,20,000 equity shares of Rs.10/- each for setting-up of Lignite based 500 MW Power Project in Bhavnagar District by BECL.

The Government of Gujarat (GoG), vide its Notification dated 27.08.2018(copy enclosed), published in Gujarat Government Gazette under Gujarat Electricity Industry (Reorganization & Regulation), Act, 2003, has notified the Scheme called Gujarat Electricity Reform (Transfer of General Undertakings) Scheme, 2018 for merger of BECL into Gujarat State Electricity Corporation Ltd. (GSECL), a wholly owned subsidiary of Gujarat Urja Vikas Nigam Ltd., for transfer and vesting of the undertakings of BECL in GSECL, in all respects. A copy of said GoG Notification is attached herewith for kind information.

The said scheme has become effective from 01.04.2018, which inter-alia, stipulates the terms & conditions of the said merger. The transfer under the scheme shall operate and be effective pursuant to action of the GoG by publishing this Scheme and Orders issued in terms of this Scheme and without any further act, deed or thing to be done by GoG or BECL or GSECL or any other person or authority, including the creditors or other persons dealing with GSECL or BECL.

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GUJARAT ALKALIES AND CHEMICALS LIMITED

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Consequent upon merger, BECL stand liquidated without winding-up and in consideration of the merger of BECL with GSECL, GSECL will issue one equity share to each shareholder of BECL against total number of shares held by them as on the date of notification of this Scheme by GoG. Issue of equity shares by GSECL to the shareholders of BECL shall be the consideration for shareholders of BECL, in respect of transfer of the Undertaking of BECL and extinguishment of their rights as shareholder of BECL.

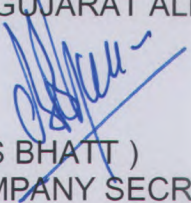
Accordingly, the Company will be issued one equity share of GSECL as one of the shareholders of BECL and all rights attached thereto by virtue of shareholding in BECL get extinguished and there shall be diminution in the value of investment made by the Company in BECL.

We request you to kindly take note of the above.

Thanking you,

Yours faithfully,

For GUJARAT ALKALIES AND CHEMICALS LIMITED



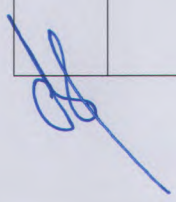
(S S BHATT)

COMPANY SECRETARY & GM (LEGAL & CC)

Encl: as said

DETAILS AS PER SEBI CIRCULAR DATED 09/09/2015

Sr. No.	Terms and conditions of agreement	Comments
1.	Name(s) of parties with whom the agreement is entered	Bhavnagar Energy Company Limited
2.	Purpose of entering into the agreement	To invest in Share Capital as promoter of the Company as per Government of Gujarat directive.
3.	Shareholding, if any, in the entity with whom the agreement is executed	7,12,20,000 equity shares of Rs.10/- each (6.757% of equity)
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	By virtue of Article 89 of Articles of Association of BECL, GACL has right to nominate Director on the Board of BECL.
5.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	Yes
6.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length	No
7.	in case of issuance of shares to the parties, details of issue price, class of shares issued;	Not Applicable
8.	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc	None
9. additional details		
a)	Name of parties to the agreement;	Gujarat Mineral Development Corporation Limited; Gujarat Narmada Valley Fertilizers & Chemicals Limited; Gujarat Alkalies & Chemicals Limited; Gujarat State Fertilizers & Chemicals Limited; Gujarat Industrial Power Company Limited; Gujarat State Investment Limited; Gujarat Power Corporation Limited; Bhavnagar Energy Company Limited



b)	Nature of the agreement;	Shareholders' Agreement
c)	Date of execution of the agreement;	Original agreement was executed on 25.07.2007.
d)	Details of amendment and impact thereof or reasons of termination and impact thereof.	The shareholders' agreement with BECL would stand extinguished consequent to the notification of Merger Scheme by Government of Gujarat dated 27.08.2018. As per the Merger Scheme, the shareholders will get one share of Gujarat State Electricity Corporation Limited for entire holding in BECL.





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The Gujarat Government Gazette

EXTRAORDINARY

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Separate paging is given to this Part in order that it may be filed as a Separate Compilation.

PART IV-B

Rules and Orders (Other than those published in Parts I, I-A, and I-L) made
by the Government of Gujarat under the Gujarat Acts

ENERGY & PETROCHEMICALS DEPARTMENT

Notification

Sachivalaya, Gandhinagar, 27th August, 2018

GUJARAT ELECTRICITY INDUSTRY (REORGANISATION AND REGULATION) ACT, 2003

No. GHU-2018-(66)-BEC-12-2018-3332-K: In exercise of the powers conferred by sub-sections (1), (2), (3), (8) and (12) of Section 28 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Guj. 24 of 2003) read with sub-sections (1) and (2) of section 131 and sub-section (3) of section 185 of the Electricity Act, 2003 (36 of 2003), the Government of Gujarat hereby makes the following Scheme for the purpose of providing and giving effect to the transfer and vesting of the undertakings of Bhavnagar Energy Company Limited (a subsidiary of Gujarat Power Corporation Limited which is a wholly owned Government of Gujarat undertaking), a company incorporated under the provisions of Companies Act, 1956 and a Company controlled by Government of Gujarat, in the Government of Gujarat and re-vesting by the Government of Gujarat in the Gujarat State Electricity Corporation Limited and for determining the terms and conditions on which such transfer shall be made and effective.

1. **Short title, extent and commencement:**(1) This Scheme may be called the Gujarat Electricity Reform (Transfer of Generation Undertakings) Scheme, 2018.
(2) This Scheme shall come into force with effect from 1st April, 2018.
2. **Definitions:**In this Scheme, unless the context otherwise requires, -
 - (a) "Act" means the Electricity Act, 2003;
 - (b) "BECL" or "Transferor" means Bhavnagar Energy Company Limited;
 - (c) "Date of Transfer" means the 1st April, 2018;
 - (d) "GSECL" or "Transferee" means Gujarat State Electricity Corporation Limited which has succeeded to the generation functions and undertakings of the erstwhile Gujarat Electricity Board;

- (e) **"Gujarat Act"** means the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003;
- (f) **"Liabilities"** means all liabilities, debts, duties, obligations and other out-standings including statutory liabilities and Government levies of whatever nature and contingent liabilities which may arise in regard to the dealings before the Effective Date of Transfer in respect of the Specified Undertakings, as specified in this Scheme finally transferred to the Transferee under this scheme;
- (g) **"Proceedings"** means the proceedings of whatever nature including suits, appeals, complaints, petitions, applications, conciliatory, arbitration whether civil or criminal or otherwise, in which the Transferor is one of the parties;
- (h) **"State Government"** means the Government of Gujarat;
- (i) **"Undertakings"** means the rights, duties, functions, assets, properties, interest in properties, liabilities, obligations and proceedings of BECL;
- (j) **"Property" or "Properties"** includes power system, dams, generating plants, tunnels generating plants, equipment, furniture, fixtures, vehicles, residential quarters and guest houses and amenities and installations pertaining thereto and other movable and immovable assets, capital work-in-progress, cash in hand, cash at bank, investments, book debts- corporeal and incorporeal, tangible and intangible assets, benefits, licenses, consents, authorities, registrations, patents, trademarks and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, contracts, deeds, schemes bonds, agreements and other instruments and interest of whatever nature and wherever situated;
- (k) Words and expressions used in this Scheme and defined in the Act or Gujarat Act but not specifically defined in this Scheme shall have the same meaning as assigned in the Act or the Gujarat Act, as the case may be.

- 3. Transfer of Undertakings of BECL:** (1) The State Government, after due consultation with the BECL and GSECL notifies this Transfer Scheme for the transfer and vesting in the State Government the Undertakings of BECL in all respects and for all intent and purpose on and from the Date of Transfer so as, to be on the Date of Transfer, the undertaking shall stand transferred from BECL and shall vest in the Government of Gujarat on the terms and conditions contained in this Transfer Scheme, without any further act, deed or thing to be done by the Government of Gujarat or BECL or any other person or authority.
- (2) On and from the Date of Transfer, the Undertakings vested in the State Government as per sub-clause (1) shall stand transferred to and vested in GSECL together with such other assets, properties, interests as the State Government may provide on the terms and conditions including the financials as specified in Schedule to this Transfer Scheme for all intent and purpose, without any further act, deed or thing to be done by the Government of Gujarat or GSECL or BECL or any other person or authority.
- (3) The transfer and vesting of the Undertakings under sub-clause (1) read with sub-clause (2) shall constitute a merger of the undertakings of BECL with the undertakings of GSECL in terms of this transfer scheme and as a going concern, on as is where is basis, for all intent and purpose, without any further act, deed or thing to be done by the Government of Gujarat or GSECL or BECL or any other person or authority.
- (4) The merger, transfer and vesting of the Undertakings in GSECL under this Scheme shall operate and be effective pursuant to action of the Government of Gujarat notifying this Transfer Scheme and without any further act, deed or thing to be done by the Government of Gujarat or GSECL or BECL or any other person or Authority including the creditors or other persons dealing with the GSECL or BECL.
- (5) The Government of Gujarat may by an order to be issued for the purpose amend, alter, vary, modify, add, delete or otherwise change the terms and conditions of transfer at any time during the period mentioned in Clause 9 of the Scheme.
- (6) On the merger, transfer and vesting of the Undertakings in BECL on the Date of Transfer, the following shall be effective:

- (a) BECL shall stand liquidated without winding up and the Board of Directors of BECL shall file necessary declaration and comply with the formalities provided for under the Companies Act, 2013 or any other law for the time being in force for such liquidated without winding up of BECL.
- (b) GSECL shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges including ground rent and fulfil all obligations, in relation to or applicable to the Undertakings of BECL as from the Date of Transfer.
- (c) GSECL shall be entitled to the mutation/substitution of the title to the properties, assets and interests of BECL to be applied for and to be made and duly recorded in the name of GSECL by the appropriate authorities pursuant to this notification.
- (d) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of BECL, shall be deemed to be that of GSECL and the same shall be duly discharged by GSECL.
- (e) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature including the Power Purchase Agreement entered into by BECL with Gujarat Urja Vikas Nigam Limited (GUVNL) and other contracts entered for provision of services of personnel in relation to BECL, or to which BECL is a party or to the benefit of which BECL may be eligible, and which are subsisting or having effect immediately before the Date of Transfer, shall remain in full force and effect against or in favour of GSECL and may be enforced as fully and effectually as if, instead of BECL, GSECL had been a party or beneficiary or obligee thereto.
- (f) All rights and obligations of BECL under the Power Purchase Agreement entered into with GUVNL shall stand transferred and vested with GSECL from the date of transfer and GUVNL

shall procure and deemed to have procured electricity from GSECL as an aggregator for and on behalf of Uttar Gujarat Vij Company Limited, Paschim Gujarat Vij Company Limited, Dakshin Gujarat Vij Company Limited and Madhya Gujarat Vij Company Limited.

- (g) Any contingent liabilities arising out of or in connection with the assignment of any tax/levy deferrals by BECL to any third party between the Date of Transfer and the Date of Transfer shall be deemed to be that of GSECL.
- (h) All leases or other like agreements and all other agreements entered into in relation thereto or in connection therewith, shall stand assigned and transferred to and vested in GSECL without further act or deed, as if GSECL is a party thereto, and GSECL shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder.
- (i) All permits, quotas, rights, entitlements, licenses including but not limited to those relating to trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to BECL to which BECL is party, or to the benefits of which BECL may be eligible shall be enforceable as fully and effectually as if, instead of BECL, GSECL had been a party or beneficiary or obligee thereto.
- (j) Any statutory licenses, no-objection certificates, grants, concessions, exemptions, permissions or approvals or consents required to carry on operations of BECL, or granted to BECL including, but not limited to, Excise, Customs, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Professional Tax, Contract Labour registration shall stand vested in or transferred to GSECL without further act or deed along with and upon the vesting of Undertakings, pursuant to this notification. The benefit of all statutory and regulatory permissions, approvals or consents required to carry on the operations of BECL, shall vest in and become available to GSECL pursuant to this Scheme. Provided however any trust

or instrument implemented by BECL to deal with contract labourer aspect shall dissolve and necessary declaration shall be filed with the competent authority of such dissolution.

- (k) All suits, claims, actions and proceedings of whatsoever nature by or against BECL pending and / or instituted on or before the Date of Transfer shall neither abate nor shall in any way be prejudicially affected by reason of the Undertakings, having been transferred to or vested in GSECL as provided in this notification and the same shall be continued and be enforced by and/or against GSECL as effectually as if the same has been pending and/or arising against and/or instituted by or against BECL.
- (l) GSECL shall be entitled to file/revise its tax returns and to claim refund/credits and/or set off all amounts paid by BECL or GSECL under the relevant income tax, sales tax, Value Added Tax, service tax, Goods and Service Tax or any other tax laws, whether or not arising due to any inter-company transactions. The rights to make such revisions in the tax returns and to claim refunds/credits are expressly reserved in favour of GSECL. With effect from the Date of Transfer, all taxes payable by BECL including all or any refunds of the claims shall be treated as the tax liability or refunds/claims, as the case may be, of GSECL.
- (m) From the Date of Transfer and till such time as the name of GSECL is entered as the account holder in respect of all the bank accounts of BECL in the relevant banks' books and of records, GSECL shall be entitled to operate the bank accounts of BECL.
- (n) Upon the coming into effect of this Scheme in accordance with the provisions hereof, the borrowing limits, if any, of GSECL as of the Date of Transfer, without any further act or deed on the part of GSECL shall stand enhanced by the borrowing of BECL, and if so required, these limits as enhanced may be increased from time to time by GSECL, by obtaining

shareholders' approval in accordance with the provisions of the Companies Act, 2013.

(o) All the loans advanced and other facilities sanctioned to BECL by the bankers/financial institutions prior to the Date of Transfer which are partly drawn/utilised shall become the loans/advances sanctioned to GSECL and the said loans and advances shall be drawn/utilised either partly or fully by BECL till the "Date of Transfer" and all the loans/advances and/or other facilities so drawn by BECL shall on the "Date of Transfer" be treated as the advances and loans made available to GSECL and any balance in the said accounts shall be transferred to GSECL and all the obligations of BECL under any loan agreement shall be construed and shall become the obligation of GSECL without any further act or deed on the part of GSECL or BECL or any other person.

(p) Upon the coming into effect this scheme, GSECL shall be entitled to realize all the money and complete and enforce all pending contracts and transactions in respect of BECL in the name of GSECL in so far as may be necessary until the transfer of rights and obligations of BECL to GSECL.

4. Issue of shares in GSECL and extinguishment of rights in BECL: In consideration of the merger of BECL with GSECL consequent upon the transfer of undertakings of BECL as per sub-clause (1) and sub-clause (2) read with sub-clause (3) of Clause 3, GSECL shall issue One equity share to each shareholder of BECL against total number of equity shares of BECL held by each of such shareholders as on to the date of notification of this Scheme by the Government of Gujarat. Issue of equity shares by GSECL to the shareholders of BECL shall be the consideration for shareholders of BECL in respect of transfer of the Undertaking of BECL and extinguishment of their rights as shareholder of BECL.

5. Accounting Treatment: (1) The transfer and vesting and consequent amalgamation of the undertaking would be accounted for by applying the pooling of interest method of accounting as

contained in the "Indian Accounting Standard 103: Business Combinations" issued by the Institute of Chartered Accountants of India.

- (2) GSECL shall record the assets and liabilities of BECL vested in it pursuant to this Scheme, at their book value as on the Date of Transfer.
 - (3) To the extent that there are inter-corporate loans or balances between BECL and GSECL, the obligations in respect thereof shall be discharged and corresponding effect shall be given in the books of account and records of GSECL for the reduction of any assets or liabilities, as the case may be. There will be no accrual of interest or other charges in respect of any such inter-company loans or balances with effect from the Date of Transfer.
 - (4) Notwithstanding the above, GSECL in consultation with its auditors is authorized to account any of these balances in any manner whatsoever, if considered more appropriate.
 - (5) The State Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulties arising in implementing the transfers under this Scheme.
- 6. Transfer by operation of law:** The transfer under this Scheme shall operate and be effective pursuant to action of the Government of Gujarat by publishing this Scheme and Orders issued in terms of this Scheme and without any further act, deed or thing to be done by the Government of Gujarat, Transferor or the Transferee or any other person, subject to the terms and conditions of this Scheme.
- 7. Power to remove difficulties :** The State Government may, by order publish in the *Official Gazette*, and with the consent of the Transferee, amend this Scheme and make such provisions, not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulties arising in implementing the transfers

effected under this Scheme and the decision of the Government of Gujarat shall be final and binding.

8. Exemption of Duty: All charges, duties, levies, taxes, stamp/registration fee etc. arising out of transfer of Undertakings to GSECL stands waived.

9. Provisionality of the Transfer : (1) The transfer of the Undertakings under the Scheme, unless otherwise specified in any order made by the Government of Gujarat, shall be provisional for a period of twelve months from the date of the transfer.

(2) At any time within a period of twelve months from the date of the transfer, the Government of Gujarat may by order amend, alter, vary, modify, add, delete or otherwise change terms and conditions of the transfer of Undertakings and transfer such other properties, interests, rights, liabilities and proceedings in such manner and on such terms and conditions as the Government of Gujarat may consider necessary.

(3) On the expiry of the period of twelve months from the date of the transfer and subject to any directions given by the Government of Gujarat, the transfer of undertakings, properties, interest, rights, liabilities and proceedings made in accordance with the Scheme shall become final.

SCHEDULE

Gujarat Electricity Reform (Transfer of Generation Undertakings) Scheme, 2018

The Generation Undertaking shall comprise of all the Assets, Liabilities and proceedings consisting of –

I. Thermal Power station :

BECL's thermal power station with two generating units, Unit-I and Unit-II of capacity of 250 MW each with all associated and related equipment such as Generator, Turbines and accessories, Boilers and accessories, Condensers, Electrostatic Precipitator, Control and Instrumentation, electrical system including generator , unit and service transformers, secondary Fuel handling and storage systems, Lignite Handling System, Fly Ash and bed ash Handling System with hoppers, intermediate surge hoppers and silos, Ash

Pond, Raw Water supply, reservoir and treatment system, DM water plant, 220 kV Switchyard including station transformers and other related equipment, HT and LT Switchgears, control and protection system overhead Crain, RCC biflue Chimney, Lime handling, milling and conveying systems, Natural draft cooling towers, warehouse and Stores, workshop, firefighting systems, fire extinguishing system, fire tenders and fire tender shed, raw water pump house including emergency DG fire pumps, electrical fire pumps and jockey pumps with related accessories Effluent treatment plant, environment monitoring systems like AAQMS, CEMS etc, dispensary, Cooling water system, rain harvesting system and related ETP, sweet water pump house (complete) and piping at GWIL premises at Buddhel and additional sump for STP water, STP treated water supply system(tertiary treatment and piping) both internal and external to site, Proposed Limestone mines, various Laboratories, Spare Parts, Consumables, Raw Materials, etc and work in progress.

II. General Assets :

Special tools and equipment's, dozers, furniture & fixtures', office equipments, air conditioners, refrigerators, computers and signal systems, Parts, consumables, raw materials, Land and civil work installation including roads, buildings, guest house, hostels, Occupational health centre, Security and time offices, administration offices testing laboratory and equipments, training centre, work shop, work in progress and Machinery and Equipments sent for repairs, scrap and Obsolete to the extent they are utilized in operated by or associated with the assets refer to under clause I above shall also form part of generation undertaking.

III. Other Assets :

Other assets and movable property including plant and machinery, ambulance, fire tenders, furniture & fixtures, air conditioners, computer, Surveillance system etc. to the extent they are utilized in operated by or associated with the assets refer

to under clause I above shall also form part of generation undertaking.

IV. Liabilities :

1. Contracts, agreements, interest and arrangements to the extent they are associated with or related to generation undertakings, or asset refer to in clause I to III.
2. Secured and Unsecured Loan to the extent it is availed by the BECL as per Books of Accounts and specified by the Government of Gujarat.
3. Cash and Bank Balance to the extent it is associated with or related to generation undertakings, or asset refer to in clause I to III.
4. Provident fund, Pension Fund, Gratuity fund and any other funds to the extent specified by the Government of Gujarat.
5. Other Current Assets to the extent they are associated with or related to generation undertakings, or asset refer to in clause I to III.
6. Other Current liabilities and provisions to the extent they are associated with or related to generation undertakings, or asset refer to in clause I to III.

V. Proceedings :

Proceedings to the extent they are associated with or related to generation undertakings, or asset refer to in clause I to III.

VI. General :

1. The Government of Gujarat may before the end of the period mention in clause 9 allocate the liabilities of the BECL to GSECL to the extent and in the manner as the Government of Gujarat may consider necessary.

2. In consideration of transfer of Generation Undertaking and other assets mentioned above, the Government of Gujarat may direct GSECL to issue Equity Shares in favour of the Promoter Companies of BECL as the Government of Gujarat may direct taking into Account the Assets and Liabilities transferred.

By order and in the name of the Governor of Gujarat,

Raj Gopal
Principal Secretary to Government