



GUJARAT INDUSTRIES POWER COMPANY LIMITED

Regd. Office : P.O. Petrochemicals – 391 346, Dist. Vadodara (Gujarat).

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CIN – L99999GJ1985PLC007868

SEC/NSE/GIPCO MERGER/2016 /

1st September, 2016.

E-MAIL/ COURIER

National Stock Exchange of India Ltd.

Exchange Plaza, 5th floor,

Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E)

Mumbai – 400 051.

Scrip Symbol: GIPCL EQ.

Kind Attn.: Vishnu Vyas (NSE - Listing Compliance).

Ref.: Our Intimation dated 30/08/2016 and your e'mail dated 31/08/2016. (Copy enclosed)

Sub: Draft Scheme of Arrangement in the nature of Merger of GIPCL Projects and Consultancy Company Limited (GIPCO) (CIN: U74999GJ2012PLC071761) with the Company viz. GIPCL (CIN:L99999GJ1985PLC007868), approved by the Board of Directors.

With reference to your email on the subject, we submit our point wise reply as follows:

- 1. Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;**

The Scheme of Arrangement is in the nature of Merger of GIPCL Projects and Consultancy Company Limited (GIPCO), the wholly owned unlisted subsidiary of GIPCL (NSE Scrip Symbol: GIPCL EQ), the listed Holding Company of GIPCO. The details of Paid up Capital, Turnover, Profit etc. of both the entities in brief is as follows:

Name of the Transferee Company: GUJARAT INDUSTRIES POWER COMPANY LIMITED.

(Rs. in Lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2015-16	2014-15	2013-14
Paid up Equity Share Capital	15,125.12	15125.12	15125.12
Reserves and surplus	1,82,453.14	168526.54	160451.69
Carry forward losses	0.00	0.00	0.00
Net Worth	1,97,578.26	183651.66	175576.81
Miscellaneous Expenditure	0.00	106.36	106.36
Secured Loans	47,499.47	60,643.58	70,030.32
Unsecured Loans	0.00	0.00	1520.00
Fixed Assets(Net block)	186543.09	188867.44	199056.85
Income from Operations	135188.36	121465.69	137667.60
Total Income	138705.42	125787.74	140750.04

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Total Expenditure	113737.03	*100844.93	115013.97
Profit before Tax	24968.39	24942.81	25736.07
Profit after Tax	18841.34	12630.73	18587.80
Cash profit	30179.17	24889.27	34393.89
EPS	12.46	8.35	12.29
Book value	130.67	121.42	116.08

* including exceptional items

Name of the Transferor Company: GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED.
(Rs. in Lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2015-16	2014-15	2013-14
Paid up Equity Share Capital	25.00	25.00	25.00
Reserves and surplus	11.39	9.03	4.51
Carry forward losses	0.00	0.00	0.00
Net Worth	36.39	34.03	29.15
Miscellaneous Expenditure	0.00	0.00	0.00
Secured Loans	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00
Fixed Assets	0.00	0.00	0.00
Income from Operations	0.00	3.75	16.30
Total Income	3.29	9.71	18.52
Total Expenditure	0.64	3.05	6.25
Profit before Tax	2.65	6.66	12.27
Profit after Tax	2.36	4.52	9.88
Cash profit	2.36	4.52	9.88
EPS	0.94	1.81	3.95
Book value	14.56	13.61	11.66

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";

GIPCL, being the Holding Company and GIPCO, being the Wholly Owned Subsidiary of GIPCL, are Related Party, as defined under the provisions of Section 2 (76) (viii) of the Companies Act, 2013 (the Act). However, this Arrangement in the nature of Merger of GIPCO with GIPCL does not fall within the provisions of Section 188 of the Act read with Regulation 2 (zb), 2 (zc) and 23 of the Listing Regulations (LODR), since it does not involve transfer of any resources, services or obligations between a listed entity i.e. GIPCL and related party i.e. GIPCO. Further, it does not involve any swap ratio, since no fresh shares of GIPCL are being issued to the Shareholders of the Holding Company (GIPCL) in exchange of their existing Shareholding in the Subsidiary Company (GIPCO).

Further, the subject Transaction of Merger of GIPCO with GIPCL is subject to supervision and required approvals of the Hon'ble Gujarat High Court at Ahmedabad and also other Statutory Authorities viz. Regional Director (RD), Ministry of Corporate Affairs (MCA), Stock Exchanges etc.

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3. Area of business of the entity (ies);

GIPCL – the holding company (Transferee Company) is a in the business of Generation of Electricity;

GIPCO, the wholly owned subsidiary Company (Transferor Company) is in the business of Consultancy Services.

4. Rationale:

The rationale for the Scheme of Arrangement in the nature of Merger of GIPCO with GIPCL is to achieve operational and administrative efficiency / effectiveness of GIPCL through saving in cost as the Activities of GIPCO shall be continued by GIPCL through its Verticals.

5. In case of cash consideration amount or otherwise share entitlement/exchange ratio:

Not Applicable. Since no consideration in cash or otherwise and no share entitlement or exchange ratio is involved in the proposed Scheme of Arrangement in the nature of Merger.

6. Brief details of change in shareholding pattern (if any) of listed entity.

There shall be no change in the shareholding pattern of GIPCL (Listed Transferee Company) post Merger.

Kindly acknowledge receipt and take the above on your record.

Thanking you,

Yours faithfully,

For Gujarat Industries Power Company Limited



CS A C Shah

Company Secretary and DGM (Legal)