TPL/ 253

2nd April, 2015

To,

BSE Limited Corporate Relationship Department 14th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001	National Stock Exchange of India Limited Corporate Relationship Department "Exchange Plaza", C-1, Block G Bandra- Kurla Complex, Bandra (East), Mumbai 400051

Dear Sirs,

Sub: Notice of Postal Ballot including e-voting and Court Convened Meeting of Equity Shareholders

Re: Clause 31 of the Listing Agreement

Scrip Code: 532779 **Scrip Symbol:** TORNTPOWER

This is to inform you that:

1. pursuant to the Order of the Hon'ble Gujarat High Court dated 24th February, 2015 in Company Application No. 44 of 2015, a meeting of the Equity Shareholders of Torrent Power Limited shall be held on Thursday, the 30th April, 2015 at 9.30 a.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Composite Scheme of Amalgamation between Torrent Energy Limited ("**TEL**" or "**Transferor Company-1**"), and Torrent Cables Limited ("**TCL**" or "**Transferor Company-2**") with Torrent Power Limited ("**TPL**" or "**Company**" or "**Transferee Company**"); as proposed between the Company and its Equity Shareholders ("**Scheme of Amalgamation**"); and

2. pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of Equity Listing Agreement, the Company shall be conducing Postal Ballot including e-voting for seeking approval of Shareholders for following business-

Item No.	Particulars
1*	To approve the proposed Composite Scheme of Amalgamation of Torrent Energy Limited (**"TEL"** or "**Transferor Company-1**") and Torrent Cables Limited (**"TCL"** or **"Transferor Company-2"**) with Torrent Power Limited (**"TPL"** or **"Company"** or **"Transferee Company"**) and their respective shareholders and creditors **("Scheme of Amalgamation")**

TORRENT POWER LIMITED AHMEDABAD

2	To approve the revision in terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company

*Item No. 1 of the notice to be voted by public shareholders only, pursuant to SEBI Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013 ("**SEBI Circulars**")

In compliance with Clause 31 of the Equity Listing Agreement, we enclose herewith three copies of Notice of Court Convened Meeting, Notice of Postal Ballot and e-voting, Postal Ballot Form (including instructions) and Annexures to the Court Convened Meeting and Postal Ballot and E-voting (including Scheme of Amalgamation) for your kind records.

Please find the same in order.

Thanking you,
Yours faithfully,
For Torrent Power Limited

TORRENT POWER LIMITED AHMEDABAD

T. P. Vijayasarathy
Executive Director (Corporate Affairs) & CFO

Encl: as above

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

Index of Contents

Sr. No.	Contents	Page Nos.
	COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS	
1	Notice for Court Convened Meeting of the Equity Shareholders of Torrent Power Limited under Section 391 of the Companies Act, 1956	1-2
2	Explanatory Statement pursuant to Section 393 of the Companies Act, 1956	3-17
3	Form of Proxy	18-19
4	Attendance Slip	20
	POSTAL BALLOT AND E-VOTING	
1	Notice of Postal Ballot and e-voting to transact the following business: Item No. 1: To approve the proposed Composite Scheme of Amalgamation of Torrent Energy Limited ("**TEL**" or "**Transferor Company-1**") and Torrent Cables Limited ("**TCL**" or "**Transferor Company-2**") with Torrent Power Limited ("**TPL**" or "**Company**" or "**Transferee Company**") and their respective shareholders and creditors ("**Scheme of Amalgamation**"); and Item No. 2: To approve the revision in terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company	1-4
2	Explanatory Statement pursuant to Section 102 of the Companies Act, 2013	5-20
3	Postal Ballot Form with Instructions (for physical voting, e-voting and other instructions) and self-addressed postage prepaid business reply envelope	Loose Leaf Insertion
	ANNEXURES TO THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS AND POSTAL BALLOT AND E-VOTING	
1	Composite Scheme of Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective shareholders and creditors	1-13
2	Copy of Fairness Opinion dated 12th May, 2014 provided by M/s. IDFC Securities Limited, the Merchant Bankers on the Valuation Report submitted by M/s. Price Waterhouse & Co. LLP, Chartered Accountants	14-20
3	Copies of the Complaints Reports dated 31st July, 2014 filed with the Stock Exchanges by Transferor Company-2 and Transferee Company	21-22
4	Copies of the Observation Letters from BSE Limited dated 27th August, 2014 for Transferor Company-2 and Transferee Company	23-26
5	Copy of the Observation Letter from National Stock Exchange of India Limited dated 26th August, 2014 for Transferee Company	27-28
6	Pre & Post Amalgamation Shareholding Pattern of Transferee Company	29
7	Pre Amalgamation Shareholding Pattern of Transferor Company-2	30
8	Details of Shareholding of the Directors and Key Managerial Personnel of Transferor Companies and Transferee Company	31
9	Abridged Financial Statements of Transferor Companies and Transferee Company	32-37

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day	**Thursday**
Date	**30th April, 2015**
Time	**9.30 a.m.**
Venue	**J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, Gujarat**

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 44 OF 2015

In the matter of Composite Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of Torrent Power Limited.

A company registered under the Companies Act, 1956 and having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, in the State of Gujarat.

And

In the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited.

Torrent Power Limited.
A company registered under the Companies
Act, 1956 and having its registered office at
Torrent House, Off Ashram Road, Ahmedabad – 380 009,
in the State of Gujarat ……..... Applicant Transferee Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF TORRENT POWER LIMITED, THE APPLICANT TRANSFEREE COMPANY

To,
The Equity Shareholders of Torrent Power Limited ("Applicant Transferee Company")

TAKE NOTICE that by an Order made on the 24th day of February, 2015, the Hon'ble High Court of Gujarat, has directed that a Meeting of the Equity Shareholders of the Applicant Transferee Company be convened and held at the **J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, in the State of Gujarat on Thursday, the 30th day of April, 2015 at 9.30 a.m.**, for the purpose of considering and if thought fit, approving with or without modifications, the proposed Composite Scheme of Amalgamation of Torrent Energy Limited, **the Transferor Company-1** and Torrent Cables Limited, **the Transferor Company-2** with Torrent Power Limited, the **Applicant Transferee Company**; as proposed between the Company and its Equity Shareholders.

TAKE FURTHER NOTICE that in pursuance of the said Order, and as directed therein, a meeting of the Equity Shareholders of the Applicant Transferee Company will be convened and held at the J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, in the State of Gujarat on Thursday, the 30th day of April, 2015 at 9.30 a.m., at which date, 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 the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the Registered Office of the Applicant Transferee Company at Ahmedabad, not later than 48 (forty eight) hours before the aforesaid meeting.

The Hon'ble High Court of Gujarat has appointed Shri Sudhir Mehta, the Executive Chairman of the Applicant Transferee Company and failing him Shri Samir Mehta, the Executive Vice Chairman of the Applicant Transferee Company and failing him Shri Markand Bhatt, Whole-time Director of the Applicant Transferee Company, to be the Chairman of the aforesaid meeting.

Copies of the Explanatory Statement pursuant to Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip are enclosed herewith. A copy of the proposed Composite Scheme of Amalgamation is forming part of the **Annexures** (Refer Sr. No.1 of the Annexures).

Dated this 12th day of March, 2015
Ahmedabad

Sudhir Mehta
Chairman appointed for the meeting

Registered Office:
Torrent House, Off Ashram Road,
Ahmedabad – 380 009, in the State of Gujarat

Note:

1 All alterations, if any, made in the Form of Proxy should be initialled by the Equity Shareholder.

2 Only registered Equity Shareholders of the Applicant Transferee Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of companies, institutions, trusts, societies, etc. which are registered Equity Shareholders of the Applicant Transferee Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of such companies, institutions, trusts, societies, etc. authorising such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Transferee Company not later than 48 (forty eight) hours before the time of the meeting.

3 Proxy need not be an Equity Shareholder of Torrent Power Limited.

4 A registered Equity Shareholder or his Proxy is also requested to bring a copy of this notice to the meeting and produce the attendance slip duly completed and signed at the entrance of the meeting venue.

5 Registered Equity Shareholders who hold shares in dematerialised form are requested to bring their DP ID and Client ID for easy identification at the meeting.

6 Registered 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 Transferee Company in respect of such joint holding will be entitled to vote.

Enclosures: as above

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 44 OF 2015

EXPLANATORY STATEMENT UNDER SECTION 393(1) OF THE COMPANIES ACT, 1956 TO THE NOTICE CONVENING THE MEETINGS OF THE EQUITY SHAREHOLDERS OF TORRENT POWER LIMITED, FOR CONSIDERING AND APPROVING COMPOSITE SCHEME OF AMALGAMATION OF TORRENT ENERGY LIMITED AND TORRENT CABLES LIMITED WITH TORRENT POWER LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. Pursuant to the Order dated 24th February, 2015 by the Hon'ble Gujarat High Court vide Company Applications No. 42, 43 & 44 of 2015, separate meetings of the Secured and Unsecured Creditors of Torrent Energy Limited ("**TEL**" or "**Transferor Company-1**"), Equity Shareholders, Secured Creditors and Unsecured Creditors of Torrent Cables Limited ("**TCL**" or "**Transferor Company-2**") (Collectively referred to as **"Transferor Companies"**) and Equity Shareholders of Torrent Power Limited ("**TPL**" or "**Company**" or "**Transferee Company**") are being convened for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the proposed Composite Scheme of Amalgamation between TEL and TCL with TPL and their respective Shareholders and Creditors ("**Scheme of Amalgamation**"). This statement explaining the material terms of the Scheme of Amalgamation is being furnished as required under section 393 (1) (a) of the Companies Act, 1956.

2. The Scheme of Amalgamation was placed before the Audit Committees of the Transferor Company-2 and the Transferee Company at their respective meetings held on 12th May, 2014. The Audit Committees of the Transferor Company-2 and the Transferee Company took into account the recommendations on the share exchange ratio (more specifically set out in Clause 7.1 and 7.2 of the Scheme of Amalgamation) by M/s. Price Waterhouse & Co. LLP, Chartered Accountants acting as independent valuers and the fairness opinion provided by M/s. IDFC Securities Limited, Merchant Banker. The copy of the fairness opinion provided by M/s. IDFC Securities Limited, Merchant Banker is forming part of the **Annexures** (Refer Sr. No. 2 of Annexures)**.**

3. The Board of Directors of respective Transferor Companies and Transferee Company at their respective Board Meetings held on 12th May, 2014, subject to various conditions, consents and approvals, approved the Scheme of Amalgamation pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956. A copy of the Scheme of Amalgamation setting out in detail the terms and conditions on which the Scheme of Amalgamation is proposed as approved by the Board of Directors of the respective Transferor Companies and Transferee Company is forming part of the **Annexures** (Refer Sr. No. 1 of Annexures).

4. In terms of provisions of Clause 24(f) of the Equity Listing Agreement read with provisions of SEBI Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013 ("**SEBI Circulars**"), the Transferor Company-2 had filed the application with the BSE Limited ("**BSE**") and the Transferee Company had filed the applications with BSE as well as the National Stock Exchange of India Limited ("**NSE**") (collectively referred to as "**Stock Exchanges**"), seeking their no-objection to the Scheme of Amalgamation.

5. As required by the SEBI Circulars, the Transferor Company-2 and the Transferee Company have filed their respective complaints reports with the relevant Stock Exchanges on 31st July, 2014. Copies of the same are forming part of the **Annexures** (Refer Sr. No. 3 of Annexures).

6. The Stock Exchanges vide their respective Observation Letters dated 27th August, 2014 and 26th August, 2014, conveyed their 'No-Objection' for filing the Scheme of Amalgamation with the Hon'ble High Court. Copies of the aforementioned observation letters are also forming part of the **Annexures** (Refer Sr. No. 4 and 5 of Annexures).

7. Pursuant to the requirements of the said SEBI Circulars and in terms of the order dated 24th February, 2015 passed by the Hon'ble High Court of Gujarat, the procedure for seeking approval of the Public Shareholders for the Scheme of Amalgamation by way of Postal Ballot and e-voting is also being undertaken by the Transferor Company-2 and the Transferee Company.

8. Background of each company

8.1. Torrent Energy Limited (TEL or Transferor Company-1)

8.1.1. TEL is an unlisted public limited company, registered under the provisions of the Companies Act, 1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. It is a wholly owned subsidiary company of Torrent Power Limited, the Transferee Company. It has recently implemented nearly 1200 MW DGEN Mega Power Plant, a gas based combined cycle power plant and associated transmission facility for power evacuation. It has been granted the status of co-developer by the Ministry of Commerce and Industry, Government of India, and as a co-developer, it is responsible for catering to the entire power requirement of entities coming up in the Dahej Special Economic Zone (Dahej SEZ). It is also a distribution licensee for Dahej SEZ area. The total income of TEL during last financial year ended on 31st March, 2014 was Rs. 56.58 crores and net profit was Rs. 4.82 crores. TEL has built up reserves and surplus of Rs. 16.79 crores as on 31st March, 2014. Further, it is a company with growth potential.

8.1.2. The share capital structure of TEL as on 31st March, 2014 is set out below:

Particulars	Rs. (in crores)
AUTHORISED SHARE CAPITAL 230,00,00,000 Equity Shares of Rs. 10/- each	2300.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 198,82,20,000 Equity Shares of Rs. 10/- each fully paid up	1988.22

There has been no change in the authorised, issued, subscribed and paid up share capital of TEL after 31st March, 2014. The entire paid up share capital of TEL is held by TPL, the Transferee Company and other shareholders holding shares jointly with TPL. TEL is, therefore a wholly owned subsidiary of TPL.

8.2. Torrent Cables Limited (TCL or Transferor Company-2)

8.2.1. TCL is a listed public limited company, registered under the provisions of the Companies Act,1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. It was incorporated on 22nd March, 1991 as a public limited company in the name and style of Torrent Gujarat Biotech Limited. The name of the Company was subsequently changed to Torrent Cables Limited on 18th October, 2008 pursuant to the scheme of amalgamation of erstwhile Torrent Cables Limited with Torrent Gujarat Biotech Limited vide the orders passed by the Hon'ble High Court of Gujarat dated 29th August, 2008. Shares of TCL are listed on BSE. It is an established manufacturer and supplier of power cables and is one of the market leaders in HT Power Cable segment. The total income of TCL during the last financial year ended on 31st March, 2014 was Rs. 220.92 crores and the net profit was Rs. 4.31 crores. TCL has built up reserves and surplus of Rs. 159.80 crores as on 31st March, 2014. Thus, it has been a profit making and dividend paying company with growth potential.

8.2.2. The share capital structure of TCL as on 31st March, 2014 is set out below:

Particulars	Rs. (in crores)
AUTHORISED SHARE CAPITAL 7,00,00,000 Equity Shares of Rs. 10/- each	70.00
ISSUED SHARE CAPITAL 4,50,00,011 Equity Shares of Rs. 10/- each	45.00
SUBSCRIBED AND PAID-UP SHARE CAPITAL 85,98,395 Equity Shares of Rs. 10/- each fully paid up	8.60

There has been no change in the authorised, issued, subscribed and paid up share capital of TCL after 31st March, 2014.

8.3. Torrent Power Limited (TPL or Company or Transferee Company)

8.3.1. TPL is a listed public limited company, registered under the Companies Act, 1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. The Company was incorporated on 29th April, 2004 as a private limited company in the name and style of Torrent Power Trading Private Limited, under the provisions of the Companies Act, 1956. The name of the Company was subsequently changed to Torrent Power Private Limited on 25th January, 2006 and the Company was thereafter converted into a public limited company on 8th February, 2006 in accordance with the provisions of the Act and consequently, name of the Company was changed to its present name, Torrent Power Limited. Subsequently, Torrent Power AEC Limited, Torrent Power SEC Limited and Torrent Power Generation Limited were amalgamated with Torrent Power Limited with 1st April, 2005 as appointed date, vide orders passed by the Hon'ble High Court of Gujarat dated 12th July, 2006. It is the flagship company of Torrent group in Power Sector. The shares are currently listed on BSE as well as NSE. It is an integrated power utility engaged in the business of power generation, transmission and distribution of electricity with operations in the States of Gujarat, Maharashtra and Uttar Pradesh. The total income of the Company during the last financial year ended on 31st March, 2014 was Rs. 8,817.46 crores and net profit was Rs. 94.84 crores. The Company has built up reserves and surplus of Rs. 5,704.11 crores as on 31st March, 2014. Thus, it is a profit making and dividend paying company with bright growth potential.

8.3.2. The share capital structure of Torrent Power Limited as on 31st March, 2014 is set out below:

Particulars	Rs. (in crores)
AUTHORISED SHARE CAPITAL 200,00,00,000 Equity Shares of Rs. 10/- each	2000.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 47,24,48,308 Equity Shares of Rs. 10/- each fully paid up	472.45

There has been no change in the authorised, issued, subscribed and paid up share capital of TPL after 31st March, 2014.

9. PURPOSE AND RATIONALE OF THE SCHEME OF AMALGAMATION:

The Transferor Companies and Transferee Company are part of the same business group. Transferor Company-1 is a wholly owned subsidiary of the Transferee Company and both, Transferor Company-1 and Transferee Company, are engaged in the similar business. Transferor Company-2 is one of the major suppliers of power cables for the power transmission and distribution activities of Transferee Company as well as Transferor Company-1.

In view of similar business of Transferor Company-1 and the Transferee Company and complementary business relationship between Transferor Company-2 on one hand and Transferor Company-1 and Transferee Company on the other hand, it is proposed to consolidate the activities of the Transferor Companies and the Transferee Company by way of amalgamation of Transferor Companies with the Transferee Company.

The proposed amalgamation would result in the following benefits to the Transferor Companies and the Transferee Company, their respective shareholders and creditors and will be in long-term interest of customers, employees and other stakeholders:

- Enhanced shareholders' value;
- Alignment of various aspects of the power business of the Torrent Group in a logical group and sequence;
- Synergies of operations, inter alia, from consolidated fuel and spares procurement, optimization of logistics costs and more refined power generation / distribution models;

- Integration of business thereby providing significant impetus to the growth;
- Concentrated management focus and improved organisational capability;
- Integrated, rationalised and streamlined management structure of the merged business;
- Strengthening of financial position with wider capital base and increased leverage capacity of the merged entity;
- Facilitate inter transfer of resources and optimum utilisation of assets;
- Pooling of Human talent in terms of Manpower, Management, Administration and Marketing to result in saving of costs;
- Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
- Synchronizing of efforts to achieve uniform corporate policy;
- Improved opportunities for new ancillary businesses, expansion and modernization of existing ancillary business;
- Addressing the emerging challenges due to enhanced competitive scenario.

Moreover, it will lead to the enhancement in the reputation of the brand "Torrent" as a reliable and serious player in all spheres in the power sector in India.

10. The material provisions of the proposed Scheme of Amalgamation are as under (Sr. Nos. in this section refers to the Sr. Nos. of the Scheme of Amalgamation):

1. <u>DEFINITIONS</u>

"Appointed Date" means the opening hours of the business on 1 April 2014.

"Effective Date" means the date on which all the conditions and matters referred to in the Scheme including Clause 17.1 have been fulfilled.

"Record Date" means the date to be fixed by the Board of the Transferee Company in consultation with the Board of the Transferor Company 2 for the purpose of reckoning names of the equity shareholders of Transferor Company 2 who shall be entitled to shares of the Transferee Company in accordance with Clause 7.1 of this Scheme.

"Scheme", **"the Scheme"**, **"this Scheme"** means this composite scheme of amalgamation in its present form submitted to the High Court or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"the Undertaking" shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of each of Transferor Companies, on a going concern basis, together with all their assets and liabilities and employees and shall mean and include (without limitation):

(a) all assets and properties, whether movable and immovable (whether freehold, leasehold or otherwise), tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress including expenses incurred to be capitalized and advances for assets, equipment, furniture, fixtures, vehicles, stocks and inventory, any other leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, other fixed assets, current assets including loans, advances, inventory and work in progress cash in hand, amounts lying in the banks to the credit of each of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, Development Rights including advances paid to any parties for acquisition of development rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other

licenses including licenses for electricity transmission and distribution, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the business of the Transferor Companies and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief / benefit available/to be available to the eligible units including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted/ collected at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("MAT"), deduction under Chapter VI-A for the eligible period) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies;

(b) All the debts, liabilities, duties and obligations including contingent liabilities, present or future, whether secured or unsecured, of the Transferor Companies as on the Appointed Date; and

(c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Companies.

(d) Without limitation to the generality of the foregoing, all the properties of the Transferor Company 1 related to the power transmission business, including without limitation, power transmission equipment, sub stations, terminal stations, foundations for tower structures/switch yards/substations, insulators, towers, transmissions accessories, appliances, tools and plants.

(e) all permanent employees, staff and workmen of Transferor Companies.

3. TRANSFER AND VESTING OF THE UNDERTAKINGS

3.1 Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting any of the Transferor Companies or any part thereof, and which shall be deemed to have been vested in Transferee Company by virtue of the amalgamation. After coming into effect of this Scheme in cases where the required security has not been created and in such case if the terms thereof require, Transferee Company will create the security in terms of the issue or arrangement in relation thereto.

3.2 (a) Upon the Scheme being effective, with respect to the assets forming part of the Undertakings of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same shall stand transferred and vest in, without any further act or execution of an instrument with the intent of vesting such assets in Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Transferee Company.

(b) Subject to the provisions of Clause 3.2(c) below, with respect to the assets of the Undertakings of the Transferor Companies other than those referred to in Clause 3.2(a) above, including sundry debtors, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, development rights, advances paid to any parties for acquisition of development rights, earnest money and deposits, if any, with government, semi-government, local and other authorities and bodies or with any company or other person, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by Transferor Companies and all the rights, title and interests of Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company.

(c) Upon the Scheme being effective, with respect to the immovable properties (including land, buildings and any other immovable property) comprised in the Undertakings of the Transferor Companies and situated within the States of Gujarat and Maharashtra whether owned or leased, and any documents of title, rights and easements in relation thereto, and forming part of the Undertakings of the Transferor Companies, shall stand transferred and vest in the Transferee Company, without any act or deed done by the Transferor Companies or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of their immovable property is given to the Transferee Company.

(d) For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Companies, be transferred to and vested in Transferee Company.

(e) Upon the Scheme being effective and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of Transferee Company and shall be binding on and be enforceable by and against Transferee Company as fully and effectually as if Transferee Company had at all times been a party thereto. Any inter-se contracts between any of the Transferor Companies on one hand and Transferee Company on the other hand shall stand cancelled and cease to operate in Transferee Company upon the coming into effect of this Scheme. It is clarified that upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (including the power purchase agreements), arrangements and other instruments of whatsoever nature entered into between the Transferor Companies be treated as cancelled and shall cease to operate.

(f) In so far as the various incentives, tax exemption and benefits, subsidies, grants, special status and other benefits or privileges enjoyed including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc., granted by any Appropriate Authority, or availed of by Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to Transferee Company on the same terms and conditions with effect from Appointed Date upon the Scheme being effective.

3.3 (a) Upon the Scheme being effective, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of

Transferor Companies which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of Transferee Company.

(b) Upon the Scheme being effective, where any of the liabilities and obligations attributed to any of the Transferor Companies on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Transferee Company. Where after the Appointed Date, Transferor Companies has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of Transferee Company and Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Companies and Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat and other relevant Appropriate Authorities to give formal effect to the above provisions.

(d) If and to the extent there are loans, deposits or balances inter-se between Transferor Companies and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Transferee Company upon the Scheme being effective. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between any of the Transferor Companies and Transferee Company from the Appointed Date.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between any of the Transferor Companies and Transferee Company from the Appointed Date.

(f) Upon the Scheme being effective, any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable in any State in which Transferor Companies operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Companies' accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted/collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Transferee Company.

(g) Any amount including refund under the Tax Laws due to Transferor Companies consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be receivable by Transferee Company upon the Scheme being effective.

(h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company upon the Scheme being effective.

3.4 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

3.5 Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the Undertaking of the Transferor Companies in accordance with the provisions of Sections 391 to 394 of the Act. The Transferor Companies and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance or do any act, thing or deed in this regard.

3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which any of the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of any of the Transferor Companies, as the case may be, to be carried out or performed.

6. LEGAL PROCEEDINGS

6.1 Upon the Scheme being effective, if any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the Proceedings") by or against Transferor Companies be pending before the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies pursuant to this scheme or by anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if the Scheme had not been made. On and from the Effective Date, Transferee Company shall and may initiate any legal proceedings which were earlier in the names of the Transferor Companies.

6.2 The transfer and vesting of the Undertakings of the Transferor Companies under the Scheme and the continuance of the proceedings by or against Transferee Company under Clause 6.1 shall not affect any transaction or proceeding already completed by Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of Transferee Company.

7. CONSIDERATION

7.1 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Transferee Company pursuant to this Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of Transferor Company 2 whose name is recorded in the register of members of the Transferor Company 2 on the Record Date in the following ratio ("Share Exchange Ratio"): 19 (Nineteen) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 20 (Twenty) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company 2.

For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company 2 who, on the Record date do not hold equity shares in the Transferor Company 2 in multiple of 20 (Twenty) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company 2 on the Record Date, bear to the Share Exchange Ratio. It is further clarified that any fraction arising thereon shall be dealt with as per clause 7.5 of the Scheme.

7.2 Since the entire share capital of the Transferor Company 1 is held by the Transferee Company, it is the wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company 1 shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares against these shares as the Transferee Company is the only shareholder of the said Transferor Company.

7.3 The Share Exchange Ratio has been arrived at on basis of the valuation report prepared by M/s. Price Waterhouse & Co. LLP, Independent Chartered Accountants. Further, M/s. IDFC Securities Limited, Merchant Bankers, has provided a fairness opinion on the fairness and reasonableness of the Share Exchange Ratio determined for the vesting of the Undertakings of the Transferor Companies into Transferee Company. The valuation report and fairness report as aforesaid have been duly approved by the Board of Directors of each of the Transferor Companies and Transferee Company.

7.4 The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank paripassu in all respects with the existing equity shares of Transferee Company. It is hereby clarified that the new equity shares allotted by Transferee Company to the shareholders of the Transferor Company 2 pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Transferee Company before the Effective Date.

7.5 No fractional shares shall be issued by Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Company 2 may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Transferee Company) as may be nominated by the Board of Directors of Transferee Company as trustee(s) for sale thereof, in open market through SEBI registered share broker at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

7.6 Equity shares of Transferee Company issued in terms of Clause 7.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferor Company 2 are listed (besides where the shares of Transferee Company are listed) and Transferee Company shall pay the appropriate fee and incur all costs for the same. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the relevant stock exchanges;

7.7 The new equity shares issued pursuant to Clause 7.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company 2 to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company 2 shall be required to have an account with a depositary participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company 2.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depositary participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company 2 at their respective registered addresses, as appearing in the register of members maintained by Transferor Company 2 as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

7.8 Where equity shares of the Transferee Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Transferee Company.

7.9 Unless otherwise determined by the Board of Directors of Transferor Companies and the Board of Directors of Transferee Company, allotment of shares in terms of Clause 7.1 above shall be done within the prescribed statutory period from the Effective Date.

7.10 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company 2 which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.

7.11 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company 2, the Board of Directors of Transferee Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Record Date as the case may be to effectuate such a transfer in Transferor Company 2 as if such changes in registered holder were operative as on the Record Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.

7.12 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company 2 as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

9. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

A. CAPITAL CLAUSE

9.1 Upon the Scheme being effective, the authorised share capital of each of the Transferor Companies will get consolidated with that of Transferee Company without any further act or deed and without payment of any additional fees and duties. For this purpose the stamp duty and fees already paid on the authorised capital of the Transferor Companies shall be utilised and applied to the increased authorised share capital of Transferee Company and there would be no requirement for any other further payment of stamp duty and / or fee by Transferee Company for increase in the authorised share capital to that extent. The authorised share capital of Transferee Company will thus be increased to that effect by virtue of the scheme becoming effective and no separate procedure shall be required to be followed under the Act. Thus, the authorised share capital of Transferee Company will amount in aggregate to Rs. 4370,00,00,000 (Rupee Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each.

9.2 Consequently, the Clause V of Memorandum of Association of Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

> "The Authorised Share Capital of the Company is Rs. 4370,00,00,000 (Rupees Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to affect, vary, extended, modify, surrrender or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

B. OBJECTS CLAUSE

9.3 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions the Act as set out below:

(a) The current Clause III.(A).1. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

i) "To generate, transmit, distribute, purchase, procure, sell, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects, to own, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and manage transmission and distribution networks or systems and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, import, export, storage and accumulation of all forms of electrical power and to engage in all activities incidental thereto.

ii) To carry on the business of establishment and management of fuel systems and to search for, obtain, acquire, mine, explore, buy, sell, import, export or otherwise deal in oils, gases, coals, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials.

iii) To carry on the business of manufacturers, sellers and distributors of electrical apparatuses and appliances, electric, magnetic, galvanic and other articles and things of all kinds including electric wires and cables of all descriptions, insulators, conductors, tapes, ropes, poles, galvanisers, switch gears, distribution accessories and all other kinds of electrical goods and materials and the business of electrical, mechanical, civil, sanitary, railway, nautical, aero-nautical and general engineers in all their respective branches.

iv) To carry on business as manufacturers, importers, exporters, whole-sellers, retailers, repairers, buyers and sellers of and dealers in all kinds of goods, substances, preparations, materials, articles, things, apparatuses, fittings, appliances, accessories and component parts for or in connection with the civil, electrical, mechanical and textile engineering, electrical and cable industries, made wholly or in part out of rubber, synthetic rubber, cork, plastics, asphalt, glass and any other natural and synthetic materials of all descriptions and to compound, fabricate, mould, extrude or otherwise process goods made wholly or partially from thermoplastic and thermosetting substances or other materials of any nature.

(b) The current Clause III.(B).2. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety.

(c) The current Clause III.(B).3. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

"To plan, promote and take up necessary developmental work, selection of prospective/ established Independent Power Producers/ generating/ transmission/ distribution companies/ utilities and enter into contracts/ Power Purchase Agreements/ Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution and optimum utilisation of electrical power."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum of Association of Transferee Company as required under applicable provisions of the Act.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

9.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Articles of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

The following article shall be inserted after Article 199 of the Articles of Association of the Transferee Company as Article 199A:

"199A. Chairperson may be Managing Director or Chief Executive Officer

An individual may be appointed or reappointed to, or hold, the position of Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Articles of Association of Transferee Company as required under applicable provisions of the Act.

11. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY

On the Scheme becoming effective, Transferee Company shall account for the amalgamation in its books at the close of business on the day immediately preceding the Appointed Date as under:

(a) Amalgamation of Transferor Companies shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as notified under Section 211(3C) of the Act.

(b) All assets and liabilities, including reserves, of Transferor Companies transferred to Transferee Company under the Scheme shall be recorded in the books of account of Transferee Company at the book value as recorded in books of account of Transferor Companies, at the close of business on the day immediately preceding the Appointed Date, except to ensure uniformity of accounting policies.

(c) The difference between Share Capital of Transferor Company 2 and face value of new equity shares issued in terms of Clause 7.1 above to the shareholders of Transferor Company 2 (other than Transferee Company) shall be adjusted in reserves of Transferee Company. If such difference is a surplus, then the same shall be credited to the General reserve of Transferee Company and if such difference is a deficit, then the same shall be first adjusted against the General reserve of Transferee Company and balance, if any, shall be debited to the Goodwill account of Transferee Company.

(d) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations amongst the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above there would be no accrual of interest or other charges in respect of any such inter-company loans, advances, deposits, balances or other obligations.

14. BORROWINGS OF THE TRANSFEROR COMPANIES AND TRANFEREE COMPANY

14.1 It is clarified that upon the Scheme coming into effect and without any further act of the parties, all loan agreements, rupee facility agreements, working capital facility agreements, mortgage deeds, hypothecation deeds, pledge agreements, security trustee agreements, demand promissory notes, letters of comfort and any other such borrowing or security instruments of whatsoever nature to which the Transferor Companies are a party and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.

14.2 With effect from the date of the Board meeting of Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Companies and Transferee Company shall be entitled to undertake such financial commitments, borrow monies, create any charge, mortgage, encumber or deal with its movable and immovable assets, issue any guarantees, indemnities, undertakings, letters of comfort or commitments or such other instruments, as may be necessary or required by the lenders / security trustees, pursuant to the new loan facilities proposed to be availed from the existing or new lenders subject to Clause 12.2.

14.3 Notwithstanding anything to the contrary contained in this Scheme, pending the sanction of the Scheme by High Court, the Transferor Companies and the Transferee Company shall be entitled jointly, to avail one or more loan facilities from the existing as well as new Lenders, from time to time, and offer their assets as security, on such terms as may be mutually agreed, in order to

reorganise their consolidated long term financing arrangements including under an obligor co-obligor structure. Such re-organisation of consolidated financial arrangements is expected to have an appropriate moratorium and longer repayment tenure (of around 15 years). The Board of Directors of respective Transferor Companies and Transferee Company shall finalize and approve the terms and conditions for availing such proposed loan facility.

The indicative key terms of the proposed obligor co–obligor structure, inter alia, are as under:

a. The Transferor Companies and Transferee Company will jointly become the obligors to such re-organised loan facility.
b. The obligors shall make a joint and several promise to repay such re-organised loan facility.
c. Each of the obligors shall create security for the total value of the re-organised loan facility on their entire respective assets.
d. The Lenders will have recourse to the assets of all or any of the obligors to recover the entire amount of such re-organised loan facility from all or any of the obligors in case of any event of default including payment default.

For the avoidance of doubt, it is clarified that upon the Scheme being effective, such re-organised loan facility shall continue to be in full force and effect in relation to the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor.

16. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming operative or effective, each of the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act and no further procedure shall be required to be followed under the Act.

This Scheme is conditional upon and subject to obtaining the approvals/sanctions, taking actions and performance of the conditions as stated in Clause 17.1 of the Scheme of Amalgamation.

The material provisions set out above being only the salient features of the Scheme of Amalgamation, the shareholders are requested to read the entire text of the Scheme of Amalgamation forming part of Annexures (Refer Sr. No. 1 to Annexures) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme of Amalgamation.

11. The rights and interests of the members and the creditors of the Transferor Companies as well as the Transferee Company will not be prejudicially affected by the Scheme of Amalgamation and due provisions have been made for payment of the existing liabilities as and when the same fall due in usual course.

12. No investigation proceedings have been instituted or are pending in relation to the Transferor Companies as well as the Transferee Company under Sections 235 and 250A of the Companies Act, 1956 or the corresponding provisions as per the Companies Act, 2013.

13. The Background of the Board of Directors of the Transferor Companies and Transferee Company as on 27th February, 2015 is as under:

TORRENT ENERGY LIMITED				
Sr. No.	**Name**	**Designation**	**Age**	**Educational Qualification**
1	Shri Jinal Mehta	Chairman	31	MBA from University of Technology, Sydney, Australia
2	Shri Vasant A. Shah	Independent Director	71	C.A.
3	Shri Surendra M. Shah	Independent Director	78	B. Sc.
4	Shri Samir Barua	Independent Director	63	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph.D in Management (IIM, Ahmedabad)
5	Shri Deepak Dalal	Director	70	BE- Electrical, Post Graduate from Indian Institute of Management, Ahmedabad
6	Shri T. P. Vijayasarathy	Director & CFO	59	ICWA, Post Graduate from Indian Institute of Management, Bangalore
7	Shri Sanjay Dalal	Director & CEO	54	C.A., LL.B.

TORRENT CABLES LIMITED				
Sr. No.	**Name**	**Designation**	**Age**	**Educational Qualification**
1	Shri Rohit C. Mehta	Chairman	84	LL.B.
2	Shri V. S. Parikh	Independent Director	84	B.Com., LL.B.
3	Shri Prafull Anubhai	Independent Director	77	B.Sc. (Economics), London
4	Shri Vasant A. Shah	Independent Director	71	C.A.
5	Smt. Renu Challu	Director	63	M.A. Economics, Associate of the Indian Institute of Bankers
6	Shri Jayesh Desai	Director	59	C.A.
7	Shri Raghu Parakh	Director & CEO	60	C.A., Post Graduate from Indian Institute of Management, Calcutta
TORRENT POWER LIMITED				
Sr. No.	**Name**	**Designation**	**Age**	**Educational Qualification**
1	Shri Sudhir Mehta	Executive Chairman	60	B.Sc.
2	Shri Pankaj Patel	Independent Director	61	Masters in Pharmaceuticals and Pharmaceutical Technology
3	Shri Samir Barua	Independent Director	63	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph.D in Management (IIM, Ahmedabad)
4	Shri Kiran Karnik	Independent Director	67	Honours degree in Physics, Post Graduate from Indian Institute of Management, Ahmedabad
5	Shri Keki M. Mistry	Independent Director	60	C.A., C.P.A. (USA)
6	Shri R. Ravichandran	Nominee Director	60	C.A.
7	Smt. Renu Challu	Independent Director	63	M.A. Economics, Associate of the Indian Institute of Bankers
8	Shri Samir Mehta	Executive Vice Chairman	51	Masters in Business Management
9	Shri Markand Bhatt	Whole-time Director	68	Post Graduate from Indian Institute of Management, Ahmedabad
10	Shri Jinal Mehta	Whole-time Director	31	MBA from University of Technology, Sydney, Australia

14. Disclosure of Interest

(a) The Directors of the Transferor Companies and Transferee Company may be deemed to be concerned and / or interested in the Scheme of Amalgamation only to the extent of their or their relatives shareholding in the respective companies or to the extent the said Directors or their relatives are common directors in Transferor Companies and/ or Transferee Company or to the extent the said Directors or their relatives are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the Transferor Companies and Transferee Company. Their interest in these companies shall not be treated in any way differently than the other shareholders of the Transferor Companies and Transferee Company. Particulars of the interest of Directors and their relatives are available for inspection at the respective Registered Offices of the Transferor Companies and Transferee Company.

(b) The shareholding (singly or jointly) of Directors and Key Managerial Personnel in the Transferor Companies and the shareholding (singly or jointly) of Directors and Key Managerial Personnel in the Transferee Company as on 27th February, 2015 forms part of **Annexures** (Refer Sr. No. 8 of Annexures)**.**

15. The Directors of either the Transferor Companies and Transferee Company have not given any loans to any of the Transferor Companies and Transferee Company.

16. The shareholding pattern of TPL, the Transferee Company (pre-amalgamation and post amalgamation) and the shareholding pattern of TCL, the Transferor Company-2 (pre-amalgamation) as on 31st March, 2014 forms part of the **Annexures** (Refer Sr. No. 6 and 7 of Annexures).

17. The Hon'ble Central Electricity Regulatory Commission (CERC) has granted its approval to TEL under Section 17 (1) (b) of the Electricity Act, 2003 for the amalgamation with TPL subject to the following conditions:

- Trading: TPL shall not indulge in trading i.e. purchasing of energy from third parties for the purpose of sale to any other licensee/ consumers of other licensees. Also, it shall not apply for trading licence either to this Commission or any of the State Commission during the subsistence of the transmission licence.

- Separate Accounts: TPL shall maintain separate accounts of its transmission business and shall make available the account of transmission business for inspection whenever required by the Commission.

- Valuation of assets: The assets and liabilities of TEL after merger shall be valued at par and shown in the books of TPL at the same value as reflected in the balance sheet of TEL and not at any premium/ discount as it will disturb the debt-equity ratio of TEL which is a regulated entity. After completion of merger, TPL shall submit a certificate (alongwith supporting documents) from the Statutory Auditor that the above directions have been complied with.

- Assignment of license: For assigning the license granted to TEL, TPL is required to report relevant information upon approval of merger by the High Court i.e. change in major shareholding, ownership or management of the licensee. In light of these information, CERC will make suitable modification in the terms & condition of license granted to TEL.

18. TEL, the Transferor Company-1 has also filed petition before Hon'ble Gujarat Electricity Regulatory Commission (GERC) for approval under Section 17 of the Electricity Act, 2003. The hearings have been concluded and the order is awaited. TEL has also made applications to the Development Commissioner, Dahej SEZ and Dahej SEZ Ltd. The Transferor Companies and Transferee Company are under discussions with lenders for finalising the proposed reorganisation of consolidated Long term financing arrangements as per Clause 14 of the Scheme of Amalgamation. Necessary actions are being taken for other required approvals / fulfilment of conditions by the Transferor Companies and Transferee Company, as applicable.

19. The financial statements of Transferor Companies and Transferee Company in the form of abridged financial statements for last three years forms part of **Annexures** (Refer Sr. No. 9 of Annexures).

20. No winding up petitions have been pending and/ or admitted against the Transferee Company and against the Transferor Company-1 and Transferor Company-2.

21. The following documents will be available for inspection by the Shareholders and/or creditors at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 3.00 p.m. and 5.00 p.m. up to the date of the ensuing Meetings and at the venue of the Meetings on the date of the Meetings during the Meeting hours.

i. Copies of the Orders passed by the Hon'ble High Court of Gujarat dated 24th February, 2015 (vide Company Application Nos. 42, 43 & 44 of 2015) directing convening or dispensing with the meetings;

ii. Copies of the Memorandum of Association and Articles of Association of the Transferor Companies and the Transferee Company;

iii. Copies of Audited Annual Accounts of the Transferor Companies and the Transferee Company for the year ended on 31st March, 2014 and Unaudited financial results for the period ended 31st December, 2014;

iv. Copy of proposed Composite Scheme of Amalgamation;

v. Copy of Valuation Report dated 12th May, 2014 provided by M/s. Price Waterhouse & Co. LLP, Chartered Accountants;

vi. Copy of Fairness Opinion dated 12th May, 2014 provided by M/s. IDFC Securities Limited, the Merchant Bankers;

vii. Copy of Net worth Certificate dated 19th August, 2014 of the Transferee Company as on 31st March, 2014, provided by M/s. Deloitte Haskins & Sells, Chartered Accountants;

viii. Copies of Observation letters received from BSE Limited dated 27th August, 2014 and National Stock Exchange of India Limited dated 26th August, 2014 for the Transferor Company-2 and the Transferee Company;

ix. Copies of Complaints Reports dated 31st July, 2014 for the Transferor Company-2 and the Transferee Company;

x. Copies of the Report of the Audit Committees dated 12th May, 2014 for recommendation of Scheme of Amalgamation for the Transferor Company-2 and the Transferee Company;

xi. Particulars of the Interest of Directors and their relatives as aforesaid in Para 14(a) of this Explanatory Statement;

xii. Copy of the approval granted to TEL by Central Electricity Regulatory Commission.

A copy of the Scheme of Amalgamation, Explanatory Statement and Form of Proxy may be obtained free of charge from the Registered Office of the Company and / or at the office of the Advocate Smt. Swati Soparkar, 301, Shivalik 10, Opp. SBI Zonal Office, Near Excise Chowky, S. M. Road, Ahmedabad-380 015, during office hours, on any working day except Saturdays, Sundays and Public Holidays.

This Page is Intentionally Left Blank

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 44 OF 2015

In the matter of Composite Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956;
And
In the matter of Torrent Power Limited.
A company registered under the Companies Act, 1956 and having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, in the State of Gujarat.
And
In the matter of Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited.

Torrent Power Limited.
A company registered under the Companies
Act, 1956 and having its registered office at
Torrent House, Off Ashram Road, Ahmedabad – 380 009,
in the State of Gujarat ……..…. Applicant Transferee Company

FORM OF PROXY

I/We, the undersigned, the Equity Shareholder/s of Torrent Power Limited (Applicant Transferee Company), do hereby appoint Mr./Ms. …….. of …….. and failing him/her …….. of…….. as my/our Proxy to act for me/us at the Court convened meeting of the Equity Shareholders of the Applicant Transferee Company to be held on Thursday, the 30th day of April, 2015 at 9.30 a.m. at the J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380 015, in the State of Gujarat; for the purpose of considering and if thought fit, approving with or without modifications, the proposed Composite Scheme of Amalgamation of Torrent Energy Limited, the Transferor Company-1, Torrent Cables Limited, the Transferor Company-2 with Torrent Power Limited, the Applicant Transferee Company, as proposed between the Company and its Equity Shareholders; (the "Scheme of Amalgamation"), and at such meeting and any adjournment/adjournments thereof, to vote, for me/us and in my/our name ……. (here, if for, insert **"for"**; if against, insert **"against"**, and in the latter case, strike out the words below after "Scheme of Amalgamation") the said Scheme of Amalgamation, *either with or without modification(s)*,* as my/our proxy may approve.

* Strike out what is not necessary

Dated this _____day of _____, 2015

Name : _____

Address : _____

_____

(For Demat holding)

DP ID _____ Client ID _____

(For Physical holding)

Folio No. _____ No. of Shares held_____

Signature of Shareholder(s) across the stamp

Sole holder / First holder _____

Second holder _____

Third holder _____

Affix Re. 1 Revenue Stamp

Signature of Proxy _____

Notes :

1. The Form of Proxy must be deposited at the Registered Office of the Company at Ahmedabad, not less than forty eight hours before the time of the aforesaid meeting.
2. Only registered Equity Shareholders of the Applicant Transferee Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of companies, institutions, trusts, societies, etc. which are registered Equity Shareholders of the Applicant Transferee Company may attend and vote at the Equity Shareholders' meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of such companies, institutions, trusts, societies, etc. authorising such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Transferee Company not later than 48 (forty eight) hours before the time of the aforesaid meeting.
3. A proxy need not be an Equity Shareholder of Torrent Power Limited.
4. All alterations, if any made in the Form of Proxy should be initialled by the Equity Shareholder.
5. In case of multiple proxies, the proxy later in time shall be accepted.

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

ATTENDANCE SLIP

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

Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting

DP ID* : _____ **REGD. FOLIO NO.** : _____

CLIENT ID* : _____ **NO. OF SHARES HELD** : _____

Full name and address of the Equity Shareholder attending : _____

Name and address of Proxy (To be filled in if Proxy Form has been duly deposited with the Company) : _____

I hereby record my presence at the Meeting of Equity Shareholders of the Company convened pursuant to the Order dated 24th February, 2015 of the Hon'ble High Court of Gujarat on Thursday, the 30th Day of April, 2015 at 09.30 a.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat.

_____

Equity Shareholder's / Proxy's Signature
(To be signed at the time of handing over this slip)

Notes:

1. * Applicable to Equity Shareholders holding shares in dematerialized form.
2. Equity Shareholders are required to bring the Attendance slip with them when they come to the meeting and hand it over at the counter after fixing their signature on it.
3. Equity Shareholders who come to attend the meeting are requested to bring with them copy of the proposed Composite Scheme of Amalgamation.

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

POSTAL BALLOT AND E-VOTING

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

NOTICE FOR POSTAL BALLOT AND E-VOTING

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 ("ACT") READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 ("THE RULES") AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE ACT (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), CLAUSE 35B OF THE EQUITY LISTING AGREEMENT EXECUTED BY THE COMPANY WITH BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND SEBI CIRCULARS BEARING NOS. CIR/CFD/DIL/5/2013 DATED 4TH FEBRUARY, 2013 AND CIR/CFD/DIL/8/2013 DATED 21ST MAY, 2013

Dear Shareholders,

The Board of Directors of the Company at its meeting held on 31st January, 2015 resolved to obtain the approval, with or without modifications, of the shareholders of the Company through Postal Ballot and e-voting for the following business:

Item No. 1: To approve the proposed Composite Scheme of Amalgamation of Torrent Energy Limited ("**TEL**" or "**Transferor Company-1**") and Torrent Cables Limited ("**TCL**" or "**Transferor Company-2**") with Torrent Power Limited ("**TPL**" or "**Company**" or "**Transferee Company**") and their respective shareholders and creditors ("**Scheme of Amalgamation**"); and

Item No. 2: To approve the revision in terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company.

Accordingly, the proposed Resolutions and the Explanatory Statements thereto are being sent to you along with a Postal Ballot Form for your consideration. The Company has appointed Shri Rajesh Parekh, Practising Company Secretary as a Scrutinizer and failing him, Shri Kamlesh Patel, Practising Company Secretary, as an Alternate Scrutinizer for conducting the Postal Ballot in fair and transparent manner.

With respect to Item No. 1 of this Notice, the Company seeks the approval of its Public Shareholders for the Scheme of Amalgamation by means of postal ballot and e-voting under Section 110 of the Companies Act, 2013 read with rules made thereof, Clause 35B of the Equity Listing Agreement executed by the Company with BSE Limited and National Stock Exchange of India Limited, the terms of SEBI Circular CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with SEBI Circular CIR/CFD/DIL/8/2013 dated 21st May, 2013 ("**SEBI Circulars**"), conditions laid down in the Observation Letters dated 27th August, 2014 and 26th August, 2014 issued by BSE Limited and National Stock Exchange of India Limited, (collectively referred to as "**Observation Letters**"), respectively, and the relevant provisions of the applicable laws.

Further, in terms of the order dated 24th February, 2015 passed by the Hon'ble High Court of Gujarat in Company Application No. 44 of 2015, the Hon'ble High Court had directed the Company to take necessary steps for the requisite procedure of postal ballot and e-voting for the approval of Scheme of Amalgamation from its Public Shareholders in compliance with the aforesaid SEBI Circulars. The approval to the Scheme of Amalgamation is being sought by this notice of postal ballot and e-voting in addition to the approval to the Scheme of Amalgamation by the Shareholders of the Company at their physical meeting (the Court Convened Meeting of the Equity Shareholders) to be held on Thursday, 30th April, 2015 at 9.30 a.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, Gujarat.

With respect to Item No. 1 of this Notice and pursuant to terms of SEBI Circulars, the Scheme of Amalgamation shall be acted upon only if the votes cast by the Public Shareholders of Company in favour (Assent) of the proposal are more than the number of votes cast by the Public Shareholders against (Dissent) it. Any votes received from non-public shareholders will be considered invalid, so far as this resolution is concerned.

With respect to Item No. 2 of this notice, the Company seeks the approval of the Shareholders for revision in terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company w.e.f. 5th April, 2014 in pursuance of the provisions under Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Act and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof.

You are requested to peruse both the proposed Resolutions along with Explanatory Statements, to read the instructions printed in the accompanying Postal Ballot Form and return the same along with **Assent (FOR)** or **Dissent (AGAINST)**, in the **self-addressed postage pre-paid business reply envelope**, enclosed with this Notice, so as to reach the Scrutinizer on or before **5.30 p.m. on Tuesday, 5th May, 2015**. Please note that any Postal Ballot Form(s) received after the said date and time will be treated as not having been received. No other form or photocopy thereof is permitted.

Electronic Voting (e-voting):

In compliance with Clause 35B of the Equity Listing Agreement and Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate, for our Shareholders which would enable you to cast your votes electronically, instead of physical postal ballot form. For this purpose, the Company has obtained services of National Securities Depository Limited (NSDL). E-voting is optional. Please carefully read and follow the instructions on e-voting printed in the postal ballot form. In respect of shareholders opting for e-voting mode as above, they should cast their votes online from **9.30 a.m. on Monday, 6th April, 2015 till 5.30 p.m. on Tuesday, 5th May, 2015** as per e-voting and other instructions provided with Postal Ballot Form. E-Voting shall not be allowed beyond 5.30 p.m. on Tuesday, 5th May, 2015.

The shareholders who wish to vote by Postal Ballot Form (instead of e-voting) can also download Postal Ballot Form from www.evoting.nsdl.com or www.torrentpower.com

Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has no voting rights should treat the Notice as an intimation only.

The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. Results of the Postal Ballot will be announced by the Chairman of the Company or person authorised by him in writing on 8th May, 2015 at 4.00 p.m. at the Registered Office of the Company. The declaration/announcement of the results of the Postal Ballot by the Chairman as stated above shall deemed to be treated as declaration of results at a meeting of the members as per the provisions of the Companies Act, 2013 and applicable rules thereunder. After the above declaration, the results of the Postal Ballot will be posted on the Company's website viz., www.torrentpower.com and will also be communicated to the Stock Exchanges, where the Company's shares are listed. The resolution(s) will be considered to be passed on the date of announcement of result of the Postal Ballot by the Chairman of the Company or person authorised by him in writing.

PROPOSED RESOLUTIONS:

Item No. 1: To consider and, if thought fit, to pass with or without modification(s) the following resolution:

To approve the proposed Composite Scheme of Amalgamation of Torrent Energy Limited ("TEL" or "Transferor Company-1") and Torrent Cables Limited ("TCL" or "Transferor Company-2") with Torrent Power Limited ("TPL" or "Company" or "Transferee Company") and their respective shareholders and creditors ("Scheme of Amalgamation")

"**RESOLVED THAT** pursuant to the directions of the Hon'ble Gujarat High Court for convening meeting of equity shareholders vide its Order dated 24th February, 2015 and SEBI Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013 (together referred to as "**SEBI Circulars**"), the Observation Letter dated 26th August, 2014 issued by the National Stock Exchange of India Limited and Observation Letter dated 27th August, 2014 issued by the BSE Limited and relevant applicable provisions of law, the arrangement as embodied in the proposed Composite Scheme of Amalgamation between Torrent Energy Limited ("**TEL**" or "**Transferor Company-1**") and Torrent Cables Limited ("**TCL**" or "**Transferor Company-2**") with Torrent Power Limited ("**TPL**" or "**Company**" or "**Transferee Company**") and their respective shareholders and creditors ("**Scheme of Amalgamation**") be and is hereby approved with/without modifications and/or conditions, if any, as may be carried out by the Equity Shareholders at the Court Convened Meeting and/or by the Hon'ble High Court of Gujarat or by any other authorities under the applicable law.

RESOLVED FURTHER THAT the Board of Directors (which includes any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Scheme of Amalgamation and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the Equity Shareholders in the Court Convened Meeting and/or by Hon'ble High Court of Gujarat while sanctioning the Scheme of Amalgamation or by any authority under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the Scheme of Amalgamation."

Item No. 2: To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

To approve revision in the terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company

"**RESOLVED THAT** in modification of earlier resolution passed by the shareholders at the 10th Annual General Meeting of the Company held on 28th July, 2014 and pursuant to the provisions under Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof (hereinafter referred to as "**Act**") and subject to such other approvals as may be necessary, the revision in terms and conditions of appointment of Shri Jinal Mehta (holding DIN: 02685284), Whole-time Director of the Company w.e.f. 5th April, 2014 as detailed below, be and is hereby approved:

1.	Period of Appointment	:	5 years effective from 5th April, 2014
2.	Salary	:	Rs. 10,65,000 (Rupees Ten Lacs Sixty Five Thousand only) per month Salary may be increased within the range of Rs. 10,65,000 per month to Rs. 21,40,000 per month during the period of appointment, in such increments as may be decided by the Board of Directors which shall include any committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as "the Board").
3.	Commission	:	At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V to the Act. The actual amount of commission to be paid to Shri Jinal Mehta for each year and periodicity of payment shall be decided by the Board from time to time.
4.	Perquisites and Benefits	:	Will be allowed as under:
	(I)	(i)	The Company shall provide him a fully furnished accommodation. If he is not provided accommodation by the Company, the Company shall pay House Rent Allowance at the rate of 20% of the Salary.
		(ii)	The Company shall pay the premium on Personal Accident Insurance Policy as per the Rules of the Company.
		(iii)	The Company shall pay premium on medical insurance for self and family as per the Rules of the Company.
		(iv)	The Company shall reimburse annual fees for two clubs.
	(II)	(i)	The Company shall provide a car with driver for official and personal use.
		(ii)	The Company shall provide telephones at his residence, the cost of which shall be borne by the Company.
	(III)	(i)	Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(ii)	Company's contribution to Pension/ Superannuation Fund will be as per applicable laws and rules of the Company.
		(iii)	Gratuity shall be payable as per applicable laws and rules of the Company.
5.	Other terms	(i)	His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company.
		(ii)	Such appointment shall not be considered as a break in his service.
		(iii)	Total remuneration for the year shall not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed in Section 197 read with Section I of Part II of Schedule V to the Act.
		(iv)	He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a committee thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri Jinal Mehta, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Sections II and IV of Part II of Schedule V to the Act for the time being in force."

By order of the Board of Directors
For Torrent Power Limited

Ahmedabad
12th March, 2015

T. P. Vijayasarathy
Executive Director - Corporate Affairs & CFO

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad-380 009, Gujarat

CIN: L31200GJ2004PLC044068
Phone: +91-79-2658 5090, 2658 3060
Website: www.torrentpower.com
Email: cs@torrentpower.com

Notes:

1. The Explanatory Statement pursuant to Section102 of the Companies Act, 2013 setting out material facts is appended hereto.

2. The Notice is being sent to all the Equity Shareholders, whose names appear on the Register of Shareholders / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 27th February, 2015.

3. Resolution(s) passed by the shareholders through Postal Ballot is deemed to have been passed at a General Meeting of the shareholders.

4. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays (between 03.00 p.m. to 05.00 p.m.) up to the last date for receipt of the Postal Ballot Form i.e. Tuesday, 5th May, 2015.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF POSTAL BALLOT AND E-VOTING FOR CONSIDERING AND APPROVING COMPOSITE SCHEME OF AMALGAMATION OF TORRENT ENERGY LIMITED AND TORRENT CABLES LIMITED WITH TORRENT POWER LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Item No. 1

1. Clause 5.16 of the SEBI Circulars requires the Scheme of Amalgamation to be put for voting by Public Shareholders through postal ballot and e-voting. This notice is given accordingly in terms of such SEBI Circulars, conditions laid down in the Observation Letters for consideration of the resolution at Item No. 1 of the Notice by postal ballot and e-voting pursuant to Section 110, Clause 35B of the Equity Listing Agreement executed by the Company with Stock Exchanges and other applicable provisions of the Companies Act, 2013.

2. Further, the Hon'ble Gujarat High Court, in terms of Clause 5.16 of SEBI Circulars, vide its Order dated 24th February, 2015 has directed the Company to seek approval of the Public Shareholders of the Company by means of postal ballot and e-voting in addition to the separate meeting of the Equity Shareholders of the Company for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation.

3. The Scheme of Amalgamation was placed before the Audit Committees of the Transferor Company-2 and the Transferee Company at their respective meetings held on 12th May, 2014. The Audit Committees of the Transferor Company-2 and the Transferee Company took into account the recommendations on the share exchange ratio (more specifically set out in Clause 7.1 and 7.2 of the Scheme of Amalgamation) by M/s. Price Waterhouse & Co. LLP, Chartered Accountants acting as independent valuers and the fairness opinion provided by M/s. IDFC Securities Limited, Merchant Banker. The copy of the fairness opinion provided by M/s. IDFC Securities Limited, Merchant Banker is forming part of the **Annexures** (Refer Sr. No. 2 of Annexures)**.**

4. The Board of Directors of respective Transferor Companies and Transferee Company at their respective Board Meetings held on 12th May, 2014, subject to various conditions, consents and approvals, approved the Scheme of Amalgamation pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956. A copy of the Scheme of Amalgamation setting out in detail the terms and conditions on which the scheme of amalgamation is proposed as approved by the Board of Directors of respective Transferor Companies and Transferee Company is forming part of the **Annexures** (Refer Sr. No. 1 of Annexures)**.**

5. In terms of provisions of Clause 24(f) of the Equity Listing Agreement read with provisions of SEBI Circulars, the Transferor Company-2 had filed the application with the BSE Limited ("**BSE**") and the Transferee Company had filed the application with BSE as well as the National Stock Exchange of India Limited ("**NSE**") (collectively referred to as "**Stock Exchanges**"), seeking their no-objection to the Scheme of Amalgamation.

6. As required by the SEBI Circulars, the Transferor Company-2 and the Transferee Company have filed their respective complaints reports with the relevant Stock Exchanges on 31st July, 2014. Copies of the same are forming part of the **Annexures** (Refer Sr. No. 3 of Annexures)**.**

7. The Stock Exchanges vide their respective Observation Letters dated 27th August, 2014 and 26th August, 2014, conveyed their 'No-Objection' for filing the Scheme of Amalgamation with the Hon'ble High Court. Copies of the aforementioned observation letters are also forming part of the **Annexures** (Refer Sr. No. 4 and 5 of Annexures).

8. **Background of each company**

8.1. Torrent Energy Limited (TEL or Transferor Company-1)

8.1.1. TEL is an unlisted public limited company, registered under the provisions of the Companies Act, 1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. It is a wholly owned subsidiary company of Torrent Power Limited, the Transferee Company. It has recently implemented nearly 1200 MW DGEN Mega Power Plant, a gas based combined cycle power plant and associated transmission facility for power evacuation. It has been granted the status of co-developer by the Ministry of Commerce and Industry, Government of India, and as a co-developer, it is responsible for catering to the entire power requirement of entities coming up in the Dahej Special Economic Zone (Dahej SEZ). It is also a distribution licensee for Dahej SEZ area. The total income of TEL during last financial year ended on 31st March, 2014 was Rs. 56.58 crores and net profit was Rs. 4.82 crores. TEL has built up reserves and surplus of Rs. 16.79 crores as on 31st March, 2014. Further, it is a company with growth potential.

8.1.2. The share capital structure of TEL as on 31st March, 2014 is set out below:

Particulars	Rs. (in crores)
AUTHORISED SHARE CAPITAL 230,00,00,000 Equity Shares of Rs. 10/- each	2300.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 198,82,20,000 Equity Shares of Rs. 10/- each fully paid up	1988.22

There has been no change in the authorised, issued, subscribed and paid up share capital of TEL after 31st March, 2014. The entire paid up share capital of TEL is held by TPL, the Transferee Company and other shareholders holding shares jointly with TPL. TEL is, therefore a wholly owned subsidiary of TPL.

8.2. Torrent Cables Limited (TCL or Transferor Company-2)

8.2.1. TCL is a listed public limited company, registered under the provisions of the Companies Act,1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. It was incorporated on 22nd March, 1991 as a public limited company in the name and style of Torrent Gujarat Biotech Limited. The name of the Company was subsequently changed to Torrent Cables Limited on 18th October, 2008 pursuant to the scheme of amalgamation of erstwhile Torrent Cables Limited with Torrent Gujarat Biotech Limited vide the orders passed by the Hon'ble High Court of Gujarat dated 29th August, 2008. Shares of TCL are listed on BSE. It is an established manufacturer and supplier of power cables and is one of the market leaders in HT Power Cable segment. The total income of TCL during the last financial year ended on 31st March, 2014 was Rs. 220.92 crores and the net profit was Rs. 4.31 crores. TCL has built up reserves and surplus of Rs. 159.80 crores as on 31st March, 2014. Thus, it has been a profit making and dividend paying company with growth potential.

8.2.2. The share capital structure of TCL as on 31st March, 2014 is set out below:

Particulars	Rs. (in crores)
AUTHORISED SHARE CAPITAL 7,00,00,000 Equity Shares of Rs. 10/- each	70.00
ISSUED SHARE CAPITAL 4,50,00,011 Equity Shares of Rs. 10/- each	45.00
SUBSCRIBED AND PAID-UP SHARE CAPITAL 85,98,395 Equity Shares of Rs. 10/- each fully paid up	8.60

There has been no change in the authorised, issued, subscribed and paid up share capital of TCL after 31st March, 2014.

8.3. Torrent Power Limited (TPL or Company or Transferee Company)

8.3.1. TPL is a listed public limited company, registered under the Companies Act, 1956, having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. The Company was incorporated on 29th April, 2004 as a private limited company in the name and style of Torrent Power Trading Private Limited, under the provisions of the Companies Act, 1956. The name of the Company was subsequently changed to Torrent Power Private Limited on 25th January, 2006 and the Company was thereafter converted into a public limited company on 8th February, 2006 in accordance with the provisions of the Act and consequently, name of the Company was changed to its present name, Torrent Power Limited. Subsequently, Torrent Power AEC Limited, Torrent Power SEC Limited and Torrent Power Generation Limited were amalgamated with Torrent Power Limited with 1st April, 2005 as appointed date, vide orders passed by the Hon'ble High Court of Gujarat dated 12th July, 2006. It is the flagship company of Torrent group in Power Sector. The shares are currently listed on BSE as well as NSE. It is an integrated power utility engaged in the business of power generation, transmission and distribution of electricity with operations in the States of Gujarat, Maharashtra and Uttar Pradesh. The total income of the Company during the last financial year ended on 31st March, 2014 was Rs. 8,817.46 crores and net profit was Rs. 94.84 crores. The Company has built up reserves and surplus of Rs. 5,704.11 crores as on 31st March, 2014. Thus, it is a profit making and dividend paying company with bright growth potential.

8.3.2. The share capital structure of Torrent Power Limited as on 31st March, 2014 is set out below:

Particulars	Rs. (in crores)
AUTHORISED SHARE CAPITAL 200,00,00,000 Equity Shares of Rs. 10/- each	2000.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 47,24,48,308 Equity Shares of Rs. 10/- each fully paid up	472.45

There has been no change in the authorised, issued, subscribed and paid up share capital of TPL after 31st March, 2014.

9. PURPOSE AND RATIONALE OF THE SCHEME OF AMALGAMATION:

The Transferor Companies and Transferee Company are part of the same business group. Transferor Company-1 is a wholly owned subsidiary of the Transferee Company and both, Transferor Company-1 and Transferee Company, are engaged in the similar business. Transferor Company-2 is one of the major suppliers of power cables for the power transmission and distribution activities of Transferee Company as well as Transferor Company-1.

In view of similar business of Transferor Company-1 and the Transferee Company and complementary business relationship between Transferor Company-2 on one hand and Transferor Company-1 and Transferee Company on the other hand, it is proposed to consolidate the activities of the Transferor Companies and the Transferee Company by way of amalgamation of Transferor Companies with the Transferee Company.

The proposed amalgamation would result in the following benefits to the Transferor Companies and the Transferee Company, their respective shareholders and creditors and will be in long-term interest of customers, employees and other stakeholders:

- Enhanced shareholders' value;
- Alignment of various aspects of the power business of the Torrent Group in a logical group and sequence;
- Synergies of operations, inter alia, from consolidated fuel and spares procurement, optimization of logistics costs and more refined power generation / distribution models;
- Integration of business thereby providing significant impetus to the growth;
- Concentrated management focus and improved organisational capability;
- Integrated, rationalised and streamlined management structure of the merged business;
- Strengthening of financial position with wider capital base and increased leverage capacity of the merged entity;
- Facilitate inter transfer of resources and optimum utilisation of assets;
- Pooling of Human talent in terms of Manpower, Management, Administration and Marketing to result in saving of costs;
- Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
- Synchronizing of efforts to achieve uniform corporate policy;
- Improved opportunities for new ancillary businesses, expansion and modernization of existing ancillary business;
- Addressing the emerging challenges due to enhanced competitive scenario.

Moreover, it will lead to the enhancement in the reputation of the brand “Torrent” as a reliable and serious player in all spheres in the power sector in India.

10. The material provisions of the proposed Scheme of Amalgamation are as under (Sr. Nos. in this section refers to the Sr. Nos. of the Scheme of Amalgamation):

1. <u>DEFINITIONS</u>

“Appointed Date” means the opening hours of the business on 1 April 2014.

"Effective Date" means the date on which all the conditions and matters referred to in the Scheme including Clause 17.1 have been fulfilled.

"Record Date" means the date to be fixed by the Board of the Transferee Company in consultation with the Board of the Transferor Company 2 for the purpose of reckoning names of the equity shareholders of Transferor Company 2 who shall be entitled to shares of the Transferee Company in accordance with Clause 7.1 of this Scheme.

"Scheme", **"the Scheme"**, **"this Scheme"** means this composite scheme of amalgamation in its present form submitted to the High Court or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"the Undertaking" shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of each of Transferor Companies, on a going concern basis, together with all their assets and liabilities and employees and shall mean and include (without limitation):

(a) all assets and properties, whether movable and immovable (whether freehold, leasehold or otherwise), tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress including expenses incurred to be capitalized and advances for assets, equipment, furniture, fixtures, vehicles, stocks and inventory, any other leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, other fixed assets, current assets including loans, advances, inventory and work in progress cash in hand, amounts lying in the banks to the credit of each of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, Development Rights including advances paid to any parties for acquisition of development rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses including licenses for electricity transmission and distribution, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the business of the Transferor Companies and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief / benefit available/to be available to the eligible units including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted/ collected at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("MAT"), deduction under Chapter VI-A for the eligible period) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies;

(b) All the debts, liabilities, duties and obligations including contingent liabilities, present or future, whether secured or unsecured, of the Transferor Companies as on the Appointed Date; and

(c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Companies.

(d) Without limitation to the generality of the foregoing, all the properties of the Transferor Company 1 related to the power transmission business, including without limitation, power transmission equipment, sub stations, terminal stations, foundations for tower structures/switch yards/substations, insulators, towers, transmissions accessories, appliances, tools and plants.

(e) all permanent employees, staff and workmen of Transferor Companies.

3. TRANSFER AND VESTING OF THE UNDERTAKINGS

3.1 Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting any of the Transferor Companies or any part thereof, and which shall be deemed to have been vested in Transferee Company by virtue of the amalgamation. After coming into effect of this Scheme in cases where the required security has not been created and in such case if the terms thereof require, Transferee Company will create the security in terms of the issue or arrangement in relation thereto.

3.2 (a) Upon the Scheme being effective, with respect to the assets forming part of the Undertakings of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same shall stand transferred and vest in, without any further act or execution of an instrument with the intent of vesting such assets in Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Transferee Company.

(b) Subject to the provisions of Clause 3.2(c) below, with respect to the assets of the Undertakings of the Transferor Companies other than those referred to in Clause 3.2(a) above, including sundry debtors, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, development rights, advances paid to any parties for acquisition of development rights, earnest money and deposits, if any, with government, semi-government, local and other authorities and bodies or with any company or other person, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by Transferor Companies and all the rights, title and interests of Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company.

(c) Upon the Scheme being effective, with respect to the immovable properties (including land, buildings and any other immovable property) comprised in the Undertakings of the Transferor Companies and situated within the States of Gujarat and Maharashtra whether owned or leased, and any documents of title, rights and easements in relation thereto, and forming part of the Undertakings of the Transferor Companies, shall stand transferred and vest in the Transferee Company, without any act or deed done by the Transferor Companies or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of their immovable property is given to the Transferee Company.

(d) For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers

of attorney given by, issued to or executed in favour of Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Companies, be transferred to and vested in Transferee Company.

(e) Upon the Scheme being effective and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of Transferee Company and shall be binding on and be enforceable by and against Transferee Company as fully and effectually as if Transferee Company had at all times been a party thereto. Any inter-se contracts between any of the Transferor Companies on one hand and Transferee Company on the other hand shall stand cancelled and cease to operate in Transferee Company upon the coming into effect of this Scheme. It is clarified that upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (including the power purchase agreements), arrangements and other instruments of whatsoever nature entered into between the Transferor Companies be treated as cancelled and shall cease to operate.

(f) In so far as the various incentives, tax exemption and benefits, subsidies, grants, special status and other benefits or privileges enjoyed including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc., granted by any Appropriate Authority, or availed of by Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to Transferee Company on the same terms and conditions with effect from Appointed Date upon the Scheme being effective.

3.3 (a) Upon the Scheme being effective, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Companies which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of Transferee Company.

(b) Upon the Scheme being effective, where any of the liabilities and obligations attributed to any of the Transferor Companies on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Transferee Company. Where after the Appointed Date, Transferor Companies has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of Transferee Company and Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Companies and Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat and other relevant Appropriate Authorities to give formal effect to the above provisions.

(d) If and to the extent there are loans, deposits or balances inter-se between Transferor Companies and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Transferee Company upon the Scheme being effective. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between any of the Transferor Companies and Transferee Company from the Appointed Date.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between any of the Transferor Companies and Transferee Company from the Appointed Date.

(f) Upon the Scheme being effective, any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable in any State in which Transferor Companies operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Companies' accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted/collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Transferee Company.

(g) Any amount including refund under the Tax Laws due to Transferor Companies consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be receivable by Transferee Company upon the Scheme being effective.

(h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company upon the Scheme being effective.

3.4 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

3.5 Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the Undertaking of the Transferor Companies in accordance with the provisions of Sections 391 to 394 of the Act. The Transferor Companies and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance or do any act, thing or deed in this regard.

3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which any of the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of any of the Transferor Companies, as the case may be, to be carried out or performed.

6. LEGAL PROCEEDINGS

6.1 Upon the Scheme being effective, if any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called “the Proceedings”) by or against Transferor Companies be pending before the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies pursuant to this scheme or by anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if the Scheme had not been made. On and from the Effective Date, Transferee Company shall and may initiate any legal proceedings which were earlier in the names of the Transferor Companies.

6.2 The transfer and vesting of the Undertakings of the Transferor Companies under the Scheme and the continuance of the proceedings by or against Transferee Company under Clause 6.1 shall not affect any transaction or proceeding already completed by Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of Transferee Company.

7. CONSIDERATION

7.1 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Transferee Company pursuant to this Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of Transferor Company 2 whose name is recorded in the register of members of the Transferor Company 2 on the Record Date in the following ratio ("Share Exchange Ratio"): 19 (Nineteen) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 20 (Twenty) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company 2.

For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company 2 who, on the Record date do not hold equity shares in the Transferor Company 2 in multiple of 20 (Twenty) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company 2 on the Record Date, bear to the Share Exchange Ratio. It is further clarified that any fraction arising thereon shall be dealt with as per clause 7.5 of the Scheme.

7.2 Since the entire share capital of the Transferor Company 1 is held by the Transferee Company, it is the wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company 1 shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares against these shares as the Transferee Company is the only shareholder of the said Transferor Company.

7.3 The Share Exchange Ratio has been arrived at on basis of the valuation report prepared by M/s. Price Waterhouse & Co. LLP, Independent Chartered Accountants. Further, M/s. IDFC Securities Limited, Merchant Bankers, has provided a fairness opinion on the fairness and reasonableness of the Share Exchange Ratio determined for the vesting of the Undertakings of the Transferor Companies into Transferee Company. The valuation report and fairness report as aforesaid have been duly approved by the Board of Directors of each of the Transferor Companies and Transferee Company.

7.4 The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank paripassu in all respects with the existing equity shares of Transferee Company. It is hereby clarified that the new equity shares allotted by Transferee Company to the shareholders of the Transferor Company 2 pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Transferee Company before the Effective Date.

7.5 No fractional shares shall be issued by Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Company 2 may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Transferee Company) as may be nominated by the Board of Directors of Transferee Company as trustee(s) for sale thereof, in open market through SEBI registered share broker at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

7.6 Equity shares of Transferee Company issued in terms of Clause 7.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferor Company 2 are listed (besides where the shares of Transferee Company are listed) and Transferee Company shall pay the appropriate fee and incur all costs for the same. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the relevant stock exchanges;

7.7 The new equity shares issued pursuant to Clause 7.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company 2 to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee

Company in respect of any of the members of Transferor Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company 2 shall be required to have an account with a depositary participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company 2.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depositary participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company 2 at their respective registered addresses, as appearing in the register of members maintained by Transferor Company 2 as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

7.8 Where equity shares of the Transferee Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Transferee Company.

7.9 Unless otherwise determined by the Board of Directors of Transferor Companies and the Board of Directors of Transferee Company, allotment of shares in terms of Clause 7.1 above shall be done within the prescribed statutory period from the Effective Date.

7.10 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company 2 which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.

7.11 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company 2, the Board of Directors of Transferee Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Record Date as the case may be to effectuate such a transfer in Transferor Company 2 as if such changes in registered holder were operative as on the Record Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.

7.12 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company 2 as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

9. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

A. CAPITAL CLAUSE

9.1 Upon the Scheme being effective, the authorised share capital of each of the Transferor Companies will get consolidated with that of Transferee Company without any further act or deed and without payment of any additional fees and duties. For this purpose the stamp duty and fees already paid on the authorised capital of the Transferor Companies shall be utilised and applied to the increased authorised share capital of Transferee Company and there would be no requirement for any other further payment of stamp duty and

/ or fee by Transferee Company for increase in the authorised share capital to that extent. The authorised share capital of Transferee Company will thus be increased to that effect by virtue of the scheme becoming effective and no separate procedure shall be required to be followed under the Act. Thus, the authorised share capital of Transferee Company will amount in aggregate to Rs. 4370,00,00,000 (Rupee Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each.

9.2 Consequently, the Clause V of Memorandum of Association of Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

"The Authorised Share Capital of the Company is Rs. 4370,00,00,000 (Rupees Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to affect, vary, extended, modify, surrrender or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

B. OBJECTS CLAUSE

9.3 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions the Act as set out below:

(a) The current Clause III.(A).1. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

i) "To generate, transmit, distribute, purchase, procure, sell, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects, to own, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and manage transmission and distribution networks or systems and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, import, export, storage and accumulation of all forms of electrical power and to engage in all activities incidental thereto.

ii) To carry on the business of establishment and management of fuel systems and to search for, obtain, acquire, mine, explore, buy, sell, import, export or otherwise deal in oils, gases, coals, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials.

iii) To carry on the business of manufacturers, sellers and distributors of electrical apparatuses and appliances, electric, magnetic, galvanic and other articles and things of all kinds including electric wires and cables of all descriptions, insulators, conductors, tapes, ropes, poles, galvanisers, switch gears, distribution accessories and all other kinds of electrical goods and materials and the business of electrical, mechanical, civil, sanitary, railway, nautical, aero-nautical and general engineers in all their respective branches.

iv) To carry on business as manufacturers, importers, exporters, whole-sellers, retailers, repairers, buyers and sellers of and dealers in all kinds of goods, substances, preparations, materials, articles, things, apparatuses, fittings, appliances, accessories and component parts for or in connection with the civil, electrical, mechanical and textile engineering, electrical and cable industries, made wholly or in part out of rubber, synthetic rubber, cork, plastics, asphalt, glass and any other natural and synthetic materials of all descriptions and to compound, fabricate, mould, extrude or otherwise process goods made wholly or partially from thermoplastic and thermosetting substances or other materials of any nature.

(b) The current Clause III.(B).2. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety.

(c) The current Clause III.(B).3. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

"To plan, promote and take up necessary developmental work, selection of prospective/ established Independent Power Producers/ generating/ transmission/ distribution companies/ utilities and enter into contracts/ Power Purchase Agreements/ Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution and optimum utilisation of electrical power."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum of Association of Transferee Company as required under applicable provisions of the Act.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

9.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Articles of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

The following article shall be inserted after Article 199 of the Articles of Association of the Transferee Company as Article 199A:

"199A. Chairperson may be Managing Director or Chief Executive Officer

An individual may be appointed or reappointed to, or hold, the position of Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Articles of Association of Transferee Company as required under applicable provisions of the Act.

11. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY

On the Scheme becoming effective, Transferee Company shall account for the amalgamation in its books at the close of business on the day immediately preceding the Appointed Date as under:

(a) Amalgamation of Transferor Companies shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as notified under Section 211(3C) of the Act.

(b) All assets and liabilities, including reserves, of Transferor Companies transferred to Transferee Company under the Scheme shall be recorded in the books of account of Transferee Company at the book value as recorded in books of account of Transferor Companies, at the close of business on the day immediately preceding the Appointed Date, except to ensure uniformity of accounting policies.

(c) The difference between Share Capital of Transferor Company 2 and face value of new equity shares issued in terms of Clause 7.1 above to the shareholders of Transferor Company 2 (other than Transferee Company) shall be adjusted in reserves of Transferee Company. If such difference is a surplus, then the same shall be credited to the General reserve of Transferee Company and if such difference is a deficit, then the same shall be first adjusted against the General reserve of Transferee Company and balance, if any, shall be debited to the Goodwill account of Transferee Company.

(d) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations amongst the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above there would be no accrual of interest or other charges in respect of any such inter-company loans, advances, deposits, balances or other obligations.

14. BORROWINGS OF THE TRANSFEROR COMPANIES AND TRANFEREE COMPANY

14.1 It is clarified that upon the Scheme coming into effect and without any further act of the parties, all loan agreements, rupee facility agreements, working capital facility agreements, mortgage deeds, hypothecation deeds, pledge agreements, security trustee agreements, demand promissory notes, letters of comfort and any other such borrowing or security instruments of whatsoever

nature to which the Transferor Companies are a party and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.

14.2 With effect from the date of the Board meeting of Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Companies and Transferee Company shall be entitled to undertake such financial commitments, borrow monies, create any charge, mortgage, encumber or deal with its movable and immovable assets, issue any guarantees, indemnities, undertakings, letters of comfort or commitments or such other instruments, as may be necessary or required by the lenders / security trustees, pursuant to the new loan facilities proposed to be availed from the existing or new lenders subject to Clause 12.2.

14.3 Notwithstanding anything to the contrary contained in this Scheme, pending the sanction of the Scheme by High Court, the Transferor Companies and the Transferee Company shall be entitled jointly, to avail one or more loan facilities from the existing as well as new Lenders, from time to time, and offer their assets as security, on such terms as may be mutually agreed, in order to reorganise their consolidated long term financing arrangements including under an obligor co-obligor structure. Such re-organisation of consolidated financial arrangements is expected to have an appropriate moratorium and longer repayment tenure (of around 15 years). The Board of Directors of respective Transferor Companies and Transferee Company shall finalize and approve the terms and conditions for availing such proposed loan facility.

The indicative key terms of the proposed obligor co–obligor structure, inter alia, are as under:

a. The Transferor Companies and Transferee Company will jointly become the obligors to such re-organised loan facility.
b. The obligors shall make a joint and several promise to repay such re-organised loan facility.
c. Each of the obligors shall create security for the total value of the re-organised loan facility on their entire respective assets.
d. The Lenders will have recourse to the assets of all or any of the obligors to recover the entire amount of such re-organised loan facility from all or any of the obligors in case of any event of default including payment default.

For the avoidance of doubt, it is clarified that upon the Scheme being effective, such re-organised loan facility shall continue to be in full force and effect in relation to the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor.

16. <u>DISSOLUTION OF THE TRANSFEROR COMPANIES</u>

On the Scheme becoming operative or effective, each of the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act and no further procedure shall be required to be followed under the Act.

This Scheme is conditional upon and subject to obtaining the approvals/sanctions, taking actions and performance of the conditions as stated in Clause 17.1 of the Scheme of Amalgamation.

The material provisions set out above being only the salient features of the Scheme of Amalgamation, the shareholders are requested to read the entire text of the Scheme of Amalgamation forming part of Annexures (Refer Sr. No. 1 to Annexures) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme of Amalgamation.

11. The rights and interests of the members and the creditors of the Transferor Companies as well as the Transferee Company will not be prejudicially affected by the Scheme of Amalgamation and due provisions have been made for payment of the existing liabilities as and when the same fall due in usual course.

12. No investigation proceedings have been instituted or are pending in relation to the Transferor Companies as well as the Transferee Company under Sections 235 and 250A of the Companies Act, 1956 or the corresponding provisions as per the Companies Act, 2013.

13. The Background of the Board of Directors of the Transferor Companies and Transferee Company as on 27th February, 2015 is as under:

TORRENT ENERGY LIMITED				
Sr. No.	**Name**	**Designation**	**Age**	**Educational Qualification**
1	Shri Jinal Mehta	Chairman	31	MBA from University of Technology, Sydney, Australia
2	Shri Vasant A. Shah	Independent Director	71	C.A.
3	Shri Surendra M. Shah	Independent Director	78	B. Sc.
4	Shri Samir Barua	Independent Director	63	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph.D in Management (IIM, Ahmedabad)
5	Shri Deepak Dalal	Director	70	BE- Electrical, Post Graduate from Indian Institute of Management, Ahmedabad
6	Shri T. P. Vijayasarathy	Director & CFO	59	ICWA, Post Graduate from Indian Institute of Management, Bangalore
7	Shri Sanjay Dalal	Director & CEO	54	C.A., LL.B.
TORRENT CABLES LIMITED				
Sr. No.	**Name**	**Designation**	**Age**	**Educational Qualification**
1	Shri Rohit C. Mehta	Chairman	84	LL.B.
2	Shri V. S. Parikh	Independent Director	84	B.Com., LL.B.
3	Shri Prafull Anubhai	Independent Director	77	B.Sc. (Economics), London
4	Shri Vasant A. Shah	Independent Director	71	C.A.
5	Smt. Renu Challu	Director	63	M.A. Economics, Associate of the Indian Institute of Bankers
6	Shri Jayesh Desai	Director	59	C.A.
7	Shri Raghu Parakh	Director & CEO	60	C.A., Post Graduate from Indian Institute of Management, Calcutta
TORRENT POWER LIMITED				
Sr. No.	**Name**	**Designation**	**Age**	**Educational Qualification**
1	Shri Sudhir Mehta	Executive Chairman	60	B.Sc.
2	Shri Pankaj Patel	Independent Director	61	Masters in Pharmaceuticals and Pharmaceutical Technology
3	Shri Samir Barua	Independent Director	63	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph.D in Management (IIM, Ahmedabad)
4	Shri Kiran Karnik	Independent Director	67	Honours degree in Physics, Post Graduate from Indian Institute of Management, Ahmedabad
5	Shri Keki M. Mistry	Independent Director	60	C.A., C.P.A. (USA)
6	Shri R. Ravichandran	Nominee Director	60	C.A.
7	Smt. Renu Challu	Independent Director	63	M.A. Economics, Associate of the Indian Institute of Bankers
8	Shri Samir Mehta	Executive Vice Chairman	51	Masters in Business Management
9	Shri Markand Bhatt	Whole-time Director	68	Post Graduate from Indian Institute of Management, Ahmedabad
10	Shri Jinal Mehta	Whole-time Director	31	MBA from University of Technology, Sydney, Australia

14. Disclosure of Interest

(a) The Directors of the Transferor Companies and Transferee Company may be deemed to be concerned and / or interested in the Scheme of Amalgamation only to the extent of their or their relatives shareholding in the respective companies or to the extent the said Directors or their relatives are common directors in Transferor Companies and/ or Transferee Company or to the extent the said Directors or their relatives are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the Transferor Companies and Transferee Company. Their interest in these companies shall not be treated in any way differently than the other shareholders of the Transferor Companies and Transferee Company. Particulars of the interest of Directors and their relatives are available for inspection at the respective Registered Offices of the Transferor Companies and Transferee Company.

(b) The shareholding (singly or jointly) of Directors and Key Managerial Personnel in the Transferor Companies and the shareholding (singly or jointly) of Directors and Key Managerial Personnel in the Transferee Company as on 27th February, 2015 forms part of **Annexures** (Refer Sr. No. 8 of Annexures)**.**

15. The Directors of either the Transferor Companies and Transferee Company have not given any loans to any of the Transferor Companies and Transferee Company.

16. The shareholding pattern of TPL, the Transferee Company (pre-amalgamation and post amalgamation) and the shareholding pattern of TCL, the Transferor Company-2 (pre-amalgamation) as on 31st March, 2014 forms part of the **Annexures** (Refer Sr. No. 6 and 7 of Annexures).

17. The Hon'ble Central Electricity Regulatory Commission (CERC) has granted its approval to TEL under Section 17 (1) (b) of the Electricity Act, 2003 for the amalgamation with TPL subject to the following conditions:

- Trading: TPL shall not indulge in trading i.e. purchasing of energy from third parties for the purpose of sale to any other licensee/ consumers of other licensees. Also, it shall not apply for trading licence either to this Commission or any of the State Commission during the subsistence of the transmission licence.

- Separate Accounts: TPL shall maintain separate accounts of its transmission business and shall make available the account of transmission business for inspection whenever required by the Commission.

- Valuation of assets: The assets and liabilities of TEL after merger shall be valued at par and shown in the books of TPL at the same value as reflected in the balance sheet of TEL and not at any premium/ discount as it will disturb the debt-equity ratio of TEL which is a regulated entity. After completion of merger, TPL shall submit a certificate (alongwith supporting documents) from the Statutory Auditor that the above directions have been complied with.

- Assignment of license: For assigning the license granted to TEL, TPL is required to report relevant information upon approval of merger by the High Court i.e. change in major shareholding, ownership or management of the licensee. In light of these information, CERC will make suitable modification in the terms & condition of license granted to TEL.

18. TEL, the Transferor Company-1 has also filed petition before Hon'ble Gujarat Electricity Regulatory Commission (GERC) for approval under Section 17 of the Electricity Act, 2003. The hearings have been concluded and the order is awaited. TEL has also made applications to the Development Commissioner, Dahej SEZ and Dahej SEZ Ltd. The Transferor Companies and Transferee Company are under discussions with lenders for finalising the proposed reorganisation of consolidated Long term financing arrangements as per Clause 14 of the Scheme of Amalgamation. Necessary actions are being taken for other required approvals / fulfilment of conditions by the Transferor Companies and Transferee Company, as applicable.

19. The financial statements of Transferor Companies and Transferee Company in the form of abridged financial statements for last three years forms part of **Annexures** (Refer Sr. No. 9 of Annexures).

20. No winding up petitions have been pending and/ or admitted against the Transferee Company and against the Transferor Company-1 and Transferor Company-2.

21. The following documents will be available for inspection by the Shareholders at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 3.00 p.m. and 5.00 p.m. up to the last date of the receipt of Postal Ballot Form.

i. Copies of the Orders passed by the Hon'ble High Court of Gujarat dated 24th February, 2015 (vide Company Application Nos. 42, 43 & 44 of 2015) directing convening or dispensing with the meetings;

ii. Copies of the Memorandum of Association and Articles of Association of the Transferor Companies and the Transferee Company;

iii. Copies of Audited Annual Accounts of the Transferor Companies and the Transferee Company for the year ended on 31st March, 2014 and Unaudited financial results for the period ended 31st December, 2014;

iv. Copy of proposed Composite Scheme of Amalgamation;

v. Copy of Valuation Report dated 12th May, 2014 provided by M/s. Price Waterhouse & Co. LLP, Chartered Accountants;

vi. Copy of Fairness Opinion dated 12th May, 2014 provided by M/s. IDFC Securities Limited, the Merchant Bankers;

vii. Copy of Net worth Certificate dated 19th August, 2014 of the Transferee Company as on 31st March, 2014, provided by M/s. Deloitte Haskins & Sells, Chartered Accountants;

viii. Copies of Observation letters received from BSE Limited dated 27th August, 2014 and National Stock Exchange of India Limited dated 26th August, 2014 for the Transferor Company-2 and the Transferee Company;

ix. Copies of Complaints Reports dated 31st July, 2014 for the Transferor Company-2 and the Transferee Company;

x. Copies of the Report of the Audit Committees dated 12th May, 2014 for recommendation of Scheme of Amalgamation for the Transferor Company-2 and the Transferee Company;

xi. Particulars of the Interest of Directors and their relatives as aforesaid in Para 14(a) of this Explanatory Statement;

xii. Copy of the approval granted to TEL by Central Electricity Regulatory Commission.

22. Your Directors recommend the Resolution as set out in the Notice as Item No. 1 for approval of the Public Shareholders. In terms of SEBI Circulars, the Scheme of Amalgamation shall be acted upon only if the votes cast by the Public Shareholders in favour (Assent) are more than the number of votes cast by the Public shareholders against (Dissent) it.

Item No. 2

The shareholders had, at the 10th Annual General Meeting of the Company approved the appointment of Shri Jinal Mehta (holding DIN: 02685284) as Whole-time Director of the Company for a period of 5 years effective from 5th April, 2014. While approving the said appointment, the shareholders also approved the salary, perquisites and other terms of appointment as detailed below:

1.	Period of Appointment	:	5 years effective from 5th April, 2014.
2.	Salary	:	Rs. 9,12,000 (Rupees Nine Lacs twelve thousand only) per month effective from 5th April, 2014.
3.	Perquisites and Benefits	:	Will be allowed as under:
	(I)	(i)	The Company shall provide him a fully furnished accommodation. If he is not provided accommodation by the Company, the Company shall pay House Rent Allowance at the rate of 20% of the Salary.
		(ii)	The Company shall pay the premium on Personal Accident Insurance Policy as per the Rules of the Company.
		(iii)	The Company shall pay premium on medical insurance for self and family as per the Rules of the Company.
		(iv)	The Company shall reimburse annual fees for two clubs.
	(II)	(i)	The Company shall provide a car with driver for official and personal use.
		(ii)	The Company shall provide telephones at his residence, the cost of which shall be borne by the Company.
	(III)	(i)	Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(ii)	Company's contribution to Pension/ Superannuation Fund will be as per applicable laws and rules of the Company.
		(iii)	Gratuity shall be payable as per applicable laws and rules of the Company.
4.	Other terms	(i)	His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company.

		(ii)	Such appointment shall not be considered as a break in his service.
		(iii)	Total remuneration for the year shall not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed in Section 197 read with Section I of Part II of Schedule V to the Act.
		(iv)	He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a committee thereof.

In the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri Jinal Mehta, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Sections II and IV of Part II of Schedule V to the Act for the time being in force.

Shri Jinal Mehta, 32, has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from University of Technology Sydney (UTS), Sydney, Australia. He gained more than 8 years of experience in the power sector. Shri Jinal Mehta was involved in the operations of 1147.5 MW SUGEN Mega Power Project as its COO and in the implementation of 382.5 MW SUGEN Expansion (i.e. SUGEN 40). He subsequently supervised the project implementation of DGEN Mega Power Project (1200 MW) and was discharging the role of the Director and CEO of Torrent Energy Limited (TEL) until 31st March, 2014 i.e. before his appointment as Whole-time Director in the Company. Shri Jinal Mehta was appointed on the same remuneration as he was receiving as Director and CEO of TEL in FY 2013-14. Hence, there has been no increase in the remuneration of Shri Jinal Mehta in FY 2014-15 over FY 2013-14.

Further, the existing terms of appointment of Shri Jinal Mehta as approved by the Shareholders on 28th July, 2014 contains a fixed basic salary of Rs. 9,12,000/- per month for five years without considering any provision for increase in the salary due to annual inflationary or performance factor. Therefore, it is proposed to revise the terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company w.e.f. 5th April, 2014.

In this context, the Nomination and Remuneration Committee of the Company had considered and recommended the proposal at Item No. 2 of the Notice to the Board of Directors of the Company. Based on the recommendations of the Nomination and Remuneration Committee, the Board, at its meeting held on 31st January, 2015, subject to the approval of the shareholders and such other approvals as may be necessary, approved the revision in the terms of the appointment of Shri Jinal Mehta as mentioned in the resolution at Item No. 2 of the Notice w.e.f. 5th April, 2014. The said revision in remuneration is in line with the remuneration policy of the Company.

The Board recommends the resolution at Item No. 2 of the Notice, in relation to revision in the terms of appointment of Shri Jinal Mehta, Whole-Time Director of the Company w.e.f. 5th April 2014, for your approval as an ordinary resolution.

Shri Jinal Mehta holds 8,000 shares in the Company and is related to Shri Sudhir Mehta, Executive Chairman and Shri Samir Mehta, Executive Vice Chairman. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or relatives of Directors and KMPs is in any way concerned or interested in the resolution at Item No. 2 of the Notice.

By order of the Board of Directors
For Torrent Power Limited

T. P. Vijayasarathy
Executive Director - Corporate Affairs & CFO

Ahmedabad
12th March, 2015

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad-380 009, Gujarat

CIN: L31200GJ2004PLC044068
Phone: +91-79-2658 5090, 2658 3060
Website: www.torrentpower.com
Email: cs@torrentpower.com

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068
Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

POSTAL BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

Postal Ballot No.

Sr. No.	Particulars	Details of Shareholder(s)
1.	Name(s) of Shareholder(s) including joint holder(s), if any, (in block letters)	
2.	Registered Address of sole / first named Shareholder (in block letters)	
3.	Registered Folio No. / DP ID & Client ID (applicable only to shareholders holding equity shares in demat form)	
4.	No. of Shares held	

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the Business stated in the Postal Ballot Notice dated 12th March, 2015 of the Company by sending my/our assent (for) or dissent (against) to the said Resolutions (please refer notice for text of full resolutions) by placing the tick (√) mark at the appropriate box below:

Item No. of the Notice	Description	No. of Equity Share(s) held	I / We assent (agree) to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
1@	To approve the proposed Composite Scheme of Amalgamation of Torrent Energy Limited (**"TEL"** or **"Transferor Company-1"**) and Torrent Cables Limited (**"TCL"** or **"Transferor Company-2"**) with Torrent Power Limited (**"TPL"** or **"Company"** or **"Transferee Company"**) and their respective shareholders and creditors (**"Scheme of Amalgamation"**)			
2	To approve the revision in terms of appointment of Shri Jinal Mehta, Whole-time Director of the Company			

@Item No. 1 of the notice has to be voted by public shareholders only.

Place :
Date :

Signature of the Shareholder/ Authorised Representative

Particulars for E-voting

E-Voting Event Number (EVEN)	User ID	Password

Note: 1. Please read the instructions printed overleaf carefully before filling the form.
2. Last date for receipt of Postal Ballot Form is Tuesday, 5th May, 2015 (before 05.30 p.m.).

INSTRUCTIONS FOR VOTING BY PHYSICAL MODE

1. Shareholder(s) desirous to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed postage prepaid business reply envelope. Postage charges will be borne by the Company. However, envelopes containing Postal Ballots, if deposited in person or sent by courier or registered / speed post at the expense of the shareholder(s) will also be accepted.
2. This form should be duly completed and signed (as per the specimen signature registered with the Company/NSDL/CDSL) by the shareholder. In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named joint shareholder.
3. Unsigned/Incomplete/Incorrect Postal Ballot Forms will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer on or before 05.30 p.m. on Tuesday, 5th May, 2015. Postal Ballot Form received after this time (i.e. 05:30 p.m. on Tuesday, 5th May, 2015) will be strictly treated as if the reply from such shareholder has not been received.
5. A shareholder may request for a duplicate Postal Ballot Form, if so required. The Postal Ballot Form can also be downloaded from the link http://www.torrentpower.com/investors/2015/postal.ballot_notice_form.pdf. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than 05.30 p.m. on Tuesday, 5th May, 2015.
6. The exercise of vote through Postal Ballot is not permitted through a proxy.
7. Shareholders are requested not to send any other paper/documents along with the Postal Ballot Form, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be liable to acknowledge or act on the same.
8. Shareholders are requested to fill the Postal Ballot Form in indelible ink (and avoid filling it by erasable writing medium/s like pencil).
9. There will be one Postal Ballot Form for every Folio/Client ID, irrespective of the number of joint holders.

INSTRUCTIONS FOR E-VOTING

1. Shareholders can cast their vote online from Monday, 6th April, 2015 (09.30 a.m.) till Tuesday, 5th May, 2015 (05:30 p.m.). E-voting shall not be allowed beyond this time.
2. For casting your vote electronically, open internet browser by typing URL: https://www.evoting.nsdl.com.
3. Click on "Shareholder -Login".
4. Enter your User ID and initial password/PIN as provided with this Postal Ballot Form. Click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and password/PIN for casting your vote.
5. Password Change Menu appears. Change the password/ PIN with new password for your choice with minimum 8 digits/characters or combination thereof. Note new password. If you have lost/ forgotten your existing password/ PIN, you can re-generate the same by registering necessary details in the section of “Forgot User Details/ Password” (in case you are holding the shares in demat mode) and “Physical User Reset Password” (in case you are holding the shares in physical mode) on the “Shareholder-Login”. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
6. Home page of "e-voting" opens. Click on e-voting: Active Voting Cycles.
7. Select "EVEN" (Electronic Voting Event Number) of Torrent Power Limited. Now you are ready for e-voting as "Cast Vote" page opens.
8. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
9. Upon confirmation, the message, “Vote cast successfully” will be displayed.
10. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the resolution(s).
11. You can also update your mobile number and e-mail id in the user profile details of the folio / DP ID & Client ID, which may be used for sending future communication(s). You may also enter the secret question and answer of your choice to retrieve your password in case you forget it.
12. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through "Forgot Password" option available on the site to reset the same.

OTHER INSTRUCTIONS

1. In case of shares held by companies, institutions, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the resolution of its Board of Directors / Authority Letter authorising the person to represent in terms of Section 113 of the Companies Act, 2013. Shareholders voting through e-voting mode should send a scanned copy (PDF/JPG Format) of the aforesaid document(s) together with attested specimen signature of the duly authorized signatory(ies) to the Scrutinizer through e-mail on torrentpowerscrutinizer14@gmail.com with a copy marked to evoting@nsdl.co.in.
2. Voting rights shall be reckoned on the paid up value of equity shares registered in the name of the shareholders as on the cut-off date i.e. 27th February, 2015.
3. The date of declaration of results of the Postal Ballot (i.e. on 8th May, 2015) shall be the date on which the resolution(s) would be deemed to have been passed, if approved by requisite majority.
4. Kindly note that the shareholders can opt only one mode of voting i.e. either by physical ballot or e-voting. If you are opting for e-voting, then do not vote by physical ballot and vice versa. However, in case a shareholder has voted both in physical as well as e-voting, then voting done through physical ballot shall prevail over e-voting and e-voting will be treated as invalid.
5. The Scrutinizer's decision on the validity of the Postal Ballot Form/E-voting would be final and binding.
6. **Kindly note that Item No. 1 of the Notice has to be voted by Public Shareholders only.**

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User manual for Shareholders available at the "Downloads" section of www.evoting.nsdl.com or call NSDL on 022-24994600 for any further clarifications.

BUSINESS REPLY ENVELOPE

POSTAGE WILL BE PAID BY THE ADDRESSEE

B. R. PERMIT NO. AM - 449
ELLISBRIDGE POST OFFICE
AHMEDABAD - 380006.

NO POSTAGE STAMP NECESSARY IF POSTED IN INDIA

To,
Shri Rajesh Parekh
Scrutinizer
C/o. Sharepro Services (India) Private Limited
Unit: Torrent Power Limited
Devnandan Mega Mall, Office No. 416-420,
4th Floor, Opp. Sanyas Ashram,
Ashram Road, Ahmedabad - 380 006.

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009 (Gujarat), India
Phone: +91-79-2658 5090, 2658 3060, **Fax:** +91-79-2658 2326
Website: www.torrentpower.com **Email:** cs@torrentpower.com

ANNEXURES TO THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS AND POSTAL BALLOT AND E-VOTING ("ANNEXURES")

1. Composite Scheme of Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective shareholders and creditors

COMPOSITE SCHEME OF AMALGAMATION

(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)

OF

TORRENT ENERGY LIMITED

AND

TORRENT CABLES LIMITED

WITH

TORRENT POWER LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND THE CREDITORS

This Composite Scheme of Amalgamation provides for:
Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

A DESCRIPTION OF THE COMPANIES

(a) Torrent Energy Limited (hereinafter referred to as "**TEL**" or "**Transferor Company 1**") is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat. Transferor Company 1 is a wholly owned subsidiary of Torrent Power Limited. It has also been granted the status of co-developer by the Ministry of Commerce and Industry, Government of India, and as a co-developer; it is responsible for catering to the entire power requirement of entities coming up in the Dahej Special Economic Zone (SEZ). It is also eligible to avail various exemptions from taxes, cess, duties, fees, or any other levies under various Central & State laws. It is engaged in developing the DGEN Mega Power Project, viz. 1196.85 MW gas based combined cycle power project and associated transmission facility for power evacuation; as also the power distribution infrastructure at Dahej SEZ area. It is also a distribution licensee for Dahej SEZ area.

(b) Torrent Cables Limited (hereinafter referred to as "**TCL**" or "**Transferor Company 2**") is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. Shares of Transferor Company 2 are listed on BSE Limited. Transferor Company 2 is an established manufacturer and supplier of power cables since 1989 and is one of the market leaders in HT Power Cable segment.

The Transferor Company 1 and Transferor Company 2 shall hereinafter be collectively referred to as the "**Transferor Companies**").

(c) Torrent Power Limited (hereinafter referred to as "**Torrent Power**" or the "**Transferee Company**") is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat. Shares of the Transferee Company are listed on National Stock Exchange of India Limited and BSE Limited. The Transferee Company is an integrated utility engaged in the business of power generation, transmission and distribution of electricity with operations in the States of Gujarat, Maharashtra and Uttar Pradesh.

B RATIONALE FOR AMALGAMATION

(a) The Transferor Companies and Transferee Company are part of the same business group. Transferor Company 1 is a wholly owned subsidiary of the Transferee Company and both, Transferor Company 1 and Transferee Company, are engaged in the similar business. Transferor Company 2 is one of the major suppliers of power cables for the power transmission and distribution activities of Transferee Company as well as Transferor Company 1.

(b) In view of similar business of Transferor Company 1 and the Transferee Company and complementary business relationship between Transferor Company 2 on one hand and Transferor Company 1 and Transferee Company on the other hand, it is proposed to consolidate the activities of the Transferor Companies and the Transferee Company by way of amalgamation of Transferor Companies with the Transferee Company.

(c) The proposed amalgamation would result in the following benefits to the Transferor Companies and the Transferee Company, their respective shareholders and creditors and will be in long-term interest of customers, employees and other stakeholders:

- Enhanced shareholders' value;

- Alignment of various aspects of the power business of the Torrent Group in a logical group and sequence;
- Synergies of operations, *inter alia*, from consolidated fuel and spares procurement, optimization of logistics costs and more refined power generation / distribution models;
- Integration of business thereby providing significant impetus to the growth;
- Concentrated management focus and improved organisational capability;
- Integrated, rationalised and streamlined management structure of the merged business;
- Strengthening of financial position with wider capital base and increased leverage capacity of the merged entity;
- Facilitate inter transfer of resources and optimum utilisation of assets;
- Pooling of Human talent in terms of Manpower, Management, Administration and marketing to result in saving of costs
- Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
- Synchronizing of efforts to achieve uniform corporate policy;
- Improved opportunities for new ancillary businesses, expansion and modernization of existing ancillary business;
- Addressing the emerging challenges due to enhanced competitive scenario

Moreover, it would lead to enhanced reputation of the brand "Torrent" as a reliable and serious player in all spheres in the power sector in India.

1 **DEFINITIONS AND INTERPRETATION**

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings ascribed against them:

"**Act**" means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Companies and Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of Companies Act, 2013, such references shall, unless a different intention appears, be construed as reference to the provisions so re-enacted.

"**Applicable Law**" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

"**Appointed Date**" means the opening hours of the business on 1 April 2014.

"**Appropriate Authority**" means any governmental, statutory, departmental or public body or authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, Competition Commission of India, National Company Law Tribunal in India ("**NCLT**"), the High Court of Judicature at Gujarat.

"Board of Directors" or "Board" shall mean the Board of Directors of Transferee Company, Transferor Company 1, or Transferor Company 2, as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;

"**Effective Date**" means the date on which all the conditions and matters referred to in the Scheme including Clause 17.1 have been fulfilled.

"**High Court**" or "**Court**" means the Hon'ble High Court of Judicature at Gujarat or the NCLT as the case may be.

"Lender" or **"Lenders"** means any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Companies or the Transferee Company.

"Parties" or "Parties to the Scheme" means Transferor Companies and the Transferee Company, collectively.

"**Party**" shall mean Transferor Company 1, Transferor Company 2 or Transferee Company, individually.

"**Record Date**" means the date to be fixed by the Board of the Transferee Company in consultation with the Board of the Transferor Company 2 for the purpose of reckoning names of the equity shareholders of Transferor Company 2 who shall be entitled to shares of the Transferee Company in accordance with Clause 7.1 of this Scheme.

"**Scheme**", "**the Scheme**", "**this Scheme**" means this composite scheme of amalgamation in its present form submitted to the High Court or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"**SEBI Circular**" means the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 and CIR/CFD/DIL/1/2014 dated March 25, 2014 (which provides clarifications with respect to the aforementioned circular), issued by the Securities and Exchange Board of India;

"**the Undertaking**" shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of each of Transferor Companies, on a going concern basis, together with all their assets and liabilities and employees and shall mean and include (without limitation):

(a) all assets and properties, whether movable and immovable (whether freehold, leasehold or otherwise), tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress including expenses incurred to be capitalized and advances for assets, equipment, furniture, fixtures, vehicles, stocks and inventory, any other leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, other fixed assets, current assets including loans, advances, inventory and work in progress cash in hand, amounts lying in the banks to the credit of each of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, letters of

intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, Development Rights including advances paid to any parties for acquisition of development rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses including licenses for electricity transmission and distribution, sales tax and excise duty licenses, and also with export-import authority including advance licenses and all other licenses, duty entitlement pass books, duty refund against export obligations, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the business of the Transferor Companies and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief / benefit available/to be available to the eligible units including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted/ collected at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("**MAT**"), deduction under Chapter VI-A for the eligible period) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies;

(b) All the debts, liabilities, duties and obligations including contingent liabilities,present or future, whether secured or unsecured, of the Transferor Companies as on the Appointed Date; and

(c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Companies.

(d) Without limitation to the generality of the foregoing, all the properties of the Transferor Company 1 related to the power transmission business, including without limitation, power transmission equipment, sub stations, terminal stations, foundations for tower structures/switch yards/substations, insulators, towers, transmissions accessories, appliances, tools and plants.

(e) all permanent employees, staff and workmen of Transferor Companies.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme being effective" shall mean from the Effective Date;

1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.2.4 references to the word "include" or "including" shall be construed without limitation;

1.2.5 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.2.6 unless otherwise defined, the reference to the word "days" shall mean calendar days;

1.2.7 references to dates and times shall be construed to be references to Indian dates and times;

1.2.8 reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document;and

1.2.9 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

1.3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall have legal effect and force from the Appointed Date but shall be operative from the Effective Date.

2 **SHARE CAPITAL OF THE COMPANIES**

2.1 The share capital of Transferor Company 1 as on 31 March 2014 is as under:

	Rs (in crores)
AUTHORISED SHARE CAPITAL 2,300,000,000 Equity Shares of Rs. 10/- each	2300.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL **1,988,220,000** equity shares of Rs. 10/- each fully paid up	1988.22

After 31 March 2014, there has been no change in the authorised, issued, subscribed and paid-up share capital of Transferor Company 1.

The entire paid up share capital of Transferor Company 1 is held by the Transferee Company and its nominees and the Transferor Company 1 is therefore a wholly owned subsidiary of the Transferee Company.

2.2 The share capital of the Transferor Company 2 as on 31 March 2014 is as under:

	Rs (in crores)
AUTHORISED SHARE CAPITAL 70,000,000 Equity Shares of Rs. 10/- each	70.00
ISSUED SHARE CAPITAL 45,000,011 equity shares of Rs. 10/- each	45.00
SUBSCRIBED AND PAID-UP SHARE CAPITAL **8,598,395**equity shares of Rs. 10/- each fully paid up	8.60

After 31 March 2014, there has been no change in the authorised, issued, subscribed and paid-up share capital of Transferor Company 2.

2.3 The share capital of Transferee Company as on 31 March 2014 is as under:

	Rs (in crores)
AUTHORISED SHARE CAPITAL 2,000,000,000 Equity Shares of Rs. 10/- each	2000.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 472,448,308 Equity Shares of Rs. 10/- each	472.45

After 31 March 2014, there has been no change in the authorised, issued, subscribed and paid-up share capital of Transferee Company.

3 **TRANSFER AND VESTING OF THE UNDERTAKINGS**

3.1 Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting any of the Transferor Companies or any part thereof, and which shall be deemed to have been vested in Transferee Company by virtue of the amalgamation. After coming into effect of this Scheme in cases where the required security has not been created and in such case if the terms thereof require, Transferee Company will create the security in terms of the issue or arrangement in relation thereto.

3.2

(a) Upon the Scheme being effective, with respect to the assets forming part of the Undertakings of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same shall stand transferred and vest in, without any further act or execution of an instrument with the intent of vesting such assets in Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Transferee Company.

(b) Subject to the provisions of Clause 3.2(c) below, with respect to the assets of the Undertakings of the Transferor Companies other than those referred to in Clause 3.2(a) above, including sundry debtors, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, development rights, advances paid to any parties for acquisition of development rights, earnest money and deposits, if any, with government, semi-government, local and other authorities and bodies or with any company or other person, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by Transferor Companies and all the rights, title and interests of Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company.

(c) Upon the Scheme being effective, with respect to the immovable properties (including land, buildings and any other immovable property) comprised in the Undertakings of the Transferor Companies and situated within the States of Gujarat and Maharashtra whether owned or leased, and any documents of title, rights and easements in relation thereto, and forming part of the Undertakings of the Transferor Companies, shall stand transferred and vest in the Transferee Company, without any act or deed done by the Transferor Companies or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of their immovable property is given to the Transferee Company.

(d) For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Companies, be transferred to and vested in Transferee Company.

(e) Upon the Scheme being effective and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of Transferee Company and shall be binding on and be enforceable by and against Transferee Company as fully and effectually as if Transferee Company had at all times been a party thereto. Any inter-se contracts between any of the Transferor Companies on one hand and Transferee Company on the other hand shall stand cancelled and cease to operate in Transferee Company upon the coming into effect of this Scheme. It is clarified that upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (including the power purchase agreements), arrangements and other instruments of whatsoever nature entered into between the Transferor Companies be treated as cancelled and shall cease to operate.

(f) In so far as the various incentives, tax exemption and benefits, subsidies, grants, special status and other benefits or privileges enjoyed including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc., granted by any Appropriate Authority, or availed of by Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to Transferee Company on the same terms and conditions with effect from Appointed Date upon the Scheme being effective

3.3 (a) Upon the Scheme being effective, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Companies which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of Transferee Company.

(b) Upon the Scheme being effective, where any of the liabilities and obligations attributed to any of the Transferor Companies on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Transferee Company. Where after the Appointed Date, Transferor Companies has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of Transferee Company and Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Companies and Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat and other relevant Appropriate Authorities to give formal effect to the above provisions.

(d) If and to the extent there are loans, deposits or balances inter-se between Transferor Companies and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Transferee Company upon the Scheme being effective. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between any of the Transferor Companies and Transferee Company from the Appointed Date.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between any of the Transferor Companies and Transferee Company from the Appointed Date.

(f) Upon the Scheme being effective, any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable in any State in which Transferor Companies operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Companies' accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted/collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Transferee Company.

(g) Any amount including refund under the Tax Laws due to Transferor Companies consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be receivable by Transferee Company upon the Scheme being effective.

(h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company upon the Scheme being effective.

3.4 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been transferred to and vested in Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of Transferee Company on the same

terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

3.5 Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the Undertaking of the Transferor Companies in accordance with the provisions of Sections 391 to 394 of the Act. The Transferor Companies and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance or do any act, thing or deed in this regard.

3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which any of the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of any of the Transferor Companies, as the case may be, to be carried out or performed.

4 **PERMITS, CONSENTS AND LICENSES**

All the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed by and all rights and benefits that have accrued or may accrue to Transferor Companies before or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Undertakings of the Transferor Companies, pursuant to the provisions of Section 394(2) of the Act and all other applicable provisions, if any, shall without any further act, instrument or deed, cost or charge, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become on and from the Appointed Date the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law.

Upon the Effective Date and until the licenses, permit, quotas, approvals, (including, but not limited to, environmental approvals, statutory and regulatory approvals), no-objection certificates, incentives, permissions, registrations, tax exemptions, accumulated tax losses, MAT Credit entitlement, tax benefits including benefits under Chapter VI A of Income Tax Act, 1961, concessions or deferrals, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and / or perfected, in the record of the Appropriate Authority, in favor of Transferee Company, Transferee Company is authorized to carry on business in the name and style of Transferor Companies and under the relevant license and or permit and or approval, as the case may be, and Transferee Company shall keep a record and/or account of such transactions, as if the Transferor Companies have not been wound up

5 **EMPLOYEES, STAFF AND WORKMEN**

Upon transfer to and vesting of the Undertakings of the Transferor Companies unto Transferee Company taking place, as provided herein, Transferee Company undertakes to engage on and from the date on which this Scheme becomes operative all the employees, staff and workmen of Transferor Companies on the same terms and conditions on which they are engaged by Transferor Companies without any interruption of service as a result of the transfer and vesting of the Undertakings of the Transferor Companies into Transferee Company. Transferee Company agrees that the services of all such employees, staff and workmen with Transferor Companies prior to the transfer and vesting of the Undertakings of the Transferor Companies into Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund, and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund, superannuation funds, or such other special funds or trusts created for the benefit of the staff, workmen or employees nominated by Transferee Company and/or such new provident fund, gratuity fund, superannuation fund, or such other special funds or trusts created for the benefit of the staff, workmen or employees to be established and caused to be recognised by the concerned authorities by Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund, superannuation fund, or such other special funds or trusts respectively.

6 **LEGAL PROCEEDINGS**

6.1 Upon the Scheme being effective, if any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "**the Proceedings**") by or against Transferor Companies be pending before the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies pursuant to this scheme or by anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the

same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if the Scheme had not been made. On and from the Effective Date, Transferee Company shall and may initiate any legal proceedings which were earlier in the names of the Transferor Companies.

6.2 The transfer and vesting of the Undertakings of the Transferor Companies under the Scheme and the continuance of the proceedings by or against Transferee Company under Clause 6.1 shall not affect any transaction or proceeding already completed by Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of Transferee Company.

7 **CONSIDERATION**

7.1 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Transferee Company pursuant to this Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of Transferor Company 2 whose name is recorded in the register of members of the Transferor Company 2 on the Record Date in the following ratio ("Share Exchange Ratio"): 19 (Nineteen) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 20 (Twenty) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company 2.

For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company 2 who, on the Record date do not hold equity shares in the Transferor Company 2 in multiple of 20 (Twenty) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company 2 on the Record Date, bear to the Share Exchange Ratio. It is further clarified that any fraction arising thereon shall be dealt with as per clause 7.5 of the Scheme.

7.2 Since the entire share capital of the Transferor Company 1 is held by the Transferee Company, it is the wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company 1 shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares against these shares as the Transferee Company is the only shareholder of the said Transferor Company.

7.3 The Share Exchange Ratio has been arrived at on basis of the valuation report prepared by M/s. Price Waterhouse & Co. LLP, Independent Chartered Accountants. Further, M/s. IDFC Securities Limited, Merchant Bankers, has provided a fairness opinion on the fairness and reasonableness of the Share Exchange Ratio determined for the vesting of the Undertakings of the Transferor Companies into Transferee Company. The valuation report and fairness report as aforesaid have been duly approved by the Board of Directors of each of the Transferor Companies and Transferee Company.

7.4 The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank *paripassu* in all respects with the existing equity shares of Transferee Company. It is hereby clarified that the new equity shares allotted by Transferee Company to the shareholders of the Transferor Company 2 pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Transferee Company before the Effective Date.

7.5 No fractional shares shall be issued by Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Company 2 may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Transferee Company) as may be nominated by the Board of Directors of Transferee Company as trustee(s) for sale thereof, in open market through SEBI registered share broker at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

7.6 Equity shares of Transferee Company issued in terms of Clause 7.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferor Company 2 are listed (besides where the shares of Transferee Company are listed) and Transferee Company shall pay the appropriate fee and incur all costs for the same. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the relevant stock exchanges;

7.7 The new equity shares issued pursuant to Clause 7.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company 2 to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company 2 shall be required to have an account with a depositary participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company 2.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depositary participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company 2 at their respective registered addresses, as appearing in the register of members maintained by Transferor Company 2 as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee

Company shall not be responsible for any loss in transit

7.8 Where equity shares of the Transferee Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Transferee Company.

7.9 Unless otherwise determined by the Board of Directors of Transferor Companies and the Board of Directors of Transferee Company, allotment of shares in terms of Clause 7.1 above shall be done within the prescribed statutory period from the Effective Date.

7.10 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company 2 which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.

7.11 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company 2, the Board of Directors of Transferee Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Record Date as the case may be to effectuate such a transfer in Transferor Company 2 as if such changes in registered holder were operative as on the Record Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.

7.12 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company 2 as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

8 TREATMENT OF SCHEME FOR THE PURPOSES OF THE INCOME TAX ACT, 1961

8.1 This Scheme complies and comes within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and other relevant sections of the Income Tax Act, 1961. The carried forward losses and depreciation under Income Tax Act, 1961 of the Transferor Companies would be carried forward and available to the Transferee Company subject to provisions of Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall stand modified / amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification / deemed deletion shall however not affect the other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company and each of the Transferor Companies, which power shall be exercised reasonably in the best interests of the companies concerned.

9 AMENDMENT TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

A. CAPITAL CLAUSE

9.1 Upon the Scheme being effective, the authorised share capital of each of the Transferor Companies will get consolidated with that of Transferee Company without any further act or deed and without payment of any additional fees and duties. For this purpose the stamp duty and fees already paid on the authorised capital of the Transferor Companies shall be utilised and applied to the increased authorised share capital of Transferee Company and there would be no requirement for any other further payment of stamp duty and / or fee by Transferee Company for increase in the authorised share capital to that extent. The authorised share capital of Transferee Company will thus be increased to that effect by virtue of the scheme becoming effective and no separate procedure shall be required to be followed under the Act. Thus, the authorised share capital of Transferee Company will amount in aggregate to Rs. 4370,00,00,000 (Rupee Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each.

9.2 Consequently, the Clause V of Memorandum of Association of Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

"*The Authorised Share Capital of the Company is Rs. 4370,00,00,000 (Rupees Four thousand three hundred and seventy crore only) divided into 437,00,00,000 (Four hundred thirty seven crore only) equity shares of Rs. 10/- each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to affect, vary, extended, modify, surrrender or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.*"

B. OBJECTS CLAUSE

9.3 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions the Act as set out below:

(a) The current Clause III.(A).1. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

i) "To generate, transmit, distribute, purchase, procure, sell, import, export or accumulate or otherwise deal in all forms

of electrical power in all aspects, to own, promote, set up, establish, develop, maintain, run, operate, manage and acquire generating company, generating station or stations of every kind and description, and to own, promote, set up, establish, develop, maintain, run, operate and manage transmission and distribution networks or systems and to acquire, in any manner, these networks or systems and to act as agent or representative of any person engaged in the planning, development, generation, transmission, distribution, supply or financing of power and to investigate, research, design and prepare feasibility, appraisal or project reports and to build and execute projects for generation, transmission, distribution, supply, purchase, sale, import, export, storage and accumulation of all forms of electrical power and to engage in all activities incidental thereto.

ii) *To carry on the business of establishment and management of fuel systems and to search for, obtain, acquire, mine, explore, buy, sell, import, export or otherwise deal in oils, gases, coals, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials.*

iii) *To carry on the business of manufacturers, sellers and distributors of electrical apparatuses and appliances, electric, magnetic, galvanic and other articles and things of all kinds including electric wires and cables of all descriptions, insulators, conductors, tapes, ropes, poles, galvanisers, switch gears, distribution accessories and all other kinds of electrical goods and materials and the business of electrical, mechanical, civil, sanitary, railway, nautical, aero-nautical and general engineers in all their respective branches.*

iv) *To carry on business as manufacturers, importers, exporters, whole-sellers, retailers, repairers, buyers and sellers of and dealers in all kinds of goods, substances, preparations, materials, articles, things, apparatuses, fittings, appliances, accessories and component parts for or in connection with the civil, electrical, mechanical and textile engineering, electrical and cable industries, made wholly or in part out of rubber, synthetic rubber, cork, plastics, asphalt, glass and any other natural and synthetic materials of all descriptions and to compound, fabricate, mould, extrude or otherwise process goods made wholly or partially from thermoplastic and thermosetting substances or other materials of any nature.*

(b) The current Clause III.(B).2. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety

(c) The current Clause III.(B).3. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

"To plan, promote and take up necessary developmental work, selection of prospective/ established Independent Power Producers/ generating/ transmission/ distribution companies/ utilities and enter into contracts/ Power Purchase Agreements/ Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution and optimum utilisation of electrical power."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum of Association of Transferee Company as required under applicable provisions of the Act.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

9.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Articles of Association of the Transferee Company shall stand amended without any act, instrument or deed be and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

The following article shall be inserted after Article 199 of the Articles of Association of the Transferee Company as Article 199A:

*"**199A. Chairperson may be Managing Director or Chief Executive Officer***

An individual may be appointed or reappointed to, or hold, the position of Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time."

It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Articles of Association of Transferee Company as required under applicable provisions of the Act.

10 **DIVIDENDS**

Following provisions will apply with regard to any distribution or declaration or payment of dividend or interim dividend, as the case may be, by the Board of Directors of the Transferor companies and / or the Transferee Company:

10.1 The Transferor Companies and Transferee Company shall be entitled to declare and pay dividends subject to the provisions of the Act to their respective shareholders out of the profits available for distribution as dividend for the accounting period prior to the Appointed Date where such declaration of dividend is on or before the sanction of the Scheme by the Board of Directors at their respective Board Meetings. It is hereby clarified that the shareholders of Transferor Companies shall not be entitled to any dividend from the Transferee Company under this sub-clause.

10.2 The Transferor Companies may declare and pay dividend subject to the provisions of the Act, to its equity shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date provided the Board of Directors of the Transferor Companies has obtained the prior consent and approval of the Board of Directors of the Transferee Company before making such declaration or payment to the members of the Transferor Companies.

10.3 The Transferee Company may also declare and pay dividend subject to the provisions of the Act, to its equity shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date. It is hereby clarified that the shareholders of Transferor Companies shall not be entitled to any dividend from the Transferee Company under this sub-clause.

10.4 The Transferee Company may, on or after the Effective Date but on or before the Record Date, declare and pay dividend to its equity shareholders subject to the provisions of the Act provided the shareholders of the Transferor Companies who are entitled

to receive shares of the Transferee Company shall also be entitled to such dividend in the same manner and to the same extent as if they were shareholders of the Transferee Company on the date of such declaration by the Board of Directors of the Transferee Company. In such event, the shareholders of the Transferor Companies who are entitled to receive shares of the Transferee Company shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Transferee Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to such Transferor Companies' shareholders. The Board of Directors of the Transferee Company will declare the aforesaid reserved amount as dividend to such Transferor Companies' shareholders after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by the Transferee Company to such Transferor Companies' shareholders in relation to such amount to be applied towards payment of such dividend.

10.5 Subject to the provisions of the Scheme, the profits of the Transferor Companies, for the period beginning from the Appointed Date, shall belong to and be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.

10.6 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Companies and Transferee Company, subject to such approval of their respective shareholders at their respective annual general meetings, as may be required.

11 **ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY**

On the Scheme becoming effective, Transferee Company shall account for the amalgamation in its books at the close of business on the day immediately preceding the Appointed Date as under :

(a) Amalgamation of Transferor Companies shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as notified under Section 211(3C) of the Act.

(b) All assets and liabilities, including reserves, of Transferor Companies transferred to Transferee Company under the Scheme shall be recorded in the books of account of Transferee Company at the book value as recorded in books of account of Transferor Companies, at the close of business on the day immediately preceding the Appointed Date, except to ensure uniformity of accounting policies.

(c) The difference between Share Capital of Transferor Company 2 and face value of new equity shares issued in terms of Clause 7.1above to the shareholders of Transferor Company 2 (other than Transferee Company) shall be adjusted in reserves of Transferee Company. If such difference is a surplus, then the same shall be credited to the General reserve of Transferee Company and if such difference is a deficit, then the same shall be first adjusted against the General reserve of Transferee Company and balance, if any, shall be debited to the Goodwill account of Transferee Company

(d) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations amongst the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above there would be no accrual of interest or other charges in respect of any such inter-company loans, advances, deposits, balances or other obligations.

12 **BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR TRANSFEREE COMPANY**

Unless otherwise stated herein under, with effect from the Appointed Date and up to and including the Effective Date:

12.1 The Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective Undertaking of the Transferor Companies for and on account of, and in trust for Transferee Company and shall account for the same to the Transferee Company. The Transferor Companies hereby undertake to hold the said Undertaking with utmost prudence until the Effective Date.

12.2 With effect from the date of the Board meeting of Transferor Companies approving the Scheme and up to and including the Effective Date, the Transferor Companies shall preserve and carry on their businesses and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of Directors of Transferee Company, alter or diversify their respective businesses or venture into any new business, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies prior to the date of acceptance of the Scheme by their respective Boards.

12.3 All the profits, income, taxes (including MAT credit, advance tax paid and tax deducted/collected at source) or any costs, charges, expenditure accumulated losses, costs, charges or expenditure accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, income, taxes (including MAT credit, advance tax paid and tax deducted/collected at source) or any costs, charges, expenditure accumulated losses, costs, charges or expenditure of Transferee Company, as the case may be.

12.4 With effect from the date of the Board meeting of Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not, without the prior consent in writing of any of persons authorised by the Board of Directors of Transferee Company, undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.

12.5 With effect from the date of the Board meeting of Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not vary the terms and conditions of employment of any of their employees, without the prior consent in writing of any of the persons authorised by the Board of Directors of Transferee Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the date of the said Board meeting.

12.6 With effect from the date of the Board meeting of Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Companies and Transferee Company shall not, without the prior written approval of the Board of Directors of the Transferor Companies and Transferee Company, make any change in their capital structure i.e. Share Capital, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner which may, in anyway, affect the Share Exchange Ratio (as provided in this Scheme).

12.7 Transferee Company shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Companies to ensure compliance with the provisions of this Scheme.

12.8 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the concerned authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

13 **SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer of the Undertaking, licences, permits, registrations, memberships and approvals as specified under this Scheme and the continuance of Proceedings by or against the Transferee Company under Clause 6 above shall not affect any transaction or Proceedings already concluded by the Transferor Companies on or before the Appointed Date, or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

14 **BORROWINGS OF THE TRANSFEROR COMPANIES AND TRANFEREE COMPANY**

14.1 It is clarified that upon the Scheme coming into effect and without any further act of the parties, all loan agreements, rupee facility agreements, working capital facility agreements, mortgage deeds, hypothecation deeds, pledge agreements, security trustee agreements, demand promissory notes, letters of comfort and any other such borrowing or security instruments of whatsoever nature to which the Transferor Companies are a party and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.

14.2 With effect from the date of the Board meeting of Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Companies and Transferee Company shall be entitled to undertake such financial commitments, borrow monies, create any charge, mortgage, encumber or deal with its movable and immovable assets, issue any guarantees, indemnities, undertakings, letters of comfort or commitments or such other instruments, as may be necessary or required by the lenders / security trustees, pursuant to the new loan facilities proposed to be availed from the existing or new lenders subject to Clause 12.2.

14.3 Notwithstanding anything to the contrary contained in this Scheme,pending the sanction of the Scheme by High Court, the Transferor Companies and the Transferee Company shall be entitled jointly, to avail one or more loan facilities from the existing as well as new Lenders, from time to time, and offer their assets as security, on such terms as may be mutually agreed, in order to reorganise their consolidated long term financing arrangements including under an obligor co-obligor structure. Such re-organisation of consolidated financial arrangements is expected to have an appropriate moratorium and longer repayment tenure (of around 15 years). The Board of Directors of respective Transferor Companies and Transferee Company shall finalize and approve the terms and conditions for availing such proposed loan facility.

The indicative key terms of the proposed obligor co–obligor structure, *inter alia*, are as under:

a. The Transferor Companies and Transferee Company will jointly become the obligors to such re-organised loan facility.
b. The obligors shall make a joint and several promise to repay such re-organised loan facility.
c. Each of the obligors shall create security for the total value of the re-organised loan facility on their entire respective assets.
d. The Lenders will have recourse to the assets of all or any of the obligors to recover the entire amount of such re-organised loan facility from all or any of the obligors in case of any event of default including payment default.

For the avoidance of doubt, it is clarified that upon the Scheme being effective, such re-organised loan facility shall continue to be in full force and effect in relation to the Transferee Company, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor.

15 **VALIDITY OF EXISTING RESOLUTIONS, ETC**

Upon the coming into effect of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of Directors of Transferee Company and which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of Directors of Transferee Company shall be added to the limits, if any, under like resolutions passed by Transferee Company and shall constitute the aggregate of the said limits in Transferee Company.

16 **DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the Scheme becoming operative or effective, each of the Transferor Companiesshall be dissolved without winding uppursuant to the provisions of Section 394 of the Act and no further procedure shall be required to be followed under the Act.

17 **APPLICATIONS/PETITIONS TO THE HIGH COURT AND SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

17.1 This Scheme is conditional upon and subject to obtaining the following approvals/sanctions, taking actions and performance of the conditions stated below:

17.1.1 The approval of the Scheme by the requisite majorities of such classes of shareholders and creditors of the Transferor Companies and the Transferee Company as required under the Act for the purpose;

17.1.2 Obtaining shareholders' approval through special resolution passed through postal ballot and e-voting and the votes cast by public shareholders in favor of the Scheme are higher than the number of votes cast by public shareholders against it in terms of SEBI Circular.

17.1.3 The sanctions of the High Court being obtained under Sections 391 and 394 and other applicable provisions of the Act on behalf of the Transferor Companies and the Transferee Company;

17.1.4 The Parties executing loan agreement(s) with Lenders for re-organisation of the consolidated long term financing arrangements (as mentioned in Clause 14) and fulfilling all pre-disbursement conditions (unless modified / altered / waived by lenders as applicable) for such arrangements;

17.1.5 The Parties obtaining consent and no-objection certificates from all of their existing lenders of term loans and working capital facilities;

17.1.6 Approval being obtained from Development Commissioner, Dahej SEZ Ltd and Board of Approval, Ministry of Commerce for transfer of sub lease rights & co-developer rights issued in the name of Transferor Company 1 in favour of the Transferee Company;

17.1.7 Approval being obtained from Central Electricity Regulatory Commission under Section 17 of the Electricity Act, 2003;

17.1.8 Approval being obtained from Gujarat Electricity Regulatory Commission under Section 17 of the Electricity Act, 2003 and Regulation 27 of Gujarat Electricity Regulatory Commission (Licensing of Distribution of Electricity) Regulations, 2005 and section 25 of Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 to the extent they are not inconsistent with the provisions of Electricity Act, 2003;

17.1.9 Obtaining of such other sanctions and approvals including sanctions of any statutory or regulatory authority under the Applicable Law;

17.1.10 Obtaining approval of the designated stock exchange as required under the SEBI Circular;

17.1.11 Approvals being obtained from creditors, lessors, Lenders or contracting parties as may be required by Applicable Law or contract; and

17.1.12 The certified copy of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat.

In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the High Court, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

If any Clause of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such Clause shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such clause.

17.2 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., to own each of the Undertakings of the Transferor Companies and to carry on the business of the Transferor Companies.

18 **MODIFICATIONS/AMENDMENTS TO THE SCHEME**

18.1 Transferee Company and each of the Transferor Companies, through their respective Boards of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof may make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations which the High Court and any other competent authority may deem fit to suggest / impose / direct and effect any other modification or amendment which the High Court and any other competent authority may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Companies or Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

18.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Companies and/or Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise

and such determination or directions, 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.

Notwithstanding anything stated in this Clause, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same is approved by the High Court.

18.3 Each of the Transferor Companies and/or Transferee Company acting through their respective Boards of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Hon'ble High Court or any authority/person or Lenders is unacceptable to any of them or otherwise if so mutually agreed.

19 **General Terms and Clauses**

19.1 Upon the Scheme being effective, the Transferee Company is expressly permitted to revise its financial statements to give effect to the provisions of the Scheme.

19.2 Upon the coming into effect of this Scheme, Transferee Company is expressly permitted to revise its Income Tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, etc. to the extent required. Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates on or after the Appointed Date by each of the Transferor Companies.

19.3 It is hereby clarified that submission of the Scheme to the High Court and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the Transferee Company and the Transferor Companies may have under or pursuant to all appropriate and Applicable Law.

19.4 All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses if any (save as expressly otherwise agreed) of the each of the Transferor Companies and Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Transferee Company.

19.5 The issue and allotment of shares by Transferee Company to persons resident outside India, if any, will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required.

****

2. Copy of Fairness Opinion dated 12th May, 2014 provided by M/s. IDFC Securities Limited, the Merchant Bankers on the Valuation Report submitted by M/s. Price Waterhouse & Co. LLP, Chartered Accountants

IDFC

Private & Confidential

May 12, 2014

To,
Board of Directors
Torrent Power Limited
Torrent House,
Off Ashram Road,
Ahmedabad 380 009

To,
Board of Directors
Torrent Cables Limited
Pelican 6th Floor,
GCCI Compound, Ashram Road,
Ahmedabad – 380 009

Sub: Fairness opinion on the Share Exchange Ratio Report of Price Waterhouse & Co. LLP dated May 12, 2014, in relation to the proposed merger of Torrent Cables Limited into Torrent Power Limited.

Dear Sirs,

We refer to the engagement letter dated May 6, 2014 with IDFC Securities Limited (hereinafter referred to as "**IDFC Securities**") wherein Torrent Power Limited (hereinafter referred to as "**TPL**") & Torrent Cables Limited (hereinafter referred to as "**TCL**") (hereinafter TPL & TCL both together referred to as "**Companies**") has requested IDFC Securities to perform certain professional services ("**Services**") in connection with submission of a fairness opinion on the Share Exchange Ratio Report of Price Waterhouse & Co. LLP ("**PWC**"), in relation to the proposed merger / amalgamation of Torrent Energy Limited ("TEL") & TCL into TPL.

SCOPE AND PURPOSE OF THIS REPORT

TPL is a company listed on Bombay Stock Exchange Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") having its registered office at Torrent House, Off Ashram Road, Ahmedabad-380009, India.

TCL is a company listed on BSE having its registered office at Torrent House, Off-Ashram Road Ahmedabad–380 009, India.

TEL is a 100% subsidiary of TPL & its registered address is at Torrent House, Off Ashram Road, Ahmedabad-380009, India.

INVESTMENT BANKING

IDFC Securities Limited, Naman Chambers, C-32, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Tel: +91 22 6622 2600 / 4232 2600 Fax: +91 22 6[illegible]
Corporate Identity Number: U99999MH1993PLC071865 info@idfc.com www.idfc.com

IDFC

Private & Confidential

We have been informed by the management of TPL, TEL & TCL (hereinafter referred to as "**Management**") that they are considering merger of TEL & TCL into TPL (the "**Merger**"). In consideration for the Merger, equity shares of TPL would be issued to the equity shareholders of TCL. The Appointed Date for the said Merger is April 1, 2014.

It is in this regard that TPL & TCL has appointed PWC (hereinafter referred to as the "**Valuer**") to recommend the fair share exchange ratio for proposed Merger of TCL into TPL for the consideration of the respective board of directors of the companies.

In this connection, IDFC Securities has been engaged by the Management to provide a fairness opinion on the above share exchange ratios recommended by the Valuer.

This opinion is our deliverable in respect of our review of the Share Exchange Ratio Report dated May 12, 2014 submitted by Valuer. It may be noted that this report shall not be used for accounting by the Company or any of the entities. Please note that this fairness opinion is being furnished by IDFC Securities on your request.

Our opinion is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with preparing this report, we have, received the following information from the Management of TPL and TCL:

- Valuer's Share Exchange Ratio Report dated May 12, 2014
- Consolidated and stand-alone audited financial statements of TPL and its subsidiaries including TPL's 100% owned subsidiary Torrent Energy Limited (hereinafter referred to as "**TEL**"), as applicable, for the two years ended 31 March 2013, and unaudited financial statements for the year ended 31 March 2014;
- Audited financial statements of TCL for two years ended 31 March 2013 and unaudited financial statements for the year ended 31 March 2014;
- Financial projections for TPL and its subsidiaries (including TEL), prepared by the Management of TPL and TEL, respectively, and key underlying assumptions, which the Management believes to be their best estimates as to the expected future operating performance of TPL and its subsidiaries (including TEL);
- Financial projections of TCL prepared by the Management of TCL, and key underlying assumptions, which the Management believes to be their best estimates as to the expected future operating performance of TCL;
- Valuation report dated 5 May 2014 issued by M/s. Ignite Advisory pertaining to valuation of land held by TCL ('Land Valuation Report') which we have relied on without independently verifying the title and marketability of the land;

IDFC Securities Limited, Naman Chambers, C-32, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Tel: +91 22 6622 2600 / 4232 2600 Fax: +91 22 6622 2501
Corporate Identity Number: U99999MH1993PLC071865 info@idfc.com www.idfc.com

IDFC

Private & Confidential

- Draft Scheme of Arrangement ('Scheme');
- Operating data from the Management on the various business units of the Companies, as applicable, including views on gas availability, fuel supply terms, plant operating parameters, status of the TEL projects and Pipavav projects, terms of power purchase agreements, order book in the case of TCL, operating parameters of distribution franchise business, etc., prepared by the Management, on which we have relied;
- Share price history of TPL and TCL;
- Interviews and discussions with the Management to get clarifications with respect to our queries;
- Other information, explanations and representations that were required and provided by the Management; and
- Analysis of information available in the public domain in respect of the power sector and of the comparable companies/ transactions, as may be relevant under the circumstances;

The Companies have been provided with the opportunity to review the draft opinion (without analysis and recommendation portions) for this engagement to make sure that factual inaccuracies are avoided in our opinion.

SCOPE LIMITATIONS

Affecting results:

Our opinion is based on (a) the assumption that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in course of obtaining necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on TPL, TCL and their respective shareholders; and (b) our understanding of the business, results, operations, conditions and prospects of TPL and TCL, and current general economic and market conditions.

Our analysis and result are specific to the purpose of review and that mentioned in the opinion as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Our analysis and result are specific to the date of this report. A review of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our results are, to a significant extent, subject to continuance of current trends beyond the date of the opinion. Although subsequent developments may affect our opinion in this letter, we, however, have no obligation to update this opinion for those developments, including events, trends or transactions relating to the Company/ Merged/ Amalgamated undertakings or the market/economy in general and occurring subsequent to the date of this opinion.

IDFC Securities Limited, Naman Chambers, C-32, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Tel. +91 22 6622 2600 / 4232 2600 Fax. +91 22 6622 2501
Corporate Identity Number: U99999MH1993PLC071865 info@idfc.com www.idfc.com

IDFC

Private & Confidential

The recommendation(s) rendered in this opinion only represent the recommendation(s) of IDFC Securities based upon information furnished by the Management of the Company/ Valuer and other sources and the said recommendation(s) shall be considered advisory in nature. Our recommendation will however not be for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from appropriate experts. The analysis does not address the merits of the transaction relative to alternative courses of action that the board may adopt, nor does it constitute a recommendation to shareholders about actions to be taken to consummate the proposed transactions in the Scheme.

In the course of the review, we were provided with both written and verbal information, including market, technical, financial and operating data. We have not carried out a due diligence or audit of the Company for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided, and have assumed such data to be true, accurate and complete. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. We are not responsible for arithmetical accuracy / logical consistency of any financial model or business plan provided by the Company/Valuer and used in our analysis. The terms of our engagement were such that we were entitled to rely upon the information provided by the Company/Valuer without detailed inquiry. Any information shared by the Company/Valuer with any other team of IDFC Securities unless shared with valuation team may not have been considered for present analysis. Also, we have been given to understand by the Management/Valuer that it has not omitted any relevant and material factors and that it has checked out relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on the assumptions, forecasts (if any) and other information given by/on behalf of the Company. The Management of the Company/Valuer has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Company/Valuer and their impact on the present exercise. Also, we assume no responsibility for technical information furnished by the Company and believed to be reliable.

We express no opinion on the achievability of the forecasts if any, given to us. The assumptions used in their preparation, as we have been explained, are based on the Management's present expectation of both - the most likely set of future business events and circumstances and the Management's course of action related to them. It may occur that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

No enquiry into Company's claim to title of assets or property has been made for the purpose of this valuation. With regard to Company's claim to title of assets or property, we have relied

solely on representations, whether verbal or otherwise, made by the Management of the Company to us for the purpose of this report. We have not verified such representations against any title documents or any agreements evidencing right or interest in or over such assets or property, and have assumed Company's claim to such rights, title or interest as valid for the purpose of this report. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Accordingly, no due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

Our opinion is not nor should it be construed as our recommending the Merger/ Amalgamation, or opining or certifying the compliance of the proposed Merger or Amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Merger/ Amalgamation, as to which we understand that TPL has obtained such advice as it deemed necessary from qualified professionals. In addition, we express no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any party to the Scheme, or class of such person, relative to the swap ratio or otherwise.

We have not conducted or provided an analysis or prepared a model for any business or asset valuation and have wholly relied on information provided by the Companies/Valuer in that regard. Our scope of work is limited to review of Valuer's report and specifically commenting on the fairness of the share exchange ratio.

It should be understood that we make no representations as to the sufficiency for your purposes of the procedures and analysis carried out to deliver this opinion.

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

Others:

This opinion is given for the sole benefit of the addressees in their indicated capacities and is not to be relied upon by or communicated to any other person or for any other purpose.

We do not accept any liability to any third party in relation to the issue of this report, and our report is conditional upon an express indemnity from the Company in our favor holding us harmless from and against any cost, damage, expense and other consequence in connection with the provision of this report.

This report is subject to the laws of India.

Neither the opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to High Court, stock exchanges,

IDFC Securities Limited, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Tel: +91 22 6622 2600 / 4202 2600 Fax: +91 22 6622 2601
Corporate Identity Number: U99999MH1993PLC071865 info@idfc.com www.idfc.com

other regulatory authorities and inspection by shareholders in connection with the proposed restructuring of the Company including the proposed Scheme, without our prior written consent. In addition, this report does not in any manner address the price at which the Company's equity shares will trade following consummation of the Scheme and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Scheme.

This opinion is limited to the matters stated herein and is not to be read as extending to any other matters not so referred to.

We have in the past provided, and may currently or in future provide, investment banking services to TPL and/or its subsidiaries and/ or its affiliates that are unrelated to proposed Scheme, for which services we may have or may receive customary fees. In addition, in ordinary course of their respective businesses, affiliates of IDFC Securities may actively trade in securities of TPL or any of their subsidiaries or affiliates, for their own accounts and for the accounts for their own customers and accordingly, may at any time hold a position in such securities.

BACKGROUND OF COMPANIES

TPL is one of India's leading power companies, promoted by the Torrent Group. With an all-round experience in generation, transmission and distribution of power, and a proven track record of implementing large power projects, TPL is an experienced private sector player in India. As at March 2013, TPL has three subsidiary companies viz. Torrent Power Grid Limited, Torrent Energy Limited and Torrent Pipavav Generation Limited.

TCL is a cable manufacturer company based in Ahmedabad, India & is one of the market leaders in HT Power Cable segment with a manufacturing capability of up to 132 kV XLPE Cables.

APPROACH - FAIR BASIS OF MERGER

As per the Valuer's report dated May 12, 2014:

BASIS OF SHARE EXCHANGE RATIO

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the Exchange Ratio of equity shares for the merger of TCL into TPL at 19 (Nineteen) equity shares of TPL of INR 10/- each fully paid up for every 20 (Twenty) equity shares of TCL of INR 10/- each fully paid up

IDFC

Private & Confidential

FAIRNESS OPINION CONCLUSION

We have looked at the recommendation of fair share exchange ratio for the proposed Merger made by the Valuer, and on consideration of all the relevant factors and circumstances and subject to the foregoing, we believe that the recommendation of Valuer is fair and reasonable for this purpose.

Yours faithfully,
For IDFC Securities Limited

Ankur Dalwani
Managing Director

IDFC Securities Limited, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Tel: +91 22 6622 2600 / 4232 2600 Fax: +91 22 6622 2601
Corporate Identity Number: U99999MH1999PLC071865 info@idfc.com www.idfc.com

3. Copies of the Complaints Reports dated 31st July, 2014 filed with the Stock Exchanges by Transferor Company – 2 and Transferee Company

Complaints Report

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Purnima Ved / Parag Ved	16.7.2014	Resolved

For Torrent Cables Limited

Ashish Karanji
Company Secretary

Complaints Report

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A.	-	-

For Torrent Power Limited

Srinivas Kotra
Company Secretary

Date: 31st July, 2014

4. Copies of the Observation Letters from BSE Limited dated 27th August, 2014 for Transferor Company – 2 and Transferee Company

CIN NO:U67120MH2005PLC155188
BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com

BSE EXPERIENCE THE NEW

DCS/AMAL/PS/24(f)/144/2014-15

August 27, 2014

The Company Secretary
Torrent Cables Limited
Torrent House, Off Ashram Road ,
Ahmedabad ,Gujarat - 380009

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Amalgamation/Arrangement of Torrent Energy Limited (TEL), Torrent Cables Limted (TCL) & Torrent Power Limited (TPL)

We are in receipt of Draft Scheme of Amalgamation/Arrangement involving merger of Torrent Energy Limited (TEL) and the company with Torrent Power Ltd (TPL).

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

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated August 25, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***Company to ensure that the annexure to the Valuation Report submitted by the company is displayed from the date of receipt of this letter on the website of the listed company along with the various documents submitted pursuant to the circulars.***
- ***The company shall duly comply with various provisions of the Circulars***

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

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

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

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:

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;

CIN NO:U67120MH2005PLC155188

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,

Nitin Pujari
Manager

Pooja Sanghvi
Asst. Manager

CIN NO:U67120MH2005PLC155188
BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com

BSE EXPERIENCE THE NEW

DCS/AMAL/PS/24(f)/143/2014-15

August 27, 2014

The Company Secretary
Torrent Power Limited
Torrent House, Off. Ashram Road ,
Ahmedabad ,Gujarat ,380009

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Amalgamation/Arrangement of Torrent Energy Limited (TEL), Torrent Cables Limted (TCL) & Torrent Power Limited (TPL)

We are in receipt of Draft Scheme of Amalgamation/Arrangement involving merger of Torrent Energy Limited (TEL) and Torrent Cables Limted (TCL) with the company.

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

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated August 25, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***Company to ensure that the annexure to the Valuation Report submitted by the company is displayed from the date of receipt of this letter on the website of the listed company along with the various documents submitted pursuant to the circulars.***
- ***The company shall duly comply with various provisions of the Circulars***

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

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

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

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:

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,

Nitin Pujari
Manager

Pooja Sanghvi
Asst. Manager

5. Copy of the Observation Letter from National Stock Exchange of India Limited dated 26th August, 2014 for Transferee Company

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/248818-S

August 26, 2014

The Company Secretary
Torrent Power Limited
Torrent House, Off Ashram Road,
Ahmedabad – 380009.

Kind Attn.: Mr. Srinivas Kotra

Dear Sir,

Sub: Observation letter for draft Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective shareholders and creditors.

This has reference to draft Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited and their respective shareholders and creditors submitted to NSE vide your letter dated July 02, 2014.

Based on our letter reference no Ref: NSE/LIST/248361-R submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated August 25, 2014, has given following comments on the draft Scheme of Amalgamation:

"a. The Company to ensure that information submitted to BSE, vide email dated July 24, 2014 with regards to annexure to Valuation Report, is displayed from the date of receipt of this letter on its website alongwith various documents submitted pursuant to the Circulars.

b. 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 Companies to file the Scheme with Hon'ble High Court.

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

The validity of this "Observation Letter" shall be six months from August 26, 2014, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

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

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

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

This Document is Digitally Signed
NSE
Signer : Patel Kamlesh
Date: Tue, Aug 26, 2014 19:15:11 IST
Location: NSE

6. Pre & Post Amalgamation Shareholding Pattern of Torrent Power Limited (Transferee Company) as on 31st March, 2014

	Description	Torrent Power Limited (Transferee Company)			
		Pre-Amalgamation No. of shares	%	Post-Amalgamation No. of shares	%
(A)	**Shareholding of Promoter and Promoter Group**				
1	**Indian**				
(a)	Individuals/ Hindu Undivided Family	21007	0.00	21007	0.00
(b)	Central Government/ State Government(s)	0	0	0	0
(c)	Bodies Corporate	252438986	53.43	257422311	53.56
(d)	Financial Institutions/ Banks	0	0	0	0
(e)	Any Others	0	0	0	0
	Sub Total(A)(1)	**252459993**	**53.44**	**257443318**	**53.57**
2	**Foreign**				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0
(b)	Bodies Corporate	0	0	0	0
(c)	Institutions	0	0	0	0
(d)	Any Others	0	0	0	0
	Sub Total(A)(2)	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**252459993**	**53.44**	**257443318**	**53.57**
(B)	**Public shareholding**				
1	**Institutions**				
(a)	Mutual Funds/ UTI	16033899	3.39	16034090	3.34
(b)	Financial Institutions/Banks	1785544	0.38	1786198	0.37
(c)	Central Government/ State Government(s)	7057896	1.49	7057896	1.47
(d)	Venture Capital Funds	0	0	0	0
(e)	Insurance Companies	82582589	17.48	82582589	17.18
(f)	Foreign Institutional Investors	8225728	1.74	8225728	1.71
(g)	Foreign Venture Capital Investors	0	0	0	0
(h)	Any Other	0	0	0	0
	Sub-Total (B)(1)	**115685656**	**24.49**	**115686501**	**24.07**
2	**Non-institutions**				
(a)	Bodies Corporate	51916026	10.99	52245112	10.87
(b)	Individuals				
	i) Individual shareholders holding nominal share capital up to Rs 1 lakh	32823046	6.95	34778618	7.24
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	14420186	3.05	15228268	3.17
(c)	Qualified Foreign Investor	0	0	0	0
(d)	Any Other				
	(i) Foreign Bodies	3860000	0.82	3860000	0.80
	(ii)NRI	1088836	0.23	1133392	0.24
	(iii)Trusts	194565	0.04	194565	0.04
	(iv)Fraction Account*	-	-	47009	0.01
	Sub-Total (B)(2)	**104302659**	**22.08**	**107486964**	**22.36**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**219988315**	**46.56**	**223173465**	**46.43**
	TOTAL (A)+(B)	**472448308**	**100.00**	**480616783**	**100.00**
(C)	Shares held by Custodians and against which DRs have been issued	0	0	0	0
C1	Promoter and Promoter Group	0	0	0	0
C2	Public	0	0	0	0
	TOTAL (C)	**0**	**0**	**0**	**0**
	GRAND TOTAL (A)+(B)+(C)	**472448308**	**100.00**	**480616783**	**100.00**

* Fraction Shares Account created pursuant to the Clause 7.5 of the proposed composite Scheme of Amalgamation.

The Pre and Post amalgamation Shareholding Pattern of the Transferee Company as given above is as on 31st March, 2014. However, actual Shareholding Pattern of the Transferee Company post amalgamation will depend upon the number of shares held by different class of shareholders on the Record Date.

7. Pre Amalgamation Shareholding Pattern of Torrent Cables Limited (Transferor Company 2) as on 31st March, 2014

	Description	Torrent Cables Limited (Transferor Company-2) No. of shares	%
(A)	**Shareholding of Promoter and Promoter Group**		
(1)	**Indian**	0	0
(a)	Individuals/ Hindu Undivided Family	0	0
(b)	Central Government/ State Government (s)	0	0
(c)	Bodies Corporate	5245606	61.01
(d)	Financial Institutions/ Banks	0	0
(e)	Any Other	0	0
	Sub-Total (A)(1)	**5245606**	**61.01**
(2)	**Foreign**	0	0
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	0	0
(b)	Corporate Bodies	0	0
(c)	Institutions	0	0
(d)	Any Other (Specify)	0	0
	Sub-Total (A)(2)		
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**5245606**	**61.01**
(B)	**Public Shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds/ UTI	202	0.00
(b)	Financial Institutions/ Banks	694	0.01
(c)	Central Government/ State Government(s)	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Venture Capital Investors	0	0
(h)	Any Other:	0	0
	Sub-Total (B)(1)	**896**	**0.01**
(2)	**Non-Institutions**		
(a)	Bodies Corporate	346056	4.03
(b)	Individuals :-		
	i. Individual shareholders holding nominal share capital upto Rs. 1 lac.	2158321	25.10
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lac	797339	9.27
(c)	Any Other (NRIs):	50177	0.58
	Sub-Total (B)(2)	**3351893**	**38.98**
	Total Public shareholding		
	(B) = (B)(1) +(B)(2)	**3352789**	**38.99**
	TOTAL (A) + (B)	**8598395**	**100.00**
(C)	Shares held by Custodians and against which Depository Receipt have been issued	0	0.000
1	Promoter and Promoter Group	0	0.000
2	Pubic	0	0.000
	TOTAL (C)	**0**	**0**
	GRAND TOTAL (A) + (B) + (C)	**8598395**	**100.00**

8. Details of Shareholding of the Directors and Key Managerial Personnel

TORRENT ENERGY LIMITED (Transferor Company-1)				
Sr. No.	**Name**	**No. of Shares held in Torrent Power Limited**	**No. of Shares held in Torrent Energy Limited**	**No. of Shares held in Torrent Cables Limited**
Directors				
1	Shri Jinal Mehta	8000	0	0
2	Shri Vasant A. Shah	0	0	5
3	Shri Surendra M. Shah	0	0	0
4	Shri Samir Barua	0	0	0
5	Shri Deepak Dalal	0	0	0
6	Shri T. P. Vijayasarathy	25	0	0
7	Shri Sanjay Dalal	0	0	0
Key Managerial Personnel (as per the Companies Act, 2013)				
8	Smt. Chaitali Bhatt, Company Secretary	0	0	0

TORRENT CABLES LIMITED (Transferor Company-2)				
Sr. No.	**Name**	**No. of Shares held in Torrent Power Limited**	**No. of Shares held in Torrent Energy Limited**	**No. of Shares held in Torrent Cables Limited**
Directors				
1	Shri Rohit C. Mehta	0	0	0
2	Shri V. S. Parikh	0	0	0
3	Shri Prafull Anubhai	0	0	0
4	Shri Vasant A. Shah	0	0	5
5	Smt. Renu Challu	0	0	0
6	Shri Jayesh Desai	0	100*	0
7	Shri Raghu Parakh	0	0	0
Key Managerial Personnel (as per the Companies Act, 2013)				
8	Shri Abhinav Mathur, Company Secretary	0	0	0
9	Shri Amit Agrawal, Chief Financial Officer	0	0	0

TORRENT POWER LIMITED (Transferee Company)				
Sr. No.	**Name**	**No. of Shares held in Torrent Power Limited**	**No. of Shares held in Torrent Energy Limited**	**No. of Shares held in Torrent Cables Limited**
Directors				
1	Shri Sudhir Mehta	6882	100*	0
2	Shri Pankaj Patel	0	0	0
3	Shri Samir Barua	0	0	0
4	Shri Kiran Karnik	0	0	0
5	Shri Keki M. Mistry	0	0	0
6	Shri R. Ravichandran	0	0	0
7	Smt. Renu Challu	0	0	0
8	Shri Samir Mehta	6125	100*	0
9	Shri Markand Bhatt	13059	100*	0
10	Shri Jinal Mehta	8000	0	0
Key Managerial Personnel (as per Companies Act, 2013)				
11	Shri T. P. Vijayasarathy, Chief Financial Officer	25	0	0

* held jointly with Torrent Power Limited

9. Abridged Financial Statements of Transferor Companies and Transferee Company

Torrent Energy Limited (Transferor Company-1)

Abridged Balance Sheet

(Rs. in Crores)

As at		31-03-2014	31-03-2013	31-03-2012
SOURCES OF FUNDS				
1.	**Shareholders' Funds**			
	Capital	1988.22	1264.02	919.05
	Reserves & Surplus	16.79	4.50	2.82
2.	**Loan Funds**			
	Secured Loans	3151.37	2947.14	1506.08
	Unsecured	16.22	23.16	23.34
3.	**Deferred Tax Liability**	5.80	1.22	0.46
	TOTAL	**5178.40**	**4240.04**	**2451.75**
APPLICATION OF FUNDS				
1.	**Fixed Assets**			
	Gross Block	643.57	209.81	176.64
	Less: Depreciation	28.58	18.09	10.87
	Net Block	**614.99**	**191.72**	**165.77**
	Capital Work in Progress	4422.35	4080.49	2103.09
	Total	**5037.34**	**4272.21**	**2268.86**
2.	**Investments**	**345.85**	**32.94**	**27.74**
3.	**Current Assets, Loans & Advances:**			
	Inventories	6.49	0.00	0.00
	Trade Receivables	13.19	3.94	4.28
	Cash and Bank Balances	29.78	12.36	10.53
	Other Assets	1.37	10.04	10.18
	Loans & Advances	170.02	294.88	449.30
		220.85	**321.22**	**474.29**
	Less: Current Liabilities and Provisions			
	Liabilities	423.93	384.60	318.41
	Provisions	1.71	1.73	0.73
		425.64	**386.33**	**319.14**
	Net Current Assets	**(204.79)**	**(65.11)**	**155.15**
	Miscellaneous Expenditure	**0.00**	**0.00**	**0.00**
	TOTAL	**5178.40**	**4240.04**	**2451.75**

Torrent Energy Limited (Transferor Company-1)

Abridged Profit and Loss Accounts

(Rs. in Crores)

Period ended on	31-03-2014	31-03-2013	31-03-2012
Income			
Revenue from operations	37.95	41.84	33.80
Other Income	18.62	2.93	1.19
Total	**56.57**	**44.77**	**34.99**
Expenses			
Electrical energy purchased	31.64	31.76	27.72
Employee benefits expense	0.42	0.41	1.19
Operation and Other expenses	2.51	3.05	1.64
Finance Costs	6.87	6.43	0.53
Depreciation (net)	3.35	2.70	1.45
Total	**44.79**	**44.35**	**32.53**
Profit before Tax for the year	**11.78**	**0.42**	**2.46**
Less: Current Tax	2.45	0.00	0.40
Less: Deferred Tax	4.58	0.76	0.46
Less: Short / (excess) provision of current tax for earlier years	**(0.07)**	0.00	0.00
Profit After Tax for the year	**4.82**	**(0.34)**	**1.60**
Balance as per last year's Balance Sheet	**(0.18)**	**0.16**	**(1.44)**
Add: Transfer from Profit & Loss	**4.82**	**(0.34)**	**1.60**
Total	**4.64**	**(0.18)**	**0.16**
Less: Appropriations			
Proposed dividend on Equity Shares	0.00	0.00	0.00
Corporate dividend tax on proposed dividend	0.00	0.00	0.00
Transfer to General reserve	0.00	0.00	0.00
Transfer to contingency reserve	0.62	0.00	0.00
Total Appropriations	**0.62**	**0.00**	**0.00**
Balance carried to Balance Sheet	**4.02**	**(0.18)**	**0.16**

Torrent Cables Limited (Transferor Company-2)

Abridged Balance Sheet

(Rs.in Crores)

As at		31-03-2014	31-03-2013	31-03-2012
SOURCES OF FUNDS				
1.	**Shareholders' Funds**			
	Share Capital	8.60	8.60	8.60
	Reserves & Surplus	159.80	157.02	142.59
2.	**Loan Funds**			
	Secured Loans	5.43	0.37	7.29
	Unsecured Loans	0.00	0.00	0.00
3	**Deferred Tax Liability**	3.03	3.11	1.59
	TOTAL	**176.86**	**169.10**	**160.07**
APPLICATION OF FUNDS				
1.	**Fixed Assets**			
	Gross Block	120.96	118.07	112.46
	Less: Depreciation	67.31	60.24	52.83
	Net Block	**53.65**	**57.83**	**59.64**
	Capital Work in Progress	0.07	0.14	4.60
	Total	**53.71**	**57.97**	**64.24**
2.	**Investments**	**0.00**	**0.00**	**0.04**
3.	**Current Assets, Loans & Advances:**			
	Inventories	38.00	27.62	30.63
	Trade Receivables	71.40	87.66	90.21
	Cash and Bank Balances	24.00	8.74	3.01
	Other Current Assets	0.13	0.02	0.03
	Loans and Advances	7.85	7.12	8.63
		141.38	**131.17**	**132.51**
	Less: Current Liabilities and Provisions			
	Liabilities	14.77	14.41	31.28
	Provisions	3.47	5.62	5.43
		18.23	**20.03**	**36.71**
	Net Current Assets	**123.14**	**111.13**	**95.80**
	Miscellaneous Expenditure	**0.00**	**0.00**	**0.00**
	TOTAL	**176.86**	**169.10**	**160.07**

Torrent Cables Limited (Transferor Company-2)

Abridged Profit and Loss Accounts

(Rs. in Crores)

Period ended on	31-03-2014	31-03-2013	31-03-2012
Income			
Revenue from operations (Net)	215.59	376.11	320.28
Other Income	5.33	1.38	1.25
Total	**220.92**	**377.49**	**321.52**
Expenses			
Cost of materials consumed	175.57	294.96	239.68
Purchases of traded goods	1.14	0.33	3.08
Other expenses	26.31	31.34	33.29
Employee benefits expense	12.55	12.12	9.15
Finance costs	0.34	2.38	2.23
Depreciation expense	7.43	7.85	7.61
Changes in inventories of finished goods and work-in-progress	(7.81)	4.27	0.43
Total	**215.52**	**353.25**	**295.47**
Profit Before Tax for the year	**5.40**	**24.25**	**26.06**
Less: Current Tax	1.18	4.83	5.17
Less: Deferred Tax	(0.08)	1.52	1.59
Less: Short / (excess) provision of current tax for earlier years	(0.01)	(0.02)	0.00
Profit After Tax for the year	**4.32**	**17.92**	**19.29**
Balance as per last year's Balance Sheet	**53.56**	**40.92**	**27.05**
Add: Transfer from Profit & Loss	**4.32**	**17.92**	**19.29**
Total	**57.87**	**58.85**	**46.34**
Less: Appropriations			
Proposed dividend on Equity Shares	1.29	3.01	3.01
Corporate dividend tax on proposed dividend	0.22	0.49	0.49
Short Provision of tax on Proposed Dividend for earlier year	0.02	0.00	0.00
Transfer to General reserve	0.22	1.79	1.92
Total Appropriations	**1.75**	**5.29**	**5.42**
Balance carried to Balance Sheet	**56.12**	**53.56**	**40.92**

Torrent Power Limited (Transferee Company)

Abridged Balance Sheet

(Rs. in Crores)

As at		31-03-2014	31-03-2013	31-03-2012
SOURCES OF FUNDS				
1.	**Shareholders' Funds**			
	Share Capital	472.45	472.45	472.45
	Reserves & Surplus	5704.11	5617.84	5275.43
2.	**Loan Funds**			
	Secured Loans	6105.40	4872.07	3459.30
	Unsecured Loans	43.56	47.39	244.65
3.	**Deferred Tax Liability**	699.34	574.72	463.55
	TOTAL	**13024.86**	**11584.47**	**9915.38**
APPLICATION OF FUNDS				
1.	**Fixed Assets**			
	Gross Block	12100.54	9535.77	8934.73
	Less: Depreciation	2802.63	2258.15	1838.60
	Net Block	**9297.91**	**7277.62**	**7096.13**
	Capital Work in Progress	118.15	2074.67	1337.22
	Total	**9416.06**	**9352.29**	**8433.35**
2.	**Investments**	**2611.88**	**1712.83**	**1270.24**
3.	**Current Assets, Loans & Advances:**			
	Inventories	283.40	244.28	299.55
	Trade Receivables	783.59	730.89	645.96
	Cash and Bank Balances	1527.80	1096.89	574.08
	Other Current Assets	444.74	226.31	302.47
	Loans and Advances	226.80	321.66	303.06
		3266.33	**2620.03**	**2125.12**
	Less: Current Liabilities and Provisions			
	Liabilities	2160.19	1894.86	1586.54
	Provisions	109.22	205.82	326.79
		2269.41	**2100.68**	**1913.33**
	Net Current Assets	**996.92**	**519.35**	**211.79**
	Miscellaneous Expenditure	**0.00**	**0.00**	**0.00**
	TOTAL	**13024.86**	**11584.47**	**9915.38**

Torrent Power Limited (Transferee Company)

Abridged Profit and Loss Accounts

(Rs. in Crores)

Period ended on	31-03-2014	31-03-2013	31-03-2012
Income			
Revenue from operations	8,575.62	8,129.87	7,917.82
Other Income	241.84	140.10	101.84
Total	**8,817.46**	**8,269.97**	**8,019.66**
Expenses			
Electrical Energy Purchased	4,186.12	3,552.89	2,282.72
Employee Benefits Expense	270.33	249.00	241.59
Operation and Other expenses	2,902.87	3,028.93	3,139.53
Finance Costs	677.18	408.48	310.69
Depreciation and Amortization Expense (net)	534.52	407.93	365.88
Total	**8,571.02**	**7,647.23**	**6,340.41**
Profit Before Tax for the year	**246.44**	**622.74**	**1,679.25**
Less: Current Tax	33.50	126.15	338.94
Less: Deferred Tax	124.62	111.17	105.26
Less: Short / (excess) provision of current tax for earlier years	(6.52)	0.46	(2.41)
Profit After Tax for the year	**94.84**	**384.96**	**1,237.46**
Balance as per last year's Balance Sheet	**1,462.41**	**1,241.68**	**862.12**
Add: Transfer from Profit & Loss	**94.84**	**384.96**	**1,237.46**
Total	**1,557.25**	**1,626.64**	**2,099.58**
Less: Appropriations			
Proposed dividend on Equity Shares	23.62	94.49	165.35
Corporate dividend tax on proposed dividend	4.02	16.06	26.83
Interim dividend	0.00	0.00	141.73
Corporate dividend tax on proposed interim dividend	0.00	0.00	22.99
Transfer to General reserve	0.00	28.87	500.00
Transfer to Debenture redemption reserve	23.81	23.81	0.00
Transfer to contingency reserve	1.00	1.00	1.00
Total Appropriations	**52.45**	**164.23**	**857.90**
Balance carried to Balance Sheet	**1,504.80**	**1,462.41**	**1,241.68**