

Ref: JPVL: SEC: 2015

29th January, 2015

- | | |
|---|---|
| 1. National Stock Exchange of India Limited
Exchange Plaza', C-1, Block G,
Bandra - Kurla Complex
Bandra (E), Mumbai - 400 051 | 2. BSE Limited
25th Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street, Fort,
MUMBAI 400 001 |
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Sub : Proposed Scheme of Arrangement between Jaiprakash Power Ventures Limited (JPVL) (Transferor Company) and Himachal Baspa Power Company Limited (HBPCL) (Transferee Company)

Dear Sirs,

Please refer to your letter dated 2nd January, 2015 conveying your 'no objection' / observations in respect of draft Scheme of Arrangement between Jaiprakash Power Ventures Limited (JPVL) and Himachal Baspa Power Company Limited (HBPCL) and their respective Shareholders and Creditors. The Company has since filed a petition with the Hon'ble High Court of Himachal Pradesh at Shimla seeking directions of the Hon'ble Court for convening the meetings of the Equity Shareholders and Creditors. The Hon'ble High Court of Himachal Pradesh at Shimla has vide its Order dated 8th January, 2015 directed convening of the meetings of the Equity Shareholders & Creditors of JPVL and Shareholders of HBPCL on 28th February, 2015 for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between JPVL and HBPCL.

In terms of the provisions of Clause 31 (e) of the Listing Agreement, we are enclosing 3 copies each of the Notices (containing Scheme of Arrangement, Explanatory Statement and Form of Proxy) sent to the Shareholders & Creditors of JPVL and Shareholders of HBPCL as also copies of clippings of Newspapers published in the Economic Times (English Edition), and Divya Himachal (Hindi Edition) which were published on 23rd January, 2015.

This is for your kind information and record please.

Thanking you,

Yours faithfully,
For Jaiprakash Power Ventures Limited


(M.M. Sibbal)
Sr. General Manager &
Company Secretary

Encl: As above

23-01-2015

THE ECONOMIC TIMES | CHANDIGARH | FRIDAY | 23 JANUARY 2015

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

COMPANY PETITION No. 3 of 2015

IN THE MATTER OF COMPANIES ACT, 1956

IN THE MATTER OF

JAIPRAKASH POWER VENTURES LIMITED Transferor Company
AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

Regd. office : JUIT Complex, Wagnaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.) Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

Regd. office : JUIT Complex, Wagnaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.) Transferee Company

..... APPLICANTS/PETITIONERS

NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS
OF JAIPRAKASH POWER VENTURES LIMITED

Notice is hereby given that by an order made on 8th January, 2015, the Court has directed that a meeting of the Equity Shareholders of the Transferor Company be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Transferor Company will be held at the premises of JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat - 173215, Distt. Solan (H.P.), on Saturday, the 28th February, 2015 at 10.00 AM, at which time and place the said Equity Shareholders are requested to attend.

Copies of the said Scheme of Arrangement and of the Statement under Section 393 of the Companies Act, 1956 can be had free of cost or charge at the Registered Office of the Transferor Company.

Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Transferor Company at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat - 173 215, Distt. Solan (H.P.), not later than 48 hours before the meeting.

Form of proxy on request can be had at the Registered Office of the Transferor Company.

This Court has appointed Shri R.K. Gautam, Senior Advocate, as Chairman and Shri Bimal Gupta, Advocate as Co - Chairman, as also Shri Lovneesh Kanwar, Advocate, assisted by Ms. Shreya Chauhan, Advocate for the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Court.

Dated this 14th day of January, 2015.

Place : Shimla

Anand Sharma
AdvocateR.K. Gautam
Senior Advocate

Counsel for Applicant Companies - Chairman appointed for the Meeting

23-01-2015

THE ECONOMIC TIMES | CHANDIGARH | FRIDAY | 23 JANUARY 2015

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

COMPANY PETITION No. 3 of 2015

IN THE MATTER OF COMPANIES ACT, 1956

IN THE MATTER OF:

JAIPRAKASH POWER VENTURES LIMITED Transferor Company
AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

Regd. office : JUIT Complex, Wahnaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.)

..... Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

Regd. office : JUIT Complex, Wahnaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.)

..... Transferee Company

..... APPLICANTS/PETITIONERS

NOTICE CONVENING MEETING OF CREDITORS
OF JAIPRAKASH POWER VENTURES LIMITED

Notice is hereby given that by an order made on 8th January, 2015, the Court has directed that a meeting of the Creditors of the Transferor Company be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Creditors of the Transferor Company will be held at the premises of JUIT Complex, Wahnaghat, P.O. Dumehar Bani, Kandaghat - 173215, Distt. Solan (H.P.), on Saturday, the 28th February, 2015 at 1.00 PM, at which time and place the said Creditors are requested to attend.

Copies of the said Scheme of Arrangement and of the Statement under Section 393 of the Companies Act, 1956 can be had free of cost on charge at the Registered Office of the Transferor Company.

Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Transferor Company at JUIT Complex, Wahnaghat, P.O. Dumehar Bani, Kandaghat - 173 215, Distt. Solan (H.P.) not later than 48 hours before the meeting.

Form of proxy on request can be had at the Registered Office of the Transferor Company.

This Court has appointed Shri Naresh Sood, Senior Advocate, as Chairman, and Ms. Archana Dutt, Advocate as Co-Chairman, as also Shri B.C. Verma, Advocate assisted by Shri Rajesh Kumar, Advocate, for the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Court.

Dated this 14th day of January, 2015.

Place Shimla

Anand Sharma

Advocate

Counsel for Applicant Companies

Naresh Sood

Senior Advocate

Chairman appointed for the Meeting

23-01-2015

THE ECONOMIC TIMES | CHANDIGARH | FRIDAY | 23 JANUARY 2015

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2014

₹ In lacs)

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1,155.73

24,711.47

3,666.58

18,932.29

5,820.67

11,288.11

5,638.21

16,796.99

5,835.28

927.34

1,762.82

1,438.56

3,324.06

3,222.09

1,101.97

1,048.69

1,827.63

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

COMPANY PETITION No. 3 of 2015

IN THE MATTER OF COMPANIES ACT, 1956

IN THE MATTER OF

JAIPRAKASH POWER VENTURES LIMITED ...Transferor Company
AND

HIMACHAL BASPA POWER COMPANY LIMITED ...Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

Regd. office : JUIT Complex, Wahnaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.) ...Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

Regd. office : JUIT Complex, Wahnaghat, P.O. Dumehar Bani,
Kandaghat - 173 215, Distt. Solan (H.P.) ...Transferee Company

APPLICANTS/PETITIONERS

NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS
OF HIMACHAL BASPA POWER COMPANY LIMITED

Notice is hereby given that by an order made on 8th January, 2015, the Court has directed that a meeting of the Equity Shareholders of the Transferee Company be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Transferee Company will be held at the premises of JUIT Complex, Wahnaghat, P.O. Dumehar Bani, Kandaghat- 173215, Distt. Solan (H.P.), on Saturday, the 28th February, 2015 at 3.00 PM, at which time and place the said Equity Shareholders are requested to attend.

Copies of the said Scheme of Arrangement and of the Statement under Section 393 of the Companies Act, 1956 can be had free of cost or charge at the Registered Office of the Transferee Company.

Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Transferee Company at JUIT Complex, Wahnaghat, P.O. Dumehar Bani, Kandaghat -173 215, Distt. Solan (H.P.), not later than 48 hours before the meeting.

Form of proxy on request can be had at the Registered Office of the Transferee Company.

This Court has appointed Shri N.K. Thakur, Senior Advocate, as Chairman and Shri Jagan Nath, Advocate as Co-Chairman assisted by Ms. Deepika Thakur, Advocate for the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Court.

Dated this 14th day of January, 2015

Place : Shimla

Anand Sharma
AdvocateN.K. Thakur
Senior Advocate
Counsel for Applicant Companies Chairman appointed for the Meeting

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
COMPANY PETITION No. 3 of 2015
(UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956)
IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT OF

BETWEEN

JAIPRAKASH POWER VENTURES LIMITED

Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED

.. Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as the Transferor Company or JPVL.]

.. Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as :Transferee Company: or HBPCL.]

.. Transferee Company

.APPLICANTS/PETITIONERS

NOTICE CONVENING MEETING

To,

EQUITY SHAREHOLDERS OF JAIPRAKASH POWER VENTURES LIMITED

Take notice that by an order made on 8th January, 2015, the Court has directed that a meeting of the **Equity Shareholders** of Jaiprakash Power Ventures Limited be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above.

Take further notice that in pursuance of the said order, a meeting of the Equity Shareholders of the Company will be held at the premises of **JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat- 173215, Distt. Solan (H.P.), on Saturday, the 28th February, 2015 at 10.00 AM**, when you are requested to attend.

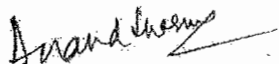
Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173215, Distt. Solan (H.P.) not later than 48 hours before the meeting.

This Court has appointed Shri R.K. Gautam, Senior Advocate as Chairman, Shri Bimal Gupta, Advocate, as Co-Chairman as also Shri Lovneesh Kanwar, Advocate, assisted by Ms. Shreya Chauhan, Advocate, for the said meeting.

A copy each of the Scheme of Arrangement, the Statement under Section 393 of the Companies Act, 1956 and a form of proxy is enclosed.

Date : 14th January, 2015.

Place : Shimla



[Anand Sharma]

Advocate

Counsel for Applicant Companies



[R.K. Gautam]

Senior Advocate

Chairman appointed for the Meeting

Note : All alterations made in the form of the proxy should be initialed

SCHEME OF ARRANGEMENT
BETWEEN
JAIPRAKASH POWER VENTURES LIMITED
(TRANSFEROR COMPANY)
AND
HIMACHAL BASPA POWER COMPANY LIMITED
(TRANSFeree COMPANY)
AND
THEIR SHAREHOLDERS AND CREDITORS

PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- (a) Part I - which deals with the introduction, rationale and benefits of this Scheme;
- (b) Part II - which deals with the definitions used in this Scheme;
- (c) Part III - which deals with the share capital of the Transferor and Transferee Companies;
- (d) Part IV - which deals with the transfer of the Transferred Undertaking No. 1 to Transferee Company and matters incidental thereto;
- (e) Part V - which deals with the transfer of the Transferred Undertaking No. 2 to Transferee Company and matters incidental thereto;
- (f) Part VI - which deals with the business (other than Transferred Undertakings) of the Transferor Company;
- (g) Part VII - which deals with the accounting and tax treatment; and
- (h) Part VIII - which deals with the general terms and conditions that would be applicable to the Scheme.

The Schedules referred to in this Scheme form part of the Scheme.

PART - I

INTRODUCTION, RATIONALE AND BENEFITS

1.1 INTRODUCTION:

- (a) Jaiprakash Power Ventures Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.) ("**Transferor Company**"). The Transferor Company is engaged, *inter alia*, in the business of owning and operating power generation plants in India. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.
- (b) Himachal Baspa Power Company Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat 173215, Distt. Solan (H.P.) ("**Transferee Company**"). The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any stock exchange.
- (c) The Scheme provides for transfer of the Transferred Undertaking No.1 and the Transferred Undertaking No. 2 of the Transferor Company to and vesting thereof in the Transferee Company, in accordance with the terms of this Scheme and pursuant to the provisions of sections 391 and 394 of the Companies Act, 1956 and other relevant provisions of the Act.

1.2 RATIONALE AND BENEFITS:

The transfer of the Transferred Undertakings of the Transferor Company to the Transferee Company

pursuant to this Scheme shall, *inter alia*, result in the following benefits:

- (i) In case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo as well as help in taking further steps for enhancing shareholder value of the Transferor Company.
- (ii) In case of the Transferee Company:
 - a. the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertakings; and
 - b. the businesses of the Transferred Undertakings can be carried out more conveniently with greater focus and attention.

**PART - II
DEFINITIONS**

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

- (a) "**Act**" means the Companies Act, 1956 and / or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 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.
- (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the **Act of 1956** and Companies Act, 2013 has been referred to as the **Act of 2013** wherever specific sections have been referred to hereinafter in this Scheme.
- (b) "**Appointed Date**" shall be the Effective Date as defined hereinafter in the Scheme;
- (c) "**Applicable Law**" means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) "**Board or Board of Directors**" means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (e) "**Court or High Court**" means the High Court of Himachal Pradesh at Shimla having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;

- (f) **Effective Date or coming into effect of this Scheme or effectiveness of this Scheme, or Scheme becoming effective** or the like expressions used in the Scheme shall be a reference to the later of the date on which:
- the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Himachal Pradesh;
 - conditions referred to in Clause 8.3 are satisfied; and
 - the following consents have been obtained for the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 or, waived in accordance with Clause 8.4(g):
 - Consent of Chief Inspector of factories/ other competent authority for transfer of factories license;
 - Consent of Controller of Explosives / other competent authority under Explosives Rules, 2008 for use, storage and possession of explosives; and
 - Consent of licensing authority under the Petroleum Rules, 2002 for use, storage and transportation of petroleum.
- (g) **Encumbrance** means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executorial attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases), or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;
- (h) **"Equity Shares"** means Equity Shares 1 and Equity Shares 2;
- "Equity Shares 1"** means equity shares of Rs. 284,00,00,000 (Rupees Two Hundred Eighty Four Crores only), comprising of 28,40,00,000 (Twenty Eight Crores Forty Lakh) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **"Equity Share 1"** shall be construed accordingly;
 - "Equity Shares 2"** means equity shares of Rs. 966,00,00,000 (Rupees Nine Hundred Sixty Six Crores only), comprising of 96,60,00,000 (Ninety Six Crores Sixty Lakhs) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **"Equity Share 2"** shall be construed accordingly;
- (k) **Excluded Liabilities** means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;
- (l) **Intellectual Property Rights** means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;
- (m) **"JAL"** means Jaiprakash Associates Limited (formerly known as Jaiprakash Industries Limited), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;
- (n) **"NCDs"** mean NCD 1 and NCD 2;
- (o) **NCD 1** means non convertible debentures of Rs. 568,00,00,000 (Rupees Five Hundred Sixty Eight Crores), comprising of 5,68,00,000 (Five Crores Sixty Eight Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
 - have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - be redeemed at the end of 10 years from the date of issue.
- (p) **NCD 2** means non convertible debentures of Rs. 1932,00,00,000 (Rupees One Thousand Nine Hundred Thirty Two Crores), comprising of 19,32,00,000 (Nineteen Crore Thirty Two Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
 - have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - be redeemed at the end of 10 years from the date of issue.
- (q) **Permitted Asset Encumbrances** means:
 - Encumbrances in favour of Project Lenders (relating to the relevant Transferred Undertaking) and any lenders who are not Project Lenders;
 - Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertakings; and
 - Rights of the Government of Himachal Pradesh under:
 - Articles 14.3, 14.8.2 and 14.8.3(b) of the power purchase agreement between the Transferor Company and Himachal Pradesh State Electricity Board Limited for sale of the power generated from Transferred Undertaking No. 1, dated 4 June 1997 and amended on 7 January 1998;
 - Clause 9 of the implementation agreement between Government of Himachal Pradesh and JAL executed on 1 October 1992, for implementing Transferred Undertaking No. 1; and
 - Article 6.4 of the implementation agreement initially executed between JAL and Government of Himachal Pradesh on 18 November, 1999 and later assigned to the Transferor Company on 30 December, 2002, including all subsequent amendments thereto.
- (r) **Project Lenders** collectively means the lenders relating to the Transferred Undertakings and a Project Lender means any one of them;

- (s) **Project Locations** means (i) the District Kinnaur in the State of Himachal Pradesh including the villages Kaksthal, Sherpa, Wangtoo, Sholtu, Karcham and Kuppa; (ii) Bithal in District Shimla; and (iii) the land situated at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat.
- (t) **Remaining Business Liabilities** means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertakings. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;
- (u) **Scheme, the Scheme or this Scheme** means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;
- (v) **Taxation** (including with correlative meaning, the terms **Tax** and **Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);
- (w) **Transferred Undertaking No. 1** shall have the meaning ascribed to it under Part A of Schedule I;
- (x) **Transferred Undertaking No. 2** shall have the meaning ascribed to it under Part B of Schedule I;
- (y) **Transferred Undertakings** collectively mean the Transferred Undertaking No.1 and Transferred Undertaking No.2 and **Transferred Undertaking** means any one of them.

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act including any statutory modifications, amendments or re-enactment thereof, for the time being in force;

2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.

PART-III SHARE CAPITAL

3.1 The present authorized, issued, subscribed and paid up share capital of the Transferor Company is as under:

Authorized Capital	Amount Rs.
Comprising 8,30,00,00,000 equity shares of Rs. 10 each	83,00,00,00,000
Comprising 30,00,00,00,000 preference shares of Rs. 100 each	30,00,00,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 2,93,80,03,084 equity shares of Rs. 10 each	29,38,00,30,840

The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

3.2 The present authorized, issued, subscribed and paid up share capital of the Transferee Company is as under:

Authorized Capital	Amount Rs.
Comprising 50,000 equity shares of Rs. 10 each	5,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 50,000 equity shares of Rs. 10 each	5,00,000

The shares of Transferee Company are not listed on any stock exchange.

3.4 It is clarified that the right of the Transferor Company to alter its authorized, issued, subscribed or paid up capital share capital during the pendency of this Scheme or at any time thereafter is not affected by this Scheme.

PART-IV

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 1 TO/ IN TRANSFEE COMPANY

4.1 VESTING OF TRANSFERRED UNDERTAKING 1

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 1 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 1 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No.1 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 1 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No.1 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 1 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all

such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 1 with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 1 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 1, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 1 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 1 other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the aforesaid and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No.1

with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.

- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 1, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 1, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No.1, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents / instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 1 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES:

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 1 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have

arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.

- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No.1 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.4 **CONTRACTS, DEEDS, ETC.:**

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 1 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and / or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 1, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 **LEGAL PROCEEDINGS:**

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 1, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 1, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 **EMPLOYEES:**

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and other benefits, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 1 with any Union / representatives of the employees.
- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 1 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made

to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 1 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 1 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 1 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the

same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) shall stand transferred from the authorized capital of the Transferor Company and get combined with the authorized capital of the Transferee Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under -

V. The Authorised Share Capital of the Company is Rs.1250,05,00,000 (Rupees One Thousand Two Hundred and Fifty Crores and Five Lakhs only) divided into 125,00,50,000 (One Hundred Twenty Five Crores and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable.

- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the 300 MW Baspa Hydro Electric Project Stage II forming part of the Transferred Undertaking No. 1. Under the power purchase agreement entered into with the Himachal Pradesh State Electricity Board for this project, the tariff for the power generated is determined by the Himachal Pradesh Electricity Regulatory Commission (HPERC) based on the project cost and other financial parameters approved by the HPERC from time to time. After the Appointed Date, the tariff determination by HPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 1 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the

Transferor Company of the Transferred Undertaking No. 1 with the Transferee Company:

- (i) Equity Shares 1; and
- (ii) NCD 1.

- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 1 and NCD 1, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 1 shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 1.

4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 1 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

4.11 The Scheme provides for acquisition of the Transferred Undertaking No. 1 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART-V

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 2 TO / IN TRANSFEE COMPANY

5.1 VESTING OF TRANSFERRED UNDERTAKING NO. 2:

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 2 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 2 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No. 2 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee

Company agree that pending vesting of such part of Transferred Undertaking No. 2 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No. 2 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 2 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 2 with it.

5.2 ASSETS:

Without prejudice to the generality of Clause 5.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 2 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 2, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 2 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 2 other than those dealt with in Clause 5.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion

but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.

- (d) Without prejudice to the aforesaid and Clause 5.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No. 2 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 2, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 2, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No. 2, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 2 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

5.3 LIABILITIES:

Without prejudice to the generality of Clause 5.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 2 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No. 2 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

5.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 2 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and / or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on

behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.

- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 2, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

5.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 2, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 2, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

5.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 2 with any Union/ representatives of the employees.

- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 2 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.

- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 2 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 2 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred

Undertaking No. 2 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

5.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended as contemplated in Clause 4.8 (a).
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the Karcham Wangtoo Hydro Electric Project, with an installed capacity of 1,091 MW, forming part of the Transferred Undertaking No. 2. Under the power purchase agreement entered into with the Power Trading Corporation for this project, the tariff for the power generated to be determined by the Central Electricity Regulatory Commission (CERC) based on the project cost and other financial parameters approved by the CERC from time to time. After the Appointed Date, the tariff determination by CERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

5.9 SLUMP EXCHANGE

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 2 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 2 with the Transferee Company:
 - (i) Equity Shares 2; and
 - (ii) NCD 2.
- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant

to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 2 and NCD 2, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 2 shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 2.

5.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 2 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

5.11 The Scheme provides for acquisition of the Transferred Undertaking No. 2 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART-VI

BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKINGS) OF THE TRANSFEROR COMPANY

- 6.1 The business, other than the Transferred Undertakings of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 6.2 All legal, Taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 6.3 In view of transfer of Rs.1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Parts IV and V above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:

V. The Authorised Share Capital of the Company is Rs. 10050,00,00,000/- (Rupees Ten Thousand and Fifty Crores only) divided into 705,00,00,000 (Seven Hundred and Five Crores) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crores) Preference Shares

of Rs. 100/- each (whether convertible optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/information / the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

PART -VII ACCOUNTING AND TAX TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCDs received pursuant to this Scheme at their respective fair values.
- (c) The difference between the book value of assets of the Transferred Undertakings over the aggregate of (i) the book value of the liabilities of the Transferred Undertakings; and (ii) the fair value of the Equity Shares and NCDs received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCDs issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCDs issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCDs and fair value of liabilities over the aggregate fair value of various assets determined by the valuers will be debited to goodwill.

7.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to

the Transferor Company pertaining to the period prior to the Appointed Date, including all or any liability / refunds / credits / claims pertaining to the period before the Appointed Date shall be treated as liability / refunds / credits / claims of the Transferor Company.

- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance tax credits etc., relating to the Transferred Undertakings for the period on and after the Appointed Date.
- (c) All tax holiday including but not limited to benefit under section 80(IA) of the Income-tax Act, 1961 including its continuing benefits, incentives, exemptions, concessions, carbon credits and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertakings, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertakings vest with and be available to the Transferee Company on the same terms and conditions.
- (d) The transfer pursuant to the Scheme is to the Transferee Company which is a subsidiary of the Transferor Company, and no stamp duty is payable on the said transfer.

PART-VIII GENERAL TERMS AND CONDITIONS

8.1 APPLICATION TO HIGH COURT:

The Transferee Company and the Transferor Company shall jointly and with all reasonable dispatch, make all applications/ petitions/ affidavits etc. under Sections 391 to 394 of the Act of 1956 and other applicable provisions of the Act to the Court for directions to convene and/ or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be required, under any law, agreement or otherwise and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

8.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose; or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertakings".

- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised 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.

8.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- (a) The consents by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (b) the Scheme being approved by the Stock Exchanges, pursuant to clause 24(f) of the Equity Listing Agreement between such Stock Exchanges and the Transferor Company;
- (c) approval of the Scheme by SEBI in terms of applicable SEBI Circulars, if any;
- (d) sanction of the Scheme by the Court in terms of Sections 391 and 394 of the Act of 1956 and other relevant provisions of the Act.

8.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the Transferee Company that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is not clear that no further approval of

the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.

- (d) In the event of the Scheme failing to take effect by March 31, 2016 or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (e) No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval of / consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(f)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) 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 the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertakings and of the instruments issued under the Scheme is carried out by M/s. Bansi S. Mehta & Co., Chartered Accountants vide their valuation report dated November 14, 2014 and a fairness opinion thereon has been provided by M/s Sobhagya Capital Options Limited vide their opinion dated November 15, 2014.

8.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants

engaged by it in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme which relate to the transaction contemplated hereunder.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

SCHEDULE I DESCRIPTION OF UNDERTAKING

Part A Transferred Undertaking No. 1

Transferred Undertaking No. 1 means the entire business of Baspa Hydro Electric Project Stage-II with an installed capacity of 300 MW located at Karcham in the district of Kinnaur in the state of Himachal Pradesh and built on the lower reaches of the Baspa river on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking No. 1 and at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat as listed in Schedule XIII-A (Project Land) hereto;
- (ii) the school named Jay Jyoti School run by Jaiprakash Seva Sansthan located at Sholtu, Tehsil Tapri, Dist. Kinnaur, Himachal Pradesh on the land of the Transferred Undertaking No. 1;
- (iii) all ancillary and support infrastructure, developments, buildings and other facilities including the housing colony located at Sholtu and Kuppa developed and/or used by the Transferor Company in connection with the operation of the said hydroelectric plant on the land of the Transferred Undertaking No. 1;
- (iv) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (v) all agreements, suppliers contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (vi) all government approvals required for owning and operating the Transferred Undertaking No. 1 including government approvals which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (vii) all funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees employed for the Transferred Undertaking No. 1;
- (viii) employees employed for the Transferred Undertaking No. 1;
- (ix) all financing arrangements which pertain to or relate to the Transferred Undertaking No. 1;
- (x) all insurance policies or agreements for insurance and interests in insurance pools and programs of the Transferor Company and related to the Transferred Undertaking No. 1 and its business;
- (xi) all movable property relating to or comprising the Transferred Undertaking No. 1 and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking

No. 1 and located at the land of the Transferred Undertaking No. 1, including all equipment and vehicles which have been transferred to the Transferor Company by Jaiprakash Associates Limited prior to the Effective Date;

- (xii) all books, records, files, papers, engineering and process information, computer programs, software 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 which pertain to or relate to the Transferred Undertaking No. 1;
- (xiii) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (xiv) the goodwill of the Transferred Undertaking No. 1 as a going concern;
- (xv) all Intellectual Property Rights relating to the Transferred Undertaking No. 1;
- (xvi) all advances received from its customers which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (xvii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking No. 1 including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the business of the Transferred Undertaking No. 1.
- (xviii) Liabilities
all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking No. 1;
- (xix) all claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in-action, and rights of recovery which pertain to or relate to the Transferred Undertaking No. 1 including litigations;
- (xx) The Certified Emission Reductions and Verified Emission Reductions accrued for the period prior to the Effective Date in relation Transferred Undertaking No. 1.

It is clarified that:

- (a) all assets in (xi) above excludes movable property owned by Jaiprakash Associates Limited and all assets owned by or leased to Jaypee Powergrid Limited;
- (b) Wangtoo Abdullapur transmission systems belonging to Jaypee Powergrid Limited and assets owned by Jaypee Powergrid Limited do not form part of the Transferred Undertaking No. 1;
- (c) any asset belonging to the Transferred Undertaking No. 1 but temporarily deployed at other locations shall be brought back to the Transferred Undertaking No. 1 on or before the Effective Date;
- (d) any asset belonging to Jaiprakash Associates Limited, deployed at Transferred Undertaking No. 1 shall be withdrawn on or before the Effective Date; and
- (e) the Excluded Liabilities do not form part of the Transferred Undertaking No. 1.

Part B-Transferred Undertaking No. 2

The term **Transferred Undertaking No. 2** means the entire business of Karcham Wangtoo Hydro Electric Project with installed capacity of 1091 MW located in the district of Kinnaur in the state of Himachal Pradesh and built on the Satluj river on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking No. 2;
- (ii) the housing colony related to the above Transferred Undertaking No. 2 located at Sholtu, Kaksthal and Sherpa, the hospital named "Jaypee Hospital" located at Sholtu and the industrial technical institute located at Urni, District Kinnaur;
- (iii) all ancillary and support infrastructure, developments, buildings and other facilities developed and/or used by the Transferor Company: (i) in connection with the operation of the said hydroelectric plant at the relevant location of the Transferred Undertaking No. 2; and (ii) in relation to fulfilling the Transferor Company's obligations towards local area development requirements under contract or Applicable Law with respect to the said hydroelectric plant;
- (iv) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (v) all agreements, suppliers contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (vi) all government approvals required for owning and operating the Transferred Undertaking No. 2 including government approvals which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (vii) all funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees employed for the Transferred Undertaking No. 2;
- (viii) employees employed for the Transferred Undertaking No. 2;
- (ix) all financing arrangements which pertain to or relate to the Transferred Undertaking No. 2;
- (x) all insurance policies or agreements for insurance and interests in insurance pools and programs of the Transferor Company and related to the Transferred Undertaking No. 2 and its business;
- (xi) all movable property relating to or comprising the Transferred Undertaking No. 2 and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking No. 2 and located at the land of the Transferred Undertaking No. 2, including all equipment and vehicles which have been transferred to the Transferor Company by Jaiprakash Associates Limited prior to the Effective Date;
- (xii) all books, records, files, papers, engineering and process information, computer programs, software 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 which pertain to or relate to the Transferred Undertaking No. 2;
- (xiii) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (xiv) the goodwill of the Transferred Undertaking No. 2 as a going concern;
- (xv) all Intellectual Property Rights relating to the Transferred Undertaking No. 2;
- (xvi) all advances received from its customers which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (xvii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking No. 2 including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the business of the Transferred Undertaking No. 2.
- (xviii) Liabilities
all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking No. 2;
- (xix) all claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in- action, and rights of recovery which pertain to or relate to the Transferred Undertaking No. 2 including litigations;
- (xx) The Certified Emission Reductions and Verified Emission Reductions accrued for the period prior to the Effective Date in relation Transferred Undertaking No. 2.

It is clarified that:

- (a) all assets in (xi) above excludes movable property owned by Jaiprakash Associates Limited and all assets owned by or leased to Jaypee Powergrid Limited;
- (b) Wangtoo Abdullapur transmission systems belonging to Jaypee Powergrid Limited and assets owned by Jaypee Powergrid Limited do not form part of the Transferred Undertaking No. 2;
- (c) any asset belonging to the Transferred Undertaking No. 2 but temporarily deployed at other locations shall be brought back to the Transferred Undertaking No. 2 on or before the Effective Date;
- (d) any asset belonging to Jaiprakash Associates Limited, deployed at Transferred Undertaking No. 2 shall be withdrawn on or before the Effective Date; and
- (e) the Excluded Liabilities do not form part of the Transferred Undertaking No. 2.

**IN THE HON BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
EXPLANATORY STATEMENT**

UNDER SECTION 393 OF THE COMPANIES ACT, 1956

ANNEXED TO THE NOTICES OF CONVENING THE MEETING OF SHAREHOLDERS / CREDITORS
PURSUANT TO THE ORDER DATED 8th JANUARY, 2015 PASSED BY THE
HON BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

IN

COMPANY PETITION No. 3 OF 2015

IN THE MATTER OF PROPOSED SCHEME OF ARRANGEMENT

BETWEEN :

JAIPRAKASH POWER VENTURES LIMITED Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

1. JAIPRAKASH POWER VENTURES LIMITED
having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat 173 215,
Distt. Solan (H.P.).
[Also referred to hereinafter as the Transferor Company or JPVL] Transferor Company
2. HIMACHAL BASPA POWER COMPANY LIMITED
having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat 173 215,
Distt. Solan (H.P.).
[Also referred to hereinafter as Transferee Company or HBPCL] Transferee Company

.....APPLICANTS/PETITIONERS

1. The Companies Act, 2013 received approval of both the Houses of Parliament, as also the Presidential assent and notified in official Gazette on 30th August, 2013. Ministry of Corporate Affairs has notified most of the provisions of the Companies Act, 2013 for implementation. However, the provisions relating to Compromises, Arrangements and Amalgamations as contained in Chapter XV i.e. Sections 230 to 240 of Companies Act, 2013 have not yet been notified by the Ministry of Corporate Affairs. Accordingly, in the petition before Hon'ble High Court of Himachal Pradesh seeking directions for convening meetings, the provisions of Chapter-V of the Companies Act, 1956 i.e. Sections 391 to 396(A) relating to Arbitration, Compromises, Arrangements, Reconstruction and Company (Court) Rules, 1959, are being relied upon.
2. The above-named companies have moved a Company Petition, being Company Petition No.3 of 2015 in the Hon'ble High Court of Himachal Pradesh at Shimla seeking directions to convene meetings of the Equity Shareholders and Creditors of the Transferor Company for considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement amongst the petition Companies and other directions incidental thereto. The proposed Scheme of Arrangement contemplates the transfer of the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 (as defined in proposed Scheme of Arrangement) of the Transferor Company to the Transferee Company, in each case, as a going concern pursuant to the said Scheme. On the above Petition, the Hon'ble Court has passed an Order dated 8th January, 2015 directing the convening of meetings of the Equity Shareholders & Creditors of the Transferor Company and Equity Shareholders of Transferee Company and has appointed Chairman and Co- Chairman for each meeting, fixed date, time and venue of the meetings and quorum for each meeting and has given directions regarding dispatch and publication of notices and other directions incidental thereto.
3. The above Scheme of Arrangement has been approved by the Board of Directors of the Transferor and Transferee

Companies at their respective meetings, duly convened and held on 15th November, 2014.

**4. Reg. TRANSFEROR COMPANY :
[Jaiprakash Power Ventures Limited (JPVL)]**

- (i) The Transferor Company was incorporated as a public limited company, with the name of Jaiprakash Hydro-Power Limited, under the Companies Act, 1956 on 21st December 1994 in the State of Himachal Pradesh. It received Certificate of Commencement of Business on 9th January, 1995 and since then it has been in business. The name of the Company was changed to Jaiprakash Power Ventures Limited on 23rd December 2009.
- (ii) The registered office of the Transferor Company is situated at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat 173 215, Distt. Solan (H.P.).
- (iii) The Authorised, Issued, Subscribed and Paid up Capital of the Transferor Company as on 30th November, 2014 has been as under –

JPVL (Transferor Company)

	As at 30 th November, 2014 Rs.
AUTHORISED CAPITAL	
8,300,000,000 Equity Shares of Rs. 10/- each	8300,00,00,000
300,000,000 preference shares of Rs.100 each	3000,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
2,938,003,084 Equity Shares of Rs. 10/- each fully paid up	29,380,030,840

There is no change in the above capital structure of the Transferor Company after 30th November, 2014

- (iv) The Transferor Company is a subsidiary of Jaiprakash

Associates Limited, which holds 60.69% of the Paid Up Capital of the Transferor Company as on 31st March, 2014.

- (v) The objects of the Company are set out in the Objects Clause of the Memorandum of Association of the Transferor Company. The Company presently owns and operates three Hydro Power Plants namely, 300 MW BASPA II Hydro-electric Project at District Kinnaur, Himachal Pradesh (BASPA-II) ('Transferred Undertaking 1'), 1091 MW Karcham Wangtoo Hydro-electric Project ('Transferred Undertaking 2') both at Himachal Pradesh and 400 MW Vishnuprayag Hydro-electric Project at Uttarakhand. The Company also owns and operates 500 MW Jaypee Bina Thermal Power Project and 660MW Unit-1 of the 1320 MW Nigrie Super Thermal Power Project. The Company is implementing 660MW Unit-2 of the 1320MW Nigrie Super Thermal Power Project. The Company is also setting up 4 MTPA Cement Grinding Unit at Nigrie to optimally utilize fly ash to be generated by Nigrie Super Thermal Power Project.

In addition to above, the Company is also implementing power projects and operating one Transmission System through its subsidiary companies:-

- 217 KM Transmission system for evacuation of power of Karcham Wangtoo Hydro Electric Project and other entities as per the requirement of Central Transmission Utility [through its subsidiary company, Jaypee Powergrid Limited]. The Transmission System is in operation.
 - 1980 MW Bara Thermal Power Project in U.P., with the permission to add two more units of 660 MW, thereby increasing the capacity to 3300 MW, in U.P. [through its subsidiary company, Prayagraj Power Generation Company Ltd.]. This Company is also setting up 4 MTPA Cement Grinding Unit to optimally utilize fly ash to be generated by the Thermal Power Plant.
 - 1980 MW Karchana Thermal Power Project in U.P [through its subsidiary company, Sangam Power Generation Company Ltd.].
 - 2700 MW Lower Siang Hydro Electric Project and a 500 MW Hironag Hydro Electric Project both in Arunachal Pradesh [through its subsidiary company, Jaypee Arunachal Power Ltd.];
 - 450 MW Kynshi-II Hydro Electric Project and 270 MW Umngot Hydro Electric Project both in the State of Meghalaya, [through its subsidiary company, Jaypee Meghalaya Power Ltd.];
- (vi) The audited accounts of the Company have been presented to the shareholders up to the financial year ended 31st March 2014. The summarized financial position of the Company as per the latest published audited accounts as at 31st March, 2014 and as per audited accounts as at 30th September, 2014, is as under:-

(Rupees in Lacs)		
Particulars	Audited Figures for the half year ended September 30, 2014	Audited Figures for the year ended March 31, 2014
EQUITY AND LIABILITIES		
Shareholders Funds		
a) Share Capital	2,93,800	2,93,800
b) Reserves and Surplus	3,69,721	3,39,171
Deferred Revenue	59,543	56,266
Non Current Liabilities	18,20,941	17,88,840
Current Liabilities	5,61,067	4,65,292
TOTAL	3,105,072	2,933,369

ASSETS		
Non-current assets		
a) Fixed assets	23,09,803	22,36,183
b) Non-current investments	5,48,003	5,00,499
c) Long-term loans and advances	38,885	31,104
d) Other non-current assets	18,681	13,341
Current assets	1,89,700	1,52,242
TOTAL	3,105,072	2,933,369

For further details, the Transferor Company requests for reference to the Audited Accounts.

There has been no material change in the financial position of the Transferor Company after 30th September, 2014. The capital structure and financial position of the Transferor Company may change pending the Scheme coming into effect, in view of the circumstances as mentioned in Para no. 6 of this Statement.

5. Reg. TRANSFeree COMPANY:

[HIMACHAL BASPA POWER COMPANY LIMITED]

- Himachal Baspa Power Company Limited, the Transferee Company was incorporated as a public limited company under the Companies Act, 1956 on 14th March, 2014 in the State of Himachal Pradesh. It received its Certificate of Commencement of Business on 24th March, 2014.
- The registered office of the Transferee Company is situated at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat 173 215, Distt. Solan (H.P.)
- The Authorised, Issued, Subscribed and Paid up Capital of the Transferee Company as on 31st March 2014 has been as under –

HIMACHAL BASPA POWER COMPANY LIMITED. (Transferee Company)

As at
31st March 2014
Rs.

AUTHORISED CAPITAL	
50,000 Equity Shares of Rs. 10/- each	5,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000

- The Transferee Company is a subsidiary of the Transferor Company, which as on date holds 99% of the Paid Up Capital of the Transferee Company.
 - The objects of the Transferee Company are set out in the Objects Clause of the Memorandum of Association of the Transferee Company. The Transferee Company does not presently have any business operations.
 - Transferee Company was incorporated only on 14th March, 2014 and it does not have any business operations and hence there are no available financial results or Balance Sheet. Further, there are no Creditors.
- The capital structure and financial position of the Transferee Company will not change pending the Scheme coming into effect.
- The circumstances which may result in change in the capital structure and /or financial position of the Transferor Company are:
 - The Transferor Company may be required to raise funds, both equity and debt for its ongoing projects which may result in changes in the financial position and capital structure of the Transferor Company.
 - The Transferor Company may subscribe to or invest in the equity share capital of any other entity.
 - The Transferor Company's Foreign Currency Convertible

Bonds (FCCBs) of USD 200 Million may be converted into Equity Shares of Rs. 10/- each by the bondholders, which may result in changes in the financial position and capital structure of the Transferor Company.

- (iv) The continuance of business operations of the Transferor Company up to the Effective Date may result in changes in the capital structure and financial position of the Transferor Company.

7. The main provisions of the proposed Scheme of Arrangement are stated below –
[Para numbers are as assigned in the Scheme]

PART-II DEFINITIONS

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

- (a) **Act** means the Companies Act, 1956 and/or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 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.
 - (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the **Act of 1956** and Companies Act, 2013 has been referred to as the **Act of 2013** wherever specific sections have been referred to hereinafter in this Scheme.
- (b) **Appointed Date** shall be the Effective Date as defined hereinafter in the Scheme;
- (c) **Applicable Law** means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) **Board or Board of Directors** means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (e) **Court or High Court** means the High Court of Himachal Pradesh at Shimla having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;
- (f) **Effective Date or coming into effect of this Scheme or effectiveness of this Scheme, or Scheme becoming effective** or the like expressions used in the Scheme shall be a reference to the later of the date on which:
- (i) the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Himachal Pradesh;
 - (ii) conditions referred to in Clause 8.3 are satisfied; and
 - (iii) the following consents have been obtained for the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 or, waived in accordance with Clause 8.4(g):

1. Consent of Chief Inspector of factories/other competent authority for transfer of factories license;
2. Consent of Controller of Explosives/other competent authority under Explosives Rules, 2008 for use, storage and possession of explosives; and
3. Consent of licensing authority under the Petroleum Rules, 2002 for use, storage and transportation of petroleum.

- (g) **Encumbrance** means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executory attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases), or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;

- (h) **Equity Shares** means Equity Shares 1 and Equity Shares 2;

- (i) **Equity Shares 1** means equity shares of Rs. 284,00,00,000 (Rupees Two Hundred Eighty Four Crores only), comprising of 28,40,00,000 (Twenty Eight Crores Forty Lakh) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **Equity Share 1** shall be construed accordingly;

- (j) **Equity Shares 2** means equity shares of Rs. 966,00,00,000 (Rupees Nine Hundred Sixty Six Crores only), comprising of 96,60,00,000 (Ninety Six Crores Sixty Lakhs) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **Equity Share 2** shall be construed accordingly;

- (k) **Excluded Liabilities** means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;

- (l) **Intellectual Property Rights** means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;

- (m) **JAL** means Jaiprakash Associates Limited (formerly known as Jaiprakash Industries Limited), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;

- (n) **NCDs** mean NCD 1 and NCD 2;

- (o) **NCD 1** means non convertible debentures of Rs. 568,00,00,000 (Rupees Five Hundred Sixty Eight Crores), comprising of 5,68,00,000 (Five Crores Sixty Eight Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:

- (i) have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
- (ii) be redeemed at the end of 10 years from the date of issue.

- (p) **NCD 2** means non convertible debentures of Rs. 1932,00,00,000 (Rupees One Thousand Nine Hundred Thirty Two Crores), comprising of 19,32,00,000 (Nineteen Crore Thirty Two Lakh) number of fully paid

up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:

- (i) have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - (ii) be redeemed at the end of 10 years from the date of issue.
- (q) **Permitted Asset Encumbrances** means:
- (i) Encumbrances in favour of Project Lenders (relating to the relevant Transferred Undertaking) and any lenders who are not Project Lenders;
 - (ii) Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertakings; and
 - (iii) Rights of the Government of Himachal Pradesh under:
 - a. Articles 14.3, 14.8.2 and 14.8.3(b) of the power purchase agreement between the Transferor Company and Himachal Pradesh State Electricity Board Limited for sale of the power generated from Transferred Undertaking No. 1, dated 4 June 1997 and amended on 7 January 1998;
 - b. Clause 9 of the implementation agreement between Government of Himachal Pradesh and JAL executed on 1 October 1992, for implementing Transferred Undertaking No. 1; and
 - c. Article 6.4 of the implementation agreement initially executed between JAL and Government of Himachal Pradesh on 18 November, 1999 and later assigned to the Transferor Company on 30 December, 2002, including all subsequent amendments thereto.
- (r) **Project Lenders** collectively means the lenders relating to the Transferred Undertakings and a Project Lender means any one of them;
- (s) **Project Locations** means (i) the District Kinnaur in the State of Himachal Pradesh including the villages Kaksthal, Sherpa, Wangtoo, Sholtu, Karcham and Kuppa; (ii) Bithal in District Shimla; and (iii) the land situated at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat.
- (t) **Remaining Business Liabilities** means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertakings. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;
- (u) **Scheme, the Scheme or this Scheme** means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;
- (v) **Taxation** (including with correlative meaning, the terms **Tax and Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);

- (w) **Transferred Undertaking No. 1** shall have the meaning ascribed to it under Part A of Schedule I;
- (x) **Transferred Undertaking No. 2** shall have the meaning ascribed to it under Part B of Schedule I;
- (y) **Transferred Undertakings** collectively mean the Transferred Undertaking No.1 and Transferred Undertaking No.2 and **Transferred Undertaking** means any one of them.

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act including any statutory modifications, amendments or re-enactment thereof, for the time being in force;

2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.

PART IV

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 1 TO/ IN TRANSFEE COMPANY

4.1 VESTING OF TRANSFERRED UNDERTAKING 1

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 1 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a going concern basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 1 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No.1 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 1 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No.1 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 1 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 1 with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 1 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed

and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 1, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 1 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 1 other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the afore stated and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No.1 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1) (c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 1, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 1, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No.1, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.

- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 1 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES:

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 1 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No.1 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 1 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.

- (b) The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 1, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 1, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 1, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 1 with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 1 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or

other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 1 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 1 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 1 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) shall stand transferred from the authorized capital of the Transferor Company and get combined with the authorized capital of the Transferee

Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under -

- V. The Authorised Share Capital of the Company is Rs.1250,05,00,000(Rupees One Thousand Two Hundred and Fifty Crores and Five Lakhs only) divided into 125,00,50,000 (One Hundred Twenty Five Crores and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable.
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the 300 MW Baspas Hydro Electric Project Stage II forming part of the Transferred Undertaking No. 1. Under the power purchase agreement entered into with the Himachal Pradesh State Electricity Board for this project, the tariff for the power generated is determined by the Himachal Pradesh Electricity Regulatory Commission (HPERC) based on the project cost and other financial parameters approved by the HPERC from time to time. After the Appointed Date, the tariff determination by HPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 1 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 1 with the Transferee Company:
- (i) Equity Shares 1; and
(ii) NCD 1.
- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 1 and NCD 1, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 1 shall rank pari-passu in all respects with the existing equity shares of the Transferee Company

for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 1.

- 4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 1 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.
- 4.11 The Scheme provides for acquisition of the Transferred Undertaking No. 1 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART V

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 2 TO/ IN TRANSFeree COMPANY

5.1 VESTING OF TRANSFERRED UNDERTAKING NO. 2:

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 2 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a going concern basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 2 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No. 2 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 2 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No. 2 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 2 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 2 with it.

5.2 ASSETS:

Without prejudice to the generality of Clause 5.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 2 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed

and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 2, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 2 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 2 other than those dealt with in Clause 5.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the afore stated and Clause 5.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No. 2 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 2, shall, *mutatis mutandis*, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 2, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No. 2, shall, without any further act, instrument or deed, be released and shall no longer be

available as a security for such liabilities.

- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 2 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

5.3 LIABILITIES:

Without prejudice to the generality of Clause 5.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 2 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No. 2 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

5.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 2 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations

under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.

- (b) The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 2, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

5.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 2, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 2, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

5.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 2 with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of

the Transferred Undertaking No. 2 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 2 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 2 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 2 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

5.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended as contemplated in Clause 4.8 (a).
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the Karcham Wangtoo Hydro Electric Project, with an installed capacity of 1,091 MW, forming part of the Transferred Undertaking No. 2. Under the power purchase agreement entered into with the Power Trading Corporation for this project, the tariff for the power generated to be determined by the Central Electricity Regulatory Commission (CERC) based on the project cost and other financial parameters approved by the CERC from time to time. After the Appointed Date, the tariff determination by CERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

5.9 SLUMP EXCHANGE

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 2 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 2 with the Transferee Company:
 - (i) Equity Shares 2; and
 - (ii) NCD 2.

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 2 and NCD 2, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 2 shall rank pari-passu in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 2.

- 5.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred

Undertaking No. 2 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

- 5.11 The Scheme provides for acquisition of the Transferred Undertaking No. 2 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART VI BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKINGS) OF THE TRANSFEROR COMPANY

- 6.1 The business, other than the Transferred Undertakings of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 6.2 All legal, Taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 6.3 In view of transfer of Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Parts IV and V above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:
 - V. The Authorised Share Capital of the Company is Rs. 10050,00,00,000/- (Rupees Ten Thousand and Fifty Crores only) divided into 705,00,00,000 (Seven Hundred and Five Crores) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crores) Preference Shares of Rs. 100/- each (whether convertible optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

PART VII ACCOUNTING AND TAX TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCDs received pursuant to this Scheme at their respective fair values

- (c) The difference between the book value of assets of the Transferred Undertakings over the aggregate of (i) the book value of the liabilities of the Transferred Undertakings; and (ii) the fair value of the Equity Shares and NCDs received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY:

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCDs issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCDs issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCDs and fair value of liabilities over the aggregate fair value of various assets determined by the valuers will be debited to goodwill.

7.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Appointed Date, including all or any liability/refunds/credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Transferor Company.
- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns; if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance tax credits etc., relating to the Transferred Undertakings for the period on and after the Appointed Date.
- (c) All tax holiday including but not limited to benefit under section 80(A) of the Income-tax Act, 1961 including its continuing benefits, incentives, exemptions, concessions, carbon credits and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertakings, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertakings vest with and be available to the Transferee Company on the same terms and conditions.
- (d) The transfer pursuant to the Scheme is to the Transferee Company which is a subsidiary of the Transferor Company, and no stamp duty is payable on the said transfer.

PART VIII GENERAL TERMS AND CONDITIONS

8.1 APPLICATION TO HIGH COURT:

The Transferee Company and the Transferor Company shall jointly and with all reasonable dispatch, make all applications/petitions/ affidavits etc. under Sections 391 to 394 of the Act of 1956 and other applicable provisions of the Act to the Court for directions to convene and/or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be

required, under any law, agreement or otherwise and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

8.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose; or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertakings".
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised 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.

8.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- (i) The consents by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (ii) the Scheme being approved by the Stock Exchanges, pursuant to clause 24(f) of the Equity Listing Agreement between such Stock Exchanges and the Transferor Company;
- (iii) approval of the Scheme by SEBI in terms of applicable SEBI Circulars, if any;
- (iv) sanction of the Scheme by the Court in terms of Sections 391 and 394 of the Act of 1956 and other relevant provisions of the Act.

8.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the

Transferee Company that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.

- (d) In the event of the Scheme failing to take effect by March 31, 2016 or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (e) No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval of/ consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(f)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) 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 the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertakings and of the instruments issued under the Scheme is carried out by M/s. Bansil S. Mehta & Co., Chartered Accountants vide their valuation report dated November 14, 2014 and a fairness opinion thereon has been provided by M/s Sobhagya Capital Options Limited vide their opinion dated November 15, 2014.

8.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants engaged by it in

relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme which relate to the transaction contemplated hereunder.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

The Scheme of Arrangement is annexed hereto which may be referred to for its detailed terms, if required.

8. That the valuation of 300 MW Baspa-II Hydro - Electric Project (Transferred Undertaking 1) and 1091 MW Karcham Wangtoo Hydro-Electric Project (Transferred Undertaking 2) has been carried out by M/s. Bansil S. Mehta & Co., Chartered Accountants, Mumbai, Independent Valuers, vide their Valuation Report dated 14th November 2014 upon which Sobhagya Capital Options Limited (SCOL), a SEBI Registered Merchant Bankers have given 'Fairness Opinion Report' vide their Report dated 15th November, 2014, in respect of the Valuation Report on Transferred Undertaking 1 and 2. SCOL have opined that the valuation determined by the Independent Valuers is fair and reasonable. The Valuation Report and Fairness Opinion Report have been accepted and adopted by the Boards of Directors of the Transferor Company and the Transferee Company.

Substantive portions of "Fairness Opinion" Report of M/s. Sobhagya Capital Options Limited, New Delhi, a SEBI Registered Merchant Bankers on Valuation Report of M/s. Bansil S. Mehta & Co., Chartered Accountants, Mumbai as Independent Valuers for the purpose of proposed Scheme of Arrangement of 300 MW Baspa-II Hydro-electric Project (Transferred Undertaking No.1) and 1091 MW Karcham Wangtoo Hydro-electric Project (Transferred Undertaking No.2) into its subsidiary i.e. Transferee Company are reproduced below :-

We, in the capacity of SEBI registered Merchant Bankers do hereby certify that in our opinion:

- a) the computation of the Enterprise Value of Rs. 8262 Crores (Rupees Eight Thousand Two Hundred and Sixty Two Crores) for the Karcham Project and of Rs. 1353 Crores (Rupees One Thousand Three Hundred and Fifty Three Crores) for Baspa Project;
- b) the consideration for the Transferred Undertakings aggregating to Rs. 3750 Crores (constituting of 1,25,00,00,000 Equity Shares of face and paid up value of Rs. 10/- each and 25,00,00,000 13% Debentures of face and paid up value of Rs. 100/- each proposed to be allotted to JPVL for the proposed transfer) after giving due consideration to the existing debt of the Transferor Company which is attributable to the Transferred Undertakings; as on the Valuation Date is fair and reasonable.
9. That the circumstances that have necessitated the Scheme and the rationale sought to be achieved are explained in Para No.1.2 of the Scheme, as under:-
 - a. The Transferor Company is engaged, inter alia, in the business of owning and operating power generation plants in India including the 300 MW Baspa II Hydro Electric Project and 1091 MW Karcham Wangtoo Hydro Electric Project, both situated at Himachal Pradesh. The same have been referred to in the Scheme individually as the Transferred Undertaking No. 1 and the Transferred Undertaking No. 2, respectively, and collectively, as the Transferred Undertakings.
 - b. The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any Stock Exchange.
 - c. The transfer of the Transferred Undertakings of the Transferor Company to the Transferee Company pursuant to this Scheme shall, inter alia, result in the following benefits:
 - i. In case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo

as well as help in taking further steps for enhancing shareholder value of the Transferor Company.

- ii. In case of the Transferee Company, the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertakings and the businesses of the Transferred Undertakings can be carried out more conveniently with greater focus and attention.
- d) While the proposed Scheme will deleverage the balance sheet of the Transferor Company, in order to enhance shareholder value, the Board of Directors of the Transferor Company has taken further steps on November 16, 2014 and approved the Securities Purchase Agreement with JSW Energy Limited regarding sale of securities of the Transferee Company for a base Enterprise Value of approximately Rs. 9,700 crore, subject to mutually agreed adjustments detailed in the Securities Purchase Agreement. The consideration under the Securities Purchase Agreement, linked to the above base Enterprise Value of approximately Rs. 9,700 crore, subject to mutually agreed adjustments, will be settled for in cash after adjusting for outstanding long term debt of the Transferee Company.

It may be noted that the above consideration would be payable on the Closing Date. The "Closing Date", for the purposes of the Securities Purchase Agreement, shall be the date mutually agreed by the Parties in writing, provided that the Closing shall take place not later than 30 (thirty) days from the Effective Date of the Proposed Scheme or, such extended date as the Parties mutually agree in writing, subject to a long stop date of March 31, 2016.

- e. The Board of the Transferor Company has decided that the proposed Scheme be implemented as an independent process and necessary approvals be obtained in this regard. The Board of the Transferor Company has directed that the shareholders' approval for the sale of securities of the Transferee Company, if considered necessary, be obtained only after the shareholders' and the High Court have approved the proposed Scheme.

That in terms of revised requirements as contained in Securities and Exchange Board of India's Circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013, the following documents have been uploaded on the website of the Company i.e. www.jppowerventures.com and National Stock Exchange of India Limited and BSE Limited have also hosted the same on their respective websites:-

- a. Draft Scheme of Arrangement between the Transferor Company and the Transferee Company;
- b. Valuation Report from Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- c. Report from the Audit Committee recommending the Draft Scheme of Arrangement, taking into consideration, inter-alia, the Valuation Report as stated in Para (b) above;
- d. Fairness Opinion Report of SEBI Registered Merchant Bankers i.e. M/s. Sobhagya Capital Options Limited;
- e. Pre and post Shareholding Patterns of Transferor and Transferee Companies;
- f. Audited financials of the Transferor Company of last 3 years;
- g. Compliance with Clause 49 of the Listing Agreements with the Stock Exchanges;
- h. An undertaking dated 15th November, 2014 of Shri Suren Jain, Managing Director & CFO stating, inter-alia, that the requirement of approval of the said Scheme of Arrangement by the public shareholders through Postal Ballot and e-voting under Clause 5.16 (a) and SEBI circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated

21st May, 2013 was not applicable; and

- i. A Certificate dated 15th November, 2014 issued by M/s. R. Nagpal Associates, Chartered Accountants, Statutory Auditors of the Company, confirming the undertaking mentioned in point no. (h) above.

The aforesaid documents were hosted on the Company's and Stock Exchanges websites for more than 21 days.

No complaint was received from any member of Public or from anyone whatsoever. The Complaints Report given below, in the format prescribed by SEBI is hosted on the Company's website :

Complaints Report
(for the period from 21st November, 2014 to 12th December, 2014)

Part A

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

Part B

Sr.No.	Name of complainant	Date of Complaint	Status (Resolved / pending)
N.A.			

10. The Directors of the Transferor Company and of Transferee Company have no material interest in the Scheme of Arrangement. The shareholdings of the present Directors of the Applicant Companies as on 31st December, 2014 are as under

A. SHAREHOLDINGS OF PRESENT DIRECTORS OF JAIPRAKASH POWER VENTURES LIMITED TRANSFEROR COMPANY

S. No.	Name of Director	No. of Shares held in JPVL	No. of Shares held in HBPL
1	Shri Manoj Gaur	41,400	1*
2	Shri Sunil Kumar Sharma	5,700	1*
3	Shri Suren Jain	16,700	1*
4	Shri Brij Behari Tandon	-	-
5	Shri Raj Narain Bhardwaj	-	-
6	Shri Subhash Chandra Bhargava	-	-
7	Shri Gyan Prakash Gaur	50,000	-
8	Shri Ashwani Kumar Goswami	-	-
9	Dr. Jagannath Gupta	500	-
10	Shri Shanti Sarup Gupta	120	-
11	Shri Sham Lal Mohan	-	-
12	Shri Umesh Jain	-	-
13	Shri Arun Balakrishnan	-	-
14	Shri Kailash Nath Bhandari	-	-
15	Shri Praveen Kumar Singh	3,50,000	-
16	Shri Shyam Datt Nailwal	16,100	1*
17	Ms. Sunita Joshi	28,100	-
18	Shri Dharam Paul Goyal	21,000	-
19	Shri Atanu Sen	-	-
20	Lt. Gen. (Retd.) Ravindra Mohan Chadha	2,850	-

* held jointly with Jaiprakash Power Ventures Ltd. (JPVL), the holding Company of Himachal Baspa Power Company Limited (HBPL), the beneficial interest of which is with JPVL.

B. SHAREHOLDINGS OF DIRECTORS OF HIMACHAL BASPA POWER COMPANY LIMITED- TRANSFEREE COMPANY ARE AS UNDER:

S. No.	Name of Director	No. of Shares held in HBPCCL	No. of Shares held in JPVL
1	Shri Sunil Kumar Sharma	1*	5,700
2	Shri Suren Jain	1*	16,700
3	Shri Raj Kumar Narang	1*	4,850

* held jointly with Jaiprakash Power Ventures Ltd. (JPVL), the Transferor Company, the beneficial interest of which is with JPVL.

11. Pre and Post Scheme of Arrangement Shareholding Pattern of the Transferor Company shall be as under:

Shareholding pattern	Pre Sanction of Scheme of Arrangement as on 30.09.2014		Post Sanction of Scheme of Arrangement	
	Equity Shares	% of holding	Equity Shares	% of holding
Promoter and Promoter Group	1868648237	63.60	1868648237	63.60
FII's	188784043	6.43	1069354847	36.40
Mutual Funds	112561650	3.83		
Banks/FIIs/ Insurance Companies	48218264	1.65		
General Public	719790890	24.49		
Total	2938003084	100.00	2938003084	100.00

That there will be no change in Shareholding Pattern, of Transferor Company, subject to paragraph 6 above.

Pre and Post Shareholding Pattern – Himachal Baspa Power Company Limited (Transferee Company)

Shareholding pattern	Pre Sanction of Scheme of Arrangement		Post Sanction of Scheme of Arrangement	
	Equity Shares	% of holding	Equity Shares	% of holding
Jaiprakash Power Ventures Limited	49500* Equity Shares of Rs.10 each	99	125,00,49,500* Equity Shares of Rs.10 each	99.9
Jaypee Group Employees Welfare Trust	500 Equity Shares of Rs.10 each	1	500 Equity Shares of Rs.10 each	0.1
TOTAL	50000 * Equity Shares of Rs.10 each	100	125,00,50,000* Equity Shares of Rs.10 each	100

*Note: Six (6) Equity Shares of Rs.10/- each are held jointly by initial subscribers to Memorandum and Articles of Association of Transferee Company jointly with Transferor Company and the beneficial interest of which is with JPVL.

12. That as on 31st March 2014, the Transferor Company had outstanding Redeemable Non-convertible Secured Debentures aggregating Rs. 73,325 lacs and Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating Rs.120980 lacs. Further, as on 30th September, 2014, the Transferor Company had outstanding Secured Non-convertible Debentures aggregates Rs. 49,091 lacs and Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating Rs. 123,980 lacs.

13. That the Scheme will not prejudicially affect the interest of

any shareholder / creditor. In terms of the proposed Scheme of Arrangement, the Transferor Company proposes to transfer and vest all the assets, liabilities, contracts, deeds, licenses etc. of Baspa-II Hydro-electric Project (Transferred Undertaking No.1) and Karcham Wangtoo Hydro-electric project (Transferred Undertaking No.2) to the Transferee Company. The Scheme also provides that the security available to the secured creditors of Baspa-II and Karcham Hydro-electric projects will remain unaffected.

14. The Equity Shares of the Transferor Company are listed on National Stock Exchange of India Limited and BSE Limited. The Redeemable Non-Convertible Secured Debentures of the Transferor Company are listed on BSE Limited. The Unsecured Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Stock Exchange. The shares of Transferee Company are not listed on any Stock Exchanges.

15. In terms of Clause 24(f) of the Listing Agreements with the Stock Exchanges, the Transferor Company, being the Company whose shares are listed on two Stock Exchanges as mentioned above, has served copies of the proposed Scheme of Arrangement on the respective Stock Exchanges before moving the Company Petition with the Hon'ble High Court of Himachal Pradesh at Shimla and has received 'No Objection'/ approval letters dated 2nd January, 2015 from National Stock Exchange of India Ltd. and BSE Ltd. as also from SEBI.

16. In terms of extant requirements for approval of Scheme of Arrangement as contained in Clause 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, the proposed Scheme of Arrangement does not require approval by public shareholders through postal ballot and e-voting, as per undertaking of the management certified by the Statutory Auditors and duly approved by the Board clearly stating reasons thereof, which is mentioned in the documents for inspection.

17. No investigation proceedings under Sections 235 to 251 of the Companies Act, 1956 and the like are pending against the Transferor Company and the Transferee Company.

18. The following documents will be available for inspection between 10 A.M. to 3.00 P.M. at the Registered Offices of the respective Applicant Companies on all working days till the date of the meetings:-

- Copy of the Order dated 8th January, 2015 passed by the Hon'ble High Court of Himachal Pradesh at Shimla in Company Petition No. 3 of 2015;
- Complete set of the Company Petition no. 3 of 2015 filed by the Applicant Companies in the High Court;
- Copies of published Audited Accounts of the Transferor Company for the financial year ended 31st March, 2014 and Audited Accounts for the half year ended 30th September, 2014;
- Memorandum & Articles of Association of the Applicant Companies;
- Valuation Report dated 14th November, 2014 from Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- Fairness Opinion Report dated 15th November, 2014 of SEBI Registered Merchant Bankers i.e. M/s. Sobhagya Capital Options Limited, in respect of Valuation done by Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- Copy of the Board Resolution dated 15th November, 2014 passed by the Board of Directors of the Transferor Company approving the Scheme of Arrangement and other matters incidental thereto;
- Copy of Board Resolution dated 15th November, 2014

passed by the Board of Directors of Transferee Company;

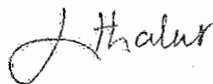
- i. Approval / 'No Objection' letters received from the Stock Exchanges / SEBI
- j. Copy of Scheme of Arrangement;
- k. Report from the Audit Committee recommending the Draft Scheme of Arrangement, taking into consideration, inter-alia, the Valuation Report as stated in Point No. (e) above;
- l. Pre and post Shareholding Patterns of Transferor and Transferee Companies;
- m. Compliance with Clause 49 of Listing Agreement;
- n. An undertaking dated 15th November, 2014 of Shri Suren Jain, Managing Director & CFO stating, inter-alia, that the requirement of approval of the said Scheme of Arrangement by the public shareholders through Postal Ballot and e-voting under Clause 5.16 (a) of SEBI circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013 was not applicable. A Certificate dated 1st March, 2014 issued by M/s. R. Nagpal Associates, Chartered Accountants, Statutory Auditors of the Company, confirming the above;
- o. Complaints Report for the period from 21st November, 2014 to 12th December, 2014 in the format prescribed by SEBI;
- p. Details of important pending legal cases by or against the Applicant Companies;
- q. List of shareholders of the Applicant Companies;
- r. List of Creditors of the Transferor Company; and
- s. Securities Purchase Agreement dated 16th November, 2014 between Jaiprakash Power Ventures Limited and JSW Energy Limited.

The above records will also be available for inspection at the venue of the meetings on the date of the meetings during 10.00 A.M. to 3.00 P.M.

In addition to above, all statutory records which are required to be kept open for inspection at the general meetings of shareholders under law, will be available for inspection at the venue of the meetings on the date of the meetings.

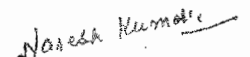


[R.K. GAUTAM]
SENIOR ADVOCATE
Chairman appointed
for the Meeting
of Equity Shareholders of
Jaiprakash Power
Ventures Limited

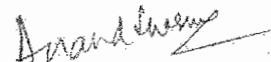


(N.K. THAKUR)
SENIOR ADVOCATE
Chairman appointed
for the meeting of the
Equity Shareholders of
Himachal Baspa Power
Company Limited

Dated : 14th January, 2015
Place : Shimla



[NARESH SOOD]
SENIOR ADVOCATE
Chairman appointed
for the meeting of the
Creditors of
Jaiprakash Power
Ventures Limited



(ANAND SHARMA)
ADVOCATE
Of Applicant Companies

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
COMPANY PETITION NO.3 OF 2015
IN THE MATTER OF COMPANIES ACT, 1956

IN THE MATTER OF :

JAIPRAKASH POWER VENTURES LIMITED Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as Transferor Company or JPVL] Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as Transferee Company or HBPCCL] Transferee Company

..... . APPLICANTS/PETITIONERS

FORM OF PROXY

I/We, _____ the undersigned, Equity Shareholder(s) of the above mentioned Transferor Company hereby appoint _____ and failing him/he _____, as my/our proxy, to act for me/us at the meeting of the Equity Shareholder(s) to be held at the premises of "JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.)", on **Saturday, the 28th February, 2015 at 10.00 AM**, for the purpose of considering and, if thought fit, approving, with or without modification(s), of the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above and at such meeting and any adjournment thereof, to vote for me/us and in my/our name _____ (here, if for, insert for, if against, insert "against") the said Proposed Scheme of Arrangement either with or without modification(s), as my/our Proxy may approve.

Date: _____

Name and Address: _____

Signature: _____

Affix
Revenue
Stamp
of Re.1

Folio No: _____ DP ID No. _____ Client ID No. _____ No. of Shares: _____

Note: Proxy must be deposited at the Registered Office of the Transferor Company, not later than 48 hours before the time fixed for holding of the meeting.

JAIPRAKASH POWER VENTURES LIMITED

Attendance Slip (Entrance Pass)

I/We _____ (Name of the Shareholder / Proxy) hereby record my/our presence at the Meeting of the Equity Shareholders of Jaiprakash Power Ventures Limited, held at the premises of JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.)", on **Saturday, the 28th February, 2015 at 10.00 AM**.

Full Name _____ Signature _____

Folio No: _____ DP ID No. _____ Client ID No. _____ No. of Shares: _____

(only Equity Shareholders or their Proxies are allowed to attend)

BOOK POST

If undelivered please return to:
JAIPRAKASH POWER VENTURES LIMITED
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP).

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
COMPANY PETITION No. 3 of 2015
(UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956)
IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT OF

BETWEEN

JAIPRAKASH POWER VENTURES LIMITED Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as the "Transferor Company" or "JPVL"]

..... Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as :Transferee Company: or "HBPCL"]

..... Transferee Company

.....**APPLICANTS/PETITIONERS**

NOTICE CONVENING MEETING

To,

CREDITORS OF JAIPRAKASH POWER VENTURES LIMITED

Take notice that by an order made on 8th January, 2015, the Court has directed that a meeting of the **Creditors** of Jaiprakash Power Ventures Limited be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above.

Take further notice that in pursuance of the said order, a meeting of the Creditors of the Company will be held at the premises of **JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.), on Saturday, the 28th February, 2015 at 1.00 PM**, when you are requested to attend.

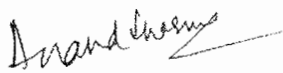
Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173215, Distt. Solan (H.P.) not later than 48 hours before the meeting.

This Court has appointed Shri Naresh Sood, Senior Advocate as Chairman and Ms. Archana Dutt, Advocate as Co-Chairman, as also Shri B.C. Verma, Advocate, assisted by Shri Rajesh Kumar, Advocate, for the said meeting.

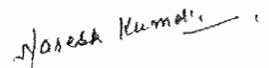
A copy each of the Scheme of Arrangement, the Statement under Section 393 of the Companies Act, 1956 and a form of proxy is enclosed.

Date : 14th January, 2015.

Place : Shimla



[Anand Sharma]
Advocate
Counsel for Applicant Companies



[Naresh Sood]
Senior Advocate
Chairman appointed for the Meeting

Note : All alterations made in the form of the proxy should be initialed

**SCHEME OF ARRANGEMENT
BETWEEN
JAIPRAKASH POWER VENTURES LIMITED
(TRANSFEROR COMPANY)
AND
HIMACHAL BASPA POWER COMPANY LIMITED
(TRANSFeree COMPANY)
AND
THEIR SHAREHOLDERS AND CREDITORS**

PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- (a) Part I - which deals with the introduction, rationale and benefits of this Scheme;
- (b) Part II - which deals with the definitions used in this Scheme;
- (c) Part III - which deals with the share capital of the Transferor and Transferee Companies;
- (d) Part IV - which deals with the transfer of the Transferred Undertaking No. 1 to Transferee Company and matters incidental thereto;
- (e) Part V - which deals with the transfer of the Transferred Undertaking No. 2 to Transferee Company and matters incidental thereto;
- (f) Part VI - which deals with the business (other than Transferred Undertakings) of the Transferor Company;
- (g) Part VII - which deals with the accounting and tax treatment; and
- (h) Part VIII - which deals with the general terms and conditions that would be applicable to the Scheme.

The Schedules referred to in this Scheme form part of the Scheme.

PART - I

INTRODUCTION, RATIONALE AND BENEFITS

1.1 INTRODUCTION:

- (a) Jaiprakash Power Ventures Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at JUIT Complex, Wahnaghat, P.O. Dumehar Bani, Kandaghat - 173215, Distt. Solan (H.P.) ("**Transferor Company**"). The Transferor Company is engaged, *inter alia*, in the business of owning and operating power generation plants in India. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.
- (b) Himachal Baspa Power Company Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at JUIT Complex, Wahnaghat, P.O. Dumehar Bani, Kandaghat - 173215, Distt. Solan (H.P.) ("**Transferee Company**"). The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any stock exchange.
- (c) The Scheme provides for transfer of the Transferred Undertaking No.1 and the Transferred Undertaking No. 2 of the Transferor Company to and vesting thereof in the Transferee Company, in accordance with the terms of this Scheme and pursuant to the provisions of sections 391 and 394 of the Companies Act, 1956 and other relevant provisions of the Act.

1.2 RATIONALE AND BENEFITS:

The transfer of the Transferred Undertakings of the Transferor Company to the Transferee Company

pursuant to this Scheme shall, *inter alia*, result in the following benefits:

- (i) in case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo as well as help in taking further steps for enhancing shareholder value of the Transferor Company.
- (ii) In case of the Transferee Company:
 - a. the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertakings; and
 - b. the businesses of the Transferred Undertakings can be carried out more conveniently with greater focus and attention.

**PART - II
DEFINITIONS**

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

- (a) "**Act**" means the Companies Act, 1956 and / or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 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.
- (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the "**Act of 1956**" and Companies Act, 2013 has been referred to as the "**Act of 2013**" wherever specific sections have been referred to hereinafter in this Scheme.
- (b) "**Appointed Date**" shall be the Effective Date as defined hereinafter in the Scheme;
- (c) "**Applicable Law**" means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) "**Board**" or "**Board of Directors**" means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (e) "**Court**" or "**High Court**" means the High Court of Himachal Pradesh at Shimla having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;

- (f) "Effective Date" or "coming into effect of this Scheme" or "effectiveness of this Scheme", or "Scheme becoming effective" or the like expressions used in the Scheme shall be a reference to the later of the date on which:
- the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Himachal Pradesh;
 - conditions referred to in Clause 8.3 are satisfied; and
 - the following consents have been obtained for the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 or, waived in accordance with Clause 8.4(g):
 - Consent of Chief Inspector of factories/ other competent authority for transfer of factories license;
 - Consent of Controller of Explosives / other competent authority under Explosives Rules, 2008 for use, storage and possession of explosives; and
 - Consent of licensing authority under the Petroleum Rules, 2002 for use, storage and transportation of petroleum.
- (g) "Encumbrance" means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executorial attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases), or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;
- (h) "Equity Shares" means Equity Shares 1 and Equity Shares 2;
- (i) "Equity Shares 1" means equity shares of Rs. 284,00,00,000 (Rupees Two Hundred Eighty Four Crores only), comprising of 28,40,00,000 (Twenty Eight Crores Forty Lakh) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term "Equity Share 1" shall be construed accordingly;
- (j) "Equity Shares 2" means equity shares of Rs. 966,00,00,000 (Rupees Nine Hundred Sixty Six Crores only), comprising of 96,60,00,000 (Ninety Six Crores Sixty Lakhs) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term "Equity Share 2" shall be construed accordingly;
- (k) "Excluded Liabilities" means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;
- (l) "Intellectual Property Rights" means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;
- (m) "JAL" means Jaiprakash Associates' Limited (formerly known as Jaiprakash Industries Limited), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;
- (n) "NCDs" mean NCD 1 and NCD 2;
- (o) "NCD 1" means non convertible debentures of Rs. 568,00,00,000 (Rupees Five Hundred Sixty Eight Crores), comprising of 5,68,00,000 (Five Crores Sixty Eight Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
 - have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - be redeemed at the end of 10 years from the date of issue.
- (p) "NCD 2" means non convertible debentures of Rs. 1932,00,00,000 (Rupees One Thousand Nine Hundred Thirty Two Crores), comprising of 19,32,00,000 (Nineteen Crore Thirty Two Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
 - have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - be redeemed at the end of 10 years from the date of issue.
- (q) "Permitted Asset Encumbrances" means:
 - Encumbrances in favour of Project Lenders (relating to the relevant Transferred Undertaking) and any lenders who are not Project Lenders;
 - Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertakings; and
 - Rights of the Government of Himachal Pradesh under:
 - Articles 14.3, 14.8.2 and 14.8.3(b) of the power purchase agreement between the Transferor Company and Himachal Pradesh State Electricity Board Limited for sale of the power generated from Transferred Undertaking No. 1, dated 4 June 1997 and amended on 7 January 1998;
 - Clause 9 of the implementation agreement between Government of Himachal Pradesh and JAL executed on 1 October 1992, for implementing Transferred Undertaking No. 1; and
 - Article 6.4 of the implementation agreement initially executed between JAL and Government of Himachal Pradesh on 18 November, 1999 and later assigned to the Transferor Company on 30 December, 2002, including all subsequent amendments thereto.
- (r) "Project Lenders" collectively means the lenders relating to the Transferred Undertakings and a Project Lender means any one of them;

(s) "Project Locations" means (i) the District Kinnaur in the State of Himachal Pradesh including the villages Kaksthal, Sherpa, Wangtoo, Sholtu, Karcham and Kuppa; (ii) Bithal in District Shimla; and (iii) the land situated at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat.

(t) "Remaining Business Liabilities" means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertakings. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;

(u) "Scheme", "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;

(v) "Taxation" (including with correlative meaning, the terms **Tax** and **Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);

(w) "Transferred Undertaking No. 1" shall have the meaning ascribed to it under Part A of Schedule I;

(x) "Transferred Undertaking No. 2" shall have the meaning ascribed to it under Part B of Schedule I;

(y) "Transferred Undertakings" collectively mean the Transferred Undertaking No.1 and Transferred Undertaking No.2 and **Transferred Undertaking** means any one of them.

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act including any statutory modifications, amendments or re-enactment thereof, for the time being in force;

2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.

PART-III SHARE CAPITAL

3.1 The present authorized, issued, subscribed and paid up share capital of the Transferor Company is as under:

Authorized Capital	Amount Rs.
Comprising 8,30,00,00,000 equity shares of Rs. 10 each	83,00,00,00,000
Comprising 30,00,00,00,000 preference shares of Rs. 100 each	30,00,00,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 2,93,80,03,084 equity shares of Rs. 10 each	29,38,00,30,840

The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

3.2 The present authorized, issued, subscribed and paid up share capital of the Transferee Company is as under:

Authorized Capital	Amount Rs.
Comprising 50,000 equity shares of Rs. 10 each	5,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 50,000 equity shares of Rs. 10 each	5,00,000

The shares of Transferee Company are not listed on any stock exchange.

3.4 It is clarified that the right of the Transferor Company to alter its authorized, issued, subscribed or paid up capital share capital during the pendency of this Scheme or at any time thereafter is not affected by this Scheme.

PART-IV

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 1 TO/ IN TRANSFEE COMPANY

4.1 VESTING OF TRANSFERRED UNDERTAKING 1

(a) With effect from the Appointed Date, the Transferred Undertaking No. 1 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.

(b) If for any reason any part of the Transferred Undertaking No. 1 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No.1 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 1 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No.1 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

(c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 1 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.

(d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all

such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 1 with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 1 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 1, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 1 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 1 other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the aforesaid and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No.1

with any party to any contract or arrangement to which Transferor Company is a party for such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.

- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 1, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 1, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No.1, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents / instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 1 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES:

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 1 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have

arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.

- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No.1 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 1 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and / or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 1, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 1, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 1, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 1 with any Union / representatives of the employees.
- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 1 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made

to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 1 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 1 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 1 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the

same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) shall stand transferred from the authorized capital of the Transferor Company and get combined with the authorized capital of the Transferee Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under -

"V. The Authorised Share Capital of the Company is Rs. 1250.05,00,000 (Rupees One Thousand Two Hundred and Fifty Crores and Five Lakhs only) divided into 125,00,50,000 (One Hundred Twenty Five Crores and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable."

- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the 300 MW Baspa Hydro Electric Project Stage II forming part of the Transferred Undertaking No. 1. Under the power purchase agreement entered into with the Himachal Pradesh State Electricity Board for this project, the tariff for the power generated is determined by the Himachal Pradesh Electricity Regulatory Commission (HPERC) based on the project cost and other financial parameters approved by the HPERC from time to time. After the Appointed Date, the tariff determination by HPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 1 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the

Transferor Company of the Transferred Undertaking No. 1 with the Transferee Company:

- (i) Equity Shares 1; and
- (ii) NCD 1.

- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250.05.00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250.05.00,000

- (c) The Equity Shares 1 and NCD 1, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 1 shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 1.

4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 1 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

4.11 The Scheme provides for acquisition of the Transferred Undertaking No. 1 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART-V

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 2 TO / IN TRANSFEE COMPANY

5.1 VESTING OF TRANSFERRED UNDERTAKING NO. 2:

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 2 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 2 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No. 2 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee

Company agree that pending vesting of such part of Transferred Undertaking No. 2 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No. 2 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 2 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 2 with it.

5.2 ASSETS:

Without prejudice to the generality of Clause 5.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 2 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 2, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 2 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 2 other than those dealt with in Clause 5.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion

without being obliged to do so, give notice in such form as it may deem fit and proper to such person, as the case may be, that the said debt, receivable or credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.

- (d) Without prejudice to the aforesaid and Clause 5.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No. 2 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 2, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 2, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No. 2, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 2, after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

5.3 LIABILITIES:

Without prejudice to the generality of Clause 5.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 2 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all the liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No. 2 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

5.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 2 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and / or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on

behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.

- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 2, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

5.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 2, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 2, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

5.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 2 with any Union/ representatives of the employees.

- (c) The balances standing to the accounts of employees of the Transferor Undertaking No. 2 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.

- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 2 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 2 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred

of Rs. 100/- each (whether convertible optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013."

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/ information / the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

PART -VII ACCOUNTING AND TAX TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCDs received pursuant to this Scheme at their respective fair values.
- (c) The difference between the book value of assets of the Transferred Undertakings over the aggregate of (i) the book value of the liabilities of the Transferred Undertakings; and (ii) the fair value of the Equity Shares and NCDs received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY:

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCDs issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCDs issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCDs and fair value of liabilities over the aggregate fair value of various assets determined by the valuers will be debited to goodwill.

7.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to

the Transferor Company existing in the period prior to the Appointed Date including all or any liability / refunds / credits / claims pertaining to the period before the Appointed Date shall be treated as liability / refunds / credits / claims of the Transferor Company.

- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance tax credits etc., relating to the Transferred Undertakings for the period on and after the Appointed Date.
- (c) All tax holiday including but not limited to benefit under section 80(IA) of the Income-tax Act, 1961 including its continuing benefits, incentives, exemptions, concessions, carbon credits and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertakings, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertakings vest with and be available to the Transferee Company on the same terms and conditions.
- (d) The transfer pursuant to the Scheme is to the Transferee Company which is a subsidiary of the Transferor Company, and no stamp duty is payable on the said transfer.

PART-VIII GENERAL TERMS AND CONDITIONS

8.1 APPLICATION TO HIGH COURT:

The Transferee Company and the Transferor Company shall jointly and with all reasonable dispatch, make all applications/ petitions/ affidavits etc. under Sections 391 to 394 of the Act of 1956 and other applicable provisions of the Act to the Court for directions to convene and/ or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be required, under any law, agreement or otherwise and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

8.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose; or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or

Undertaking No. 2 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

5.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended as contemplated in Clause 4.8 (a).
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the Karcham Wangtoo Hydro Electric Project, with an installed capacity of 1,091 MW, forming part of the Transferred Undertaking No. 2. Under the power purchase agreement entered into with the Power Trading Corporation for this project, the tariff for the power generated to be determined by the Central Electricity Regulatory Commission (CERC) based on the project cost and other financial parameters approved by the CERC from time to time. After the Appointed Date, the tariff determination by CERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

5.9 SLUMP EXCHANGE

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 2 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 2 with the Transferee Company:
 - (i) Equity Shares 2; and
 - (ii) NCD 2
- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant

to issuance of Equity Shares 2 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 2 and NCD 2, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 2 shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 2.

- 5.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 2 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

- 5.11 The Scheme provides for acquisition of the Transferred Undertaking No. 2 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART-VI

BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKINGS) OF THE TRANSFEROR COMPANY

- 6.1 The business, other than the Transferred Undertakings of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 6.2 All legal, Taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 6.3 In view of transfer of Rs.1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Parts IV and V above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:

"V. The Authorised Share Capital of the Company is Rs. 10050,00,00,000/- (Rupees Ten Thousand and Fifty Crores only) divided into 705,00,00,000 (Seven Hundred and Five Crores) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crores) Preference Shares

otherwise howsoever arising out of, or under, or by virtue of the Scheme and / or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertakings".

- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for setting 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.

8.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- (a) The consents by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (b) the Scheme being approved by the Stock Exchanges, pursuant to clause 24(f) of the Equity Listing Agreement between such Stock Exchanges and the Transferor Company;
- (c) approval of the Scheme by SEBI in terms of applicable SEBI Circulars, if any;
- (d) sanction of the Scheme by the Court in terms of Sections 391 and 394 of the Act of 1956 and other relevant provisions of the Act.

8.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the Transferee Company that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of

the shareholders or the creditors of the said companies shall be necessary for giving effect to the provisions contained in this clause.

- (d) In the event of the Scheme failing to take effect by March 31, 2016 or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred in respect by the parties or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (e) No person claiming to have acted or changed his position in anticipation of this Scheme taking effect shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval of / consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(f)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) 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 the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertakings and of the instruments issued under the Scheme is carried out by M/s. Bansi S. Mehta & Co., Chartered Accountants vide their valuation report dated November 14, 2014 and a fairness opinion thereon has been provided by M/s. Sobhagya Capital Options Limited vide their opinion dated November 15, 2014.

8.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants

engaged by it in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme which relate to the transaction contemplated hereunder.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

SCHEDULE I DESCRIPTION OF UNDERTAKING

Part A – Transferred Undertaking No. 1

“Transferred Undertaking No. 1” means the entire business of Baspa Hydro Electric Project Stage-II with an installed capacity of 300 MW located at Karcham in the district of Kinnaur in the state of Himachal Pradesh and built on the lower reaches of the Baspa river on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking No. 1 and at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat as listed in Schedule XIII-A (Project Land) hereto;
- (ii) the school named Jay Jyoti School run by Jaiprakash Seva Sansthan located at Sholtu, Tehsil Tapri, Dist. Kinnaur, Himachal Pradesh on the land of the Transferred Undertaking No. 1;
- (iii) all ancillary and support infrastructure, developments, buildings and other facilities including the housing colony located at Sholtu and Kuppa developed and/or used by the Transferor Company in connection with the operation of the said hydroelectric plant on the land of the Transferred Undertaking No. 1;
- (iv) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (v) all agreements, suppliers contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (vi) all government approvals required for owning and operating the Transferred Undertaking No. 1 including government approvals which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (vii) all funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees employed for the Transferred Undertaking No. 1;
- (viii) employees employed for the Transferred Undertaking No. 1;
- (ix) all financing arrangements which pertain to or relate to the Transferred Undertaking No. 1;
- (x) all insurance policies or agreements for insurance and interests in insurance pools and programs of the Transferor Company and related to the Transferred Undertaking No. 1 and its business;
- (xi) all movable property relating to or comprising the Transferred Undertaking No. 1 and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking

No. 1, situated at the land of the Transferred Undertaking No. 1, including all equipment and vehicles which have been transferred to the Transferor Company by Jaiprakash Associates Limited prior to the Effective Date;

- (xii) all books, records, files, papers, engineering and process information, computer programs, software 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 which pertain to or relate to the Transferred Undertaking No. 1;
- (xiii) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (xiv) the goodwill of the Transferred Undertaking No. 1 as a going concern;
- (xv) all Intellectual Property Rights relating to the Transferred Undertaking No. 1;
- (xvi) all advances received from its customers which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (xvii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking No. 1 including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relating to the business of the Transferred Undertaking No. 1.
- (xviii) Liabilities
all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking No. 1;
- (xix) all claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in-action, and rights of recovery which pertain to or relate to the Transferred Undertaking No. 1 including litigations;
- (xx) The Certified Emission Reductions and Verified Emission Reductions accrued for the period prior to the Effective Date in relation Transferred Undertaking No. 1.

It is clarified that:

- (a) all assets in (xi) above excludes movable property owned by Jaiprakash Associates Limited and all assets owned by or leased to Jaypee Powergrid Limited;
- (b) Wangtoo Abdullahpur transmission systems belonging to Jaypee Powergrid Limited and assets owned by Jaypee Powergrid Limited do not form part of the Transferred Undertaking No. 1;
- (c) any asset belonging to the Transferred Undertaking No. 1 but temporarily deployed at other locations shall be brought back to the Transferred Undertaking No. 1 on or before the Effective Date;
- (d) any asset belonging to Jaiprakash Associates Limited, deployed at Transferred Undertaking No. 1 shall be withdrawn on or before the Effective Date; and
- (e) the Excluded Liabilities do not form part of the Transferred Undertaking No. 1.

Part B- Transferred Undertaking No. 2

The term "Transferred Undertaking No. 2" means the entire business of Karcham Wangtoo Hydro Electric Project with installed capacity of 1091 MW located in the district of Kinnaur in the state of Himachal Pradesh and built on the Satluj river on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking No. 2;
- (ii) the housing colony related to the above Transferred Undertaking No. 2 located at Sholtu, Kaksthal and Sherpa, the hospital named "Jaypee Hospital" located at Sholtu and the industrial technical institute located at Uml, District Kinnaur;
- (iii) all ancillary and support infrastructure, developments, buildings and other facilities developed and/or used by the Transferor Company: (i) in connection with the operation of the said hydroelectric plant at the relevant location of the Transferred Undertaking No. 2; and (ii) in relation to fulfilling the Transferor Company's obligations towards local area development requirements under contract or Applicable Law with respect to the said hydroelectric plant;
- (iv) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (v) all agreements, suppliers contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (vi) all government approvals required for owning and operating the Transferred Undertaking No. 2 including government approvals which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (vii) all funds and other assets of employee benefit funds/ schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees employed for the Transferred Undertaking No. 2;
- (viii) employees employed for the Transferred Undertaking No. 2;
- (ix) all financing arrangements which pertain to or relate to the Transferred Undertaking No. 2;
- (x) all insurance policies or agreements for insurance and interests in insurance pools and programs of the Transferor Company and related to the Transferred Undertaking No. 2 and its business;
- (xi) all movable property relating to or comprising the Transferred Undertaking No. 2 and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking No. 2 and located at the land of the Transferred Undertaking No. 2, including all equipment and vehicles which have been transferred to the Transferor Company by Jaiprakash Associates Limited prior to the Effective Date;
- (xii) all books, records, files, papers, engineering and process information, computer programs, software licenses,

including manuals, data, drawings, 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 which pertain to or relate to the Transferred Undertaking No. 2.

- (xiii) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (xiv) the goodwill of the Transferred Undertaking No. 2 as a going concern;
- (xv) all Intellectual Property Rights relating to the Transferred Undertaking No. 2;
- (xvi) all advances received from its customers which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (xvii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking No. 2 including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relating to the business of the Transferred Undertaking No. 2.
- (xviii) Liabilities
all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking No. 2;
- (xix) all claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in- action, and rights of recovery which pertain to or relate to the Transferred Undertaking No. 2 including litigations;
- (xx) The Certified Emission Reductions and Verified Emission Reductions accrued for the period prior to the Effective Date in relation Transferred Undertaking No. 2.

It is clarified that:

- (a) all assets in (xi) above excludes movable property owned by Jaiprakash Associates Limited and all assets owned by or leased to Jaypee Powergrid Limited;
- (b) Wangtoo Abdullahpur transmission systems belonging to Jaypee Powergrid Limited and assets owned by Jaypee Powergrid Limited do not form part of the Transferred Undertaking No. 2;
- (c) any asset belonging to the Transferred Undertaking No. 2 but temporarily deployed at other locations shall be brought back to the Transferred Undertaking No. 2 on or before the Effective Date;
- (d) any asset belonging to Jaiprakash Associates Limited, deployed at Transferred Undertaking No. 2 shall be withdrawn on or before the Effective Date; and
- (e) the Excluded Liabilities do not form part of the Transferred Undertaking No. 2.

IN THE HON'BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
EXPLANATORY STATEMENT

UNDER SECTION 393 OF THE COMPANIES ACT, 1956

ANNEXED TO THE NOTICES OF CONVENING THE MEETING OF SHAREHOLDERS / CREDITORS
PURSUANT TO THE ORDER DATED 8th JANUARY, 2015 PASSED BY THE
HON'BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

IN

COMPANY PETITION No. 3 OF 2015

IN THE MATTER OF PROPOSED SCHEME OF ARRANGEMENT

BETWEEN :

JAIPRAKASH POWER VENTURES LIMITEDTransferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITEDTransferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as the "Transferor Company" or "JPVL"]

..... Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as "Transferee Company" or "HBPCL"]

..... Transferee Company

.....APPLICANTS/PETITIONERS

1. The Companies Act, 2013 received approval of both the Houses of Parliament, as also the Presidential assent and notified in official Gazette on 30th August, 2013. Ministry of Corporate Affairs has notified most of the provisions of the Companies Act, 2013 for implementation. However, the provisions relating to Compromises, Arrangements and Amalgamations as contained in Chapter XV i.e. Sections 230 to 240 of Companies Act, 2013 have not yet been notified by the Ministry of Corporate Affairs. Accordingly, in the petition before Hon'ble High Court of Himachal Pradesh seeking directions for convening meetings, the provisions of Chapter-V of the Companies Act, 1956 i.e. Sections 391 to 396(A) relating to Arbitration, Compromises, Arrangements, Reconstruction and Company (Court) Rules, 1959, are being relied upon.

2. The above-named companies have moved a Company Petition, being Company Petition No.3 of 2015 in the Hon'ble High Court of Himachal Pradesh at Shimla seeking directions to convene meetings of the Equity Shareholders and Creditors of the Transferor Company for considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement amongst the petition Companies and other directions incidental thereto. The proposed Scheme of Arrangement contemplates the transfer of the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 (as defined in proposed Scheme of Arrangement) of the Transferor Company to the Transferee Company, in each case, as a going concern pursuant to the said Scheme. On the above Petition, the Hon'ble Court has passed an Order dated 8th January, 2015 directing the convening of meetings of the Equity Shareholders & Creditors of the Transferor Company and Equity Shareholders of Transferee Company and has appointed Chairman and Co- Chairman for each meeting, fixed date, time and venue of the meetings and quorum for each meeting and has given directions regarding dispatch and publication of notices and other directions incidental thereto.

3. The above Scheme of Arrangement has been approved by the Board of Directors of the Transferor and Transferee

Companies at their respective meetings, duly convened and held on 15th November, 2014.

4. Reg. TRANSFEROR COMPANY :

[Jaiprakash Power Ventures Limited (JPVL)]

(i) The Transferor Company was incorporated as a public limited company, with the name of Jaiprakash Hydro-Power Limited, under the Companies Act, 1956 on 21st December 1994 in the State of Himachal Pradesh. It received Certificate of Commencement of Business on 9th January, 1995 and since then it has been in business. The name of the Company was changed to Jaiprakash Power Ventures Limited on 23rd December 2009.

(ii) The registered office of the Transferor Company is situated at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.).

(iii) The Authorised, Issued, Subscribed and Paid up Capital of the Transferor Company as on 30th November, 2014 has been as under –

JPVL (Transferor Company)

As at
30th November, 2014
Rs.

AUTHORISED CAPITAL	
8,300,000,000 Equity Shares of Rs. 10/- each	8300,00,00,000
300,000,000 preference shares of Rs.100 each	3000,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
2,938,003,084 Equity Shares of Rs. 10/- each fully paid up	29,380,030,840

There is no change in the above capital structure of the Transferor Company after 30th November, 2014

(iv) The Transferor Company is a subsidiary of Jaiprakash

Associates Limited, which holds 99.99% of the Paid Up Capital of the Transferor Company as at 31st March 2014.

- (v) The objects of the Company are set out in the Objects Clause of the Memorandum of Association of the Transferor Company. The Company presently owns and operates three Hydro Power Plants namely, 300 MW BASPA II Hydro-electric Project at District Kinnaur Himachal Pradesh (BASPA-II) ('Transferred Undertaking 1'), 1091 MW Karcham Wangtoo Hydro-electric Project ('Transferred Undertaking 2') both at Himachal Pradesh and 400 MW Vishnuprayag Hydro-electric Project at Uttarakhand. The Company also owns and operates 500 MW Jaypee Bina Thermal Power Project and 660MW Unit-1 of the 1320 MW Nigrie Super Thermal Power Project. The Company is implementing 660MW Unit-2 of the 1320MW Nigrie Super Thermal Power Project. The Company is also setting up 4 MTPA Cement Grinding Unit at Nigrie to optimally utilize fly ash to be generated by Nigrie Super Thermal Power Project.

In addition to above, the Company is also implementing power projects and operating one Transmission System through its subsidiary companies:-

- 217 KM Transmission system for evacuation of power of Karcham Wangtoo Hydro Electric Project and other entities as per the requirement of Central Transmission Utility [through its subsidiary company, Jaypee Powergrid Limited]. The Transmission System is in operation.
- 1980 MW Bara Thermal Power Project in U.P., with the permission to add two more units of 660 MW, thereby increasing the capacity to 3300 MW, in U.P. [through its subsidiary company, Prayagraj Power Generation Company Ltd.]. This Company is also setting up 4 MTPA Cement Grinding Unit to optimally utilize fly ash to be generated by the Thermal Power Plant.
- 1980 MW Karchana Thermal Power Project in U.P [through its subsidiary company, Sangam Power Generation Company Ltd.].
- 2700 MW Lower Siang Hydro Electric Project and a 500 MW Hirong Hydro Electric Project both in Arunachal Pradesh [through its subsidiary company, Jaypee Arunachal Power Ltd.];
- 450 MW Kynshi-II Hydro Electric Project and 270 MW Umngot Hydro Electric Project both in the State of Meghalaya, [through its subsidiary company, Jaypee Meghalaya Power Ltd.];

- (vi) The audited accounts of the Company have been presented to the shareholders up to the financial year ended 31st March 2014. The summarized financial position of the Company as per the latest published audited accounts as at 31st March, 2014 and as per audited accounts as at 30th September, 2014, is as under:-

(Rupees in Lacs)		
Particulars	Audited Figures for the half year ended September 30, 2014	Audited Figures for the year ended March 31, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
a) Share Capital	2,93,800	2,93,800
b) Reserves and Surplus	3,69,721	3,39,171
Deferred Revenue	59,543	56,266
Non Current Liabilities	18,20,941	17,88,840
Current Liabilities	5,61,067	4,65,292
TOTAL	3,105,072	2,933,369

ASSETS		
Non-current assets		
a) Fixed assets	23,09,805	22,36,153
b) Non-current investments	5,48,003	5,00,499
c) Long-term loans and advances	38,885	31,104
d) Other non-current assets	18,681	13,341
Current assets	1,89,700	1,52,242
TOTAL	3,105,072	2,933,369

For further details, the Transferor Company requests for reference to the Audited Accounts.

There has been no material change in the financial position of the Transferor Company after 30th September, 2014. The capital structure and financial position of the Transferor Company may change pending the Scheme coming into effect, in view of the circumstances as mentioned in Para no. 6 of this Statement.

5. Reg. TRANSFeree COMPANY:

[HIMACHAL BASPA POWER COMPANY LIMITED]

- Himachal Baspa Power Company Limited, the Transferee Company was incorporated as a public limited company under the Companies Act, 1956 on 14th March, 2014 in the State of Himachal Pradesh. It received its Certificate of Commencement of Business on 24th March, 2014.
- The registered office of the Transferee Company is situated at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat - 173 215, Distt. Solan (H.P.)
- The Authorised, Issued, Subscribed and Paid up Capital of the Transferee Company as on 31st March 2014 has been as under -

HIMACHAL BASPA POWER COMPANY LIMITED. (Transferee Company)

As at
31st March 2014
Rs.

AUTHORISED CAPITAL
50,000 Equity Shares of Rs. 10/- each 5,00,000

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 5,00,000
50,000 Equity Shares of Rs. 10/- each fully paid up

- The Transferee Company is a subsidiary of the Transferor Company, which as on date holds 99% of the Paid Up Capital of the Transferee Company.
- The objects of the Transferee Company are set out in the Objects Clause of the Memorandum of Association of the Transferee Company. The Transferee Company does not presently have any business operations.
- Transferee Company was incorporated only on 14th March, 2014 and it does not have any business operations and hence there are no available financial results or Balance Sheet. Further, there are no Creditors.
The capital structure and financial position of the Transferee Company will not change pending the Scheme coming into effect.
- The circumstances which may result in change in the capital structure and/or financial position of the Transferor Company are:
 - The Transferor Company may be required to raise funds, both equity and debt for its ongoing projects which may result in changes in the financial position and capital structure of the Transferor Company.
 - The Transferor Company may subscribe to or invest in the equity share capital of any other entity
 - The Transferor Company's Foreign Currency Convertible

Bonds (Bonds of Rs. 10/- each) may be converted into Equity Shares of Rs. 10/- each by the bondholders, which may result in changes in the financial position and capital structure of the Transferor Company.

- (iv) The continuance of business operations of the Transferor Company up to the Effective Date may result in changes in the capital structure and financial position of the Transferor Company
7. The main provisions of the proposed Scheme of Arrangement are stated below –
[Para numbers are as assigned in the Scheme]

PART-II DEFINITIONS

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

- (a) “Act” means the Companies Act, 1956 and/or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 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.
 - (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the “Act of 1956” and Companies Act, 2013 has been referred to as the “Act of 2013” wherever specific sections have been referred to hereinafter in this Scheme.
- (b) “Appointed Date” shall be the Effective Date as defined hereinafter in the Scheme;
- (c) “Applicable Law” means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) “Board” or “Board of Directors” means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (e) “Court” or “High Court” means the High Court of Himachal Pradesh at Shimla having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;
- (f) “Effective Date” or “coming into effect of this Scheme” or “effectiveness of this Scheme”, or “Scheme becoming effective” or the like expressions used in the Scheme shall be a reference to the later of the date on which:
- (i) the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Himachal Pradesh;
 - (ii) conditions referred to in Clause 8.3 are satisfied; and
 - (iii) the following consents have been obtained for the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 or, waived in accordance with Clause 8.4(g):

1. Consent of the Inspector of factories/other competent authority, for transfer of factories license;
2. Consent of Controller of Explosives/other competent authority under Explosives Rules, 2008 for use, storage and possession of explosives; and
3. Consent of licensing authority under the Petroleum Rules, 2002 for use, storage and transportation of petroleum.

(g) “Encumbrance” means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executory attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases) or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;

(h) “Equity Shares” means Equity Shares 1 and Equity Shares 2;

(i) “Equity Shares 1” means equity shares of Rs. 284,00,00,000 (Rupees Two Hundred Eighty Four Crores only), comprising of 28,40,00,000 (Twenty Eight Crores Forty Lakh) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term “Equity Share 1” shall be construed accordingly;

(j) “Equity Shares 2” means equity shares of Rs. 966,00,00,000 (Rupees Nine Hundred Sixty Six Crores only), comprising of 96,60,00,000 (Ninety Six Crores Sixty Lakhs) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term “Equity Share 2” shall be construed accordingly;

(k) “Excluded Liabilities” means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;

(l) “Intellectual Property Rights” means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;

(m) “JAL” means Jaiprakash Associates Limited (formerly known as Jaiprakash Industries Limited), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;

(n) “NCDs” mean NCD 1 and NCD 2;

(o) “NCD 1” means non convertible debentures of Rs. 568,00,00,000 (Rupees Five Hundred Sixty Eight Crores), comprising of 5,68,00,000 (Five Crores Sixty Eight Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:

- (i) have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
- (ii) be redeemed at the end of 10 years from the date of issue.

(p) “NCD 2” means non convertible debentures of Rs. 1932,00,00,000 (Rupees One Thousand Nine Hundred Thirty Two Crores), comprising of 19,32,00,000 (Nineteen Crore Thirty Two Lakh) number of fully paid

up non convertible debentures with face value of Rs. 100/- each as would be required to be paid by the Transferee Company to the Transferor Company, and which shall:

- (i) have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - (ii) be redeemed at the end of 10 years from the date of issue.
- (q) **"Permitted Asset Encumbrances"** means:
- (i) Encumbrances in favour of Project Lenders (relating to the relevant Transferred Undertaking) and any lenders who are not Project Lenders;
 - (ii) Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertakings; and
 - (iii) Rights of the Government of Himachal Pradesh under:
 - a. Articles 14.3, 14.8.2 and 14.8.3(b) of the power purchase agreement between the Transferor Company and Himachal Pradesh State Electricity Board Limited for sale of the power generated from Transferred Undertaking No. 1, dated 4 June 1997 and amended on 7 January 1998;
 - b. Clause 9 of the implementation agreement between Government of Himachal Pradesh and JAL executed on 1 October 1992, for implementing Transferred Undertaking No. 1; and
 - c. Article 6.4 of the implementation agreement initially executed between JAL and Government of Himachal Pradesh on 18 November, 1999 and later assigned to the Transferor Company on 30 December, 2002, including all subsequent amendments thereto.
- (r) **"Project Lenders"** collectively means the lenders relating to the Transferred Undertakings and a Project Lender means any one of them;
- (s) **"Project Locations"** means (i) the District Kinnaur in the State of Himachal Pradesh including the villages Kaksthal, Sherpa, Wangtoo, Sholtu, Karcham and Kuppa; (ii) Bithal in District Shimla; and (iii) the land situated at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat.
- (t) **"Remaining Business Liabilities"** means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertakings. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;
- (u) **"Scheme", "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;
- (v) **"Taxation"** (including with correlative meaning, the terms **Tax and Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);

- (w) **"Transferred Undertaking No. 1"** shall have the meaning ascribed to it under Part B of Schedule I;
- (x) **"Transferred Undertaking No. 2"** shall have the meaning ascribed to it under Part B of Schedule I;
- (y) **"Transferred Undertakings"** collectively mean the Transferred Undertaking No.1 and Transferred Undertaking No.2 and Transferred Undertaking means any one of them.

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act including any statutory modifications, amendments or re-enactment thereof, for the time being in force;

2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.

PART – IV

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 1 TO/ IN TRANSFeree COMPANY

4.1 VESTING OF TRANSFERRED UNDERTAKING 1

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 1 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 1 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No.1 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 1 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No.1 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 1 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 1 with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 1 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed

shall stand transferred to the Transferee Company. Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 1, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 1 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 1 other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the afore stated and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No.1 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1) (c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 1, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 1, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No.1, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.

n. The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.

- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 1 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES.

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 1 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No.1 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 1 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.

(b) The Transferor Company shall, wherever necessary, enter into and execute deeds, writings, confirmations or resolutions to which Transferor Company will, if necessary, its third party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.

(c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 1, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

(a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 1, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

(b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 1, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 EMPLOYEES:

Upon the Scheme becoming effective,

(a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.

(b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 1 with any Union/ representatives of the employees.

(c) The balances standing in the accounts of employees of the Transferred Undertaking No. 1 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or

other funds, shall continue to be managed and as on the Effective Date shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

(d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.

(e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 1 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 1 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 1 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

(a) Upon coming into effect of the Scheme, Rs. 1250.00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) shall stand transferred from the authorized capital of the Transferor Company and got combined with the authorized capital of the Transferee

Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under:

"V. The Authorized Share Capital of the Company is Rs. 1250,05,00,000 (Rupees One Thousand Two Hundred and Fifty Crores and Five Lakhs only) divided into 125,00,50,000 (One Hundred Twenty Five Crores and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable."

(b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.

(c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

(d) The Transferor Company owns and operates the 300 MW Baspa Hydro Electric Project Stage II forming part of the Transferred Undertaking No. 1. Under the power purchase agreement entered into with the Himachal Pradesh State Electricity Board for this project, the tariff for the power generated is determined by the Himachal Pradesh Electricity Regulatory Commission (HPERC) based on the project cost and other financial parameters approved by the HPERC from time to time. After the Appointed Date, the tariff determination by HPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

(a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 1 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 1 with the Transferee Company:

- (i) Equity Shares 1; and
- (ii) NCD 1.

(b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250 05 00 000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250 05 00 000

(c) The Equity Shares 1 and NCD 1, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 1 shall rank pari-passu in all respects with the existing equity shares of the Transferee Company

for dividend, voting rights, and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 1.

4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 1 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

4.11 The Scheme provides for acquisition of the Transferred Undertaking No. 1 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART – V

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 2 TO/ IN TRANSFeree COMPANY

5.1 VESTING OF TRANSFERRED UNDERTAKING NO. 2:

(a) With effect from the Appointed Date, the Transferred Undertaking No. 2 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.

(b) If for any reason any part of the Transferred Undertaking No. 2 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No. 2 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 2 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No. 2 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

(c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 2 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.

(d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 2 with it.

5.2 ASSETS:

Without prejudice to the generality of Clause 5.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 2 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

(a) All assets and properties of the Transferred Undertaking No. 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed

and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (n) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 2, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 2 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 2 other than those dealt with in Clause 5.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the afore stated and Clause 5.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No. 2 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1), (c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 2, shall, *mutatis mutandis*, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 2, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No. 2, shall, without any further act, instrument or deed, be released and shall no longer be

available as a security for such liabilities.

- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 2 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

5.3 LIABILITIES:

Without prejudice to the generality of Clause 5.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 2 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No. 2 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

5.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 2 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations

under or in respect of any contracts, deeds, deeds agreements, memorandum of understanding etc.

- (b) The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 2, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

5.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date.

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 2, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 2, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

5.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 2 with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of

the Transferred Undertaking No. 2 shall be transferred to the Transferee Company in terms of the Scheme in Provident Fund, Superannuation / Pension Fund / SI or other such funds and investments available to the employees on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferor Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 2 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 2 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 2 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

5.8 TRANSFER OF AUTHORISED CAPITAL

- (a) Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended as contemplated in Clause 4.8 (a).
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the Karcham Wangtoo Hydro Electric Project, with an installed capacity of 1,091 MW, forming part of the Transferred Undertaking No. 2. Under the power purchase agreement entered into with the Power Trading Corporation for this project, the tariff for the power generated to be determined by the Central Electricity Regulatory Commission (CERC) based on the project cost and other financial parameters approved by the CERC from time to time. After the Appointed Date, the tariff determination by CERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

5.9 SLUMP EXCHANGE

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 2 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 2 with the Transferee Company:
 - (i) Equity Shares 2; and
 - (ii) NCD 2.

- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 2 and NCD 2, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 2 shall rank pari-passu in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 2.

- 5.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred

Undertaking No. 2 which shall stand transferred to the Transferee Company in terms of the Scheme.

- 5.11 The Scheme provides for acquisition of the Transferred Undertaking No. 2 on going concern basis with effect from the Appointed Date and nothing contained in or to the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART – VI BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKINGS) OF THE TRANSFEROR COMPANY

- 6.1 The business, other than the Transferred Undertakings of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 6.2 All legal, Taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 6.3 In view of transfer of Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Parts IV and V above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:
 - "V. The Authorised Share Capital of the Company is Rs. 10050,00,00,000/- (Rupees Ten Thousand and Fifty Crores only) divided into 705,00,00,000 (Seven Hundred and Five Crores) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crores) Preference Shares of Rs. 100/- each (whether convertible – optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013."

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

PART – VII ACCOUNTING AND TAX TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCDs received pursuant to this Scheme at their respective fair values.

- (c) The difference between the fair value of assets of the Transferred Undertakings over the aggregate of (i) the book value of the liabilities of the Transferred Undertakings and (ii) the fair value of the Equity Shares and NCDs received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY.

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCDs issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCDs issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCDs and fair value of liabilities over the aggregate fair value of various assets determined by the valuers, will be debited to goodwill.

7.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Appointed Date including all or any liability/refunds/credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Transferor Company.
- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance, or credits etc., relating to the Transferred Undertakings prior to the Effective Date and after the Appointed Date.
- (c) All exemptions including but not limited to benefit under section 80A of the Income tax Act, 1961 including its continuation with its various extensions, concessions, exemptions and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertakings, granted by any Government body, regulatory authority, local authority, by any other person or law, provided by the Transferor Company, are continued in the same shall, without any further act or deed, in so far as they relate to the Transferred Undertakings vest in and be available to the Transferee Company on the same terms and conditions.
- (d) The transfer pursuant to the Scheme is to the Transferee Company which is a subsidiary of the Transferor Company and no stamp duty is payable on the said transfer.

PART - VIII

GENERAL TERMS AND CONDITIONS

8.1 APPLICATION TO HIGH COURT.

The Transferor Company and the Transferee Company shall jointly and with all reasonable dispatch make all applications/petitions/affidavits etc., under Sections 301 to 394 of the Act or 1956 and all such applications/provisions of the Act or the Court for discharge of transfers, transfer dispensed with all or any of the conditions and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be

required, under any law, agreement or otherwise and for such other orders as may be required for carrying out the Scheme in its entirety and all matters incidental or consequent thereto.

8.2 MODIFICATION OR AMENDMENTS TO THE SCHEME

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose, or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertakings".
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised 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.

8.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- (i) The consents of the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (ii) the Scheme being approved by the Stock Exchanges, pursuant to clause 24(f) of the Equity Listing Agreement between such Stock Exchanges and the Transferor Company;
- (iii) approval of the Scheme by SEBI in terms of applicable SEBI Circulars, if any;
- (iv) sanction of the Scheme by the Court in terms of Sections 301 and 394 of the Act of 1956 and other relevant provisions of the Act.

8.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ultra vires or illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the

Transferee Company, shall not be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become mutually adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.

- (d) In the event of the Scheme failing to take effect by March 31, 2016 or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (e) No person claiming to have acted or changed his position in anticipation of the Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval or consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other applicable law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(f)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) 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 the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertakings and of the instruments issued under the Scheme is carried out by M/s. Bansi S. Mehta & Co., Chartered Accountants vide their valuation report dated November 14, 2014 and a fairness opinion thereon has been provided by M/s. Sobhagya Capital Options Limited vide their opinion dated November 15, 2014.

8.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyer or accountants engaged by it in

relation to the proposed Scheme, including the costs contemplated for the computation, preparation, execution and carrying out of the Scheme which relate to the transfer of the said undertakings.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

The Scheme of Arrangement is a legal term to which may be referred to for its detailed meaning required.

8. That the valuation of 300 MW Baspa-II Hydro-Electric Project (Transferred Undertaking 1) and 1091 MW Karcham Wangtoo Hydro-Electric Project (Transferred Undertaking 2) has been carried out by M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai, Independent Valuers vide their Valuation Report dated 14th November 2014 upon which Sobhagya Capital Options Limited (SCOL), a SEBI Registered Merchant Bankers have given 'Fairness Opinion Report' vide their Report dated 15th November 2014, in respect of the Valuation Report on Transferred Undertaking 1 and 2. SCOL have opined that the valuation determined by the Independent Valuers is fair and reasonable. The Valuation Report and Fairness Opinion Report have been accepted and adopted by the Boards of Directors of the Transferor Company and the Transferee Company.

Substantive portions of 'Fairness Opinion Report' of M/s. Sobhagya Capital Options Limited, New Delhi, a SEBI Registered Merchant Bankers on Valuation Report of M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai as Independent Valuers for the purpose of proposed Scheme of Arrangement of 300 MW Baspa-II Hydro-electric Project (Transferred Undertaking No.1) and 1091 MW Karcham Wangtoo Hydro-electric Project (Transferred Undertaking No.2) into its subsidiary i.e. Transferee Company are reproduced below :-

"We, in the capacity of SEBI registered Merchant Bankers do hereby certify that in our opinion:

- a) the computation of the Enterprise Value of Rs. 8262 Crores (Rupees Eight Thousand Two Hundred and Sixty Two Crores) for the Karcham Project and of Rs. 1353 Crores (Rupees One Thousand Three Hundred and Fifty Three Crores) for Baspa Project;
- b) the consideration for the Transferred Undertakings aggregating to Rs. 3750 Crores (constituting of 1,25,00,00,000 Equity Shares of face and paid up value of Rs. 10/- each and 25,00,00,000 13% Debentures of face and paid up value of Rs. 100/- each proposed to be allotted to JPVL for the proposed transfer) after giving due consideration to the existing debt of the Transferor Company which is attributable to the Transferred Undertakings; as on the Valuation Date, is fair and reasonable."
9. That the circumstances that have necessitated the Scheme and the rationale sought to be achieved are explained in Para No.1.2 of the Scheme, as under:
 - a. The Transferor Company is engaged, inter alia, in the business of owning and operating power generation plants in India including the 300 MW Baspa-II Hydro Electric Project and 1091 MW Karcham Wangtoo Hydro Electric Project, both situated at Himachal Pradesh. The same have been referred to in the Scheme individually as the Transferred Undertaking No. 1 and the Transferred Undertaking No. 2 respectively and collectively, as the 'Transferred Undertakings'.
 - b. The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any Stock Exchange.
 - c. The transfer of the Transferred Undertakings of the Transferor Company to the Transferee Company pursuant to this Scheme shall, inter alia, result in the following benefits:
 - i. In case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo

may, as required, taking further steps for enhancing the overall value of the Transferor Company.

In case of the Transferee Company, the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertakings and the businesses of the Transferred Undertakings can be carried out more conveniently with greater focus and attention.

- d) While the proposed Scheme will deleverage the balance sheet of the Transferor Company, in order to enhance shareholder value, the Board of Directors of the Transferor Company has taken further steps on November 16, 2014 and approved the Securities Purchase Agreement with JSW Energy Limited regarding sale of securities of the Transferee Company for a base Enterprise Value of approximately Rs. 9,700 crore, subject to mutually agreed adjustments detailed in the Securities Purchase Agreement. The consideration under the Securities Purchase Agreement, linked to the above base Enterprise Value of approximately Rs. 9,700 crore, subject to mutually agreed adjustments, will be settled for in cash after adjusting for outstanding long term debt of the Transferee Company.

It may be noted that the above consideration would be payable on the Closing Date. The "Closing Date", for the purposes of the Securities Purchase Agreement, shall be the date mutually agreed by the Parties in writing, provided that the Closing shall take place not later than 30 (thirty) days from the Effective Date of the Proposed Scheme or, such extended date as the Parties mutually agree in writing, subject to a long stop date of March 31, 2016.

- e. The Board of the Transferor Company has decided that the proposed Scheme be implemented as an independent process and necessary approvals be obtained in this regard. The Board of the Transferor Company has directed that the shareholders' approval for the sale of securities of the Transferee Company, if considered necessary, be obtained only after the shareholders' and the High Court have approved the proposed Scheme.

That in terms of revised requirements as contained in Securities and Exchange Board of India's Circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013, the following documents have been uploaded on the website of the Company i.e. www.jppowerventures.com and National Stock Exchange of India Limited and BSE Limited have also hosted the same on their respective websites:-

- Draft Scheme of Arrangement between the Transferor Company and the Transferee Company;
- Valuation Report from Independent Valuers i.e. M/s. Bansil S Mehta & Co., Chartered Accountants, Mumbai;
- Report from the Audit Committee recommending the Draft Scheme of Arrangement, taking into consideration, inter-alia, the Valuation Report as stated in Para (b) above;
- Fairness Opinion Report of SEBI Registered Merchant Bankers i.e. M/s. Sobhagya Capital Options Limited;
- Pre and post Shareholding Patterns of Transferor and Transferee Companies;
- Audited financials of the Transferor Company of last 3 years;
- Compliance with Clause 49 of the Listing Agreements with the Stock Exchanges;
- An undertaking dated 15th November, 2014 of Shri Suren Jain, Managing Director & CFO stating, inter-alia, that the requirement of approval of the said Scheme of Arrangement by the public shareholders through Postal Ballot and e-voting under Clause 5.16 (a) and SEBI circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated

21st May, 2013 was not applicable, and

A Certificate dated 15th November, 2014 issued by M/s. H. Nagpal Associates, Chartered Accountants, Statutory Auditors of the Company, confirming the undertaking mentioned in point no. (h) above.

The aforesaid documents were hosted on the Company's and Stock Exchanges websites for more than 21 days.

No complaint was received from any member of Public or from anyone whatsoever. The Complaints Report given below, in the format prescribed by SEBI is hosted on the Company's website :

Complaints Report
(for the period from 21st November, 2014 to 12th December, 2014)
Part A

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

Part B

Sr.No.	Name of complainant	Date of Complaint	Status (Resolved / pending)
N.A.			

10. The Directors of the Transferor Company and of Transferee Company have no material interest in the Scheme of Arrangement. The shareholdings of the present Directors of the Applicant Companies as on 31st December, 2014 are as under –

A. SHAREHOLDINGS OF PRESENT DIRECTORS OF JAIPRAKASH POWER VENTURES LIMITED – TRANSFEROR COMPANY

S. No.	Name of Director	No. of Shares held in JPVL	No. of Shares held in HBPCCL
1	Shri Manoj Gaur	41,400	1*
2	Shri Sunil Kumar Sharma	5,700	1*
3	Shri Suren Jain	16,700	1*
4	Shri Brij Behari Tandon	-	-
5	Shri Raj Narain Bhardwaj	-	-
6	Shri Subhash Chandra Bhargava	-	-
7	Shri Gyan Prakash Gaur	50,000	-
8	Shri Ashwani Kumar Goswami	-	-
9	Dr. Jagannath Gupta	500	-
10	Shri Shanti Sarup Gupta	120	-
11	Shri Sham Lal Mohan	-	-
12	Shri Umesh Jain	-	-
13	Shri Arun Balakrishnan	-	-
14	Shri Kailash Nath Bhandari	-	-
15	Shri Praveen Kumar Singh	3,50,000	-
16	Shri Shyam Datt Nailwal	16,100	1*
17	Ms. Sunita Joshi	28,100	-
18	Shri Dharam Paul Goyal	21,000	-
19	Shri Atanu Sen	-	-
20	Lt. Gen. (Retd.) Ravindra Mohan Chadha	2,850	-

* held jointly with Jaiprakash Power Ventures Ltd. (JPVL), the holding Company of Himachal Baspa Power Company Limited (HBPCCL), the beneficial interest of which is with JPVL.

B. SHAREHOLDINGS OF DIRECTORS OF HIMACHAL BASPA POWER COMPANY LIMITED - TRANSFEREE COMPANY ARE AS UNDER:

S. No.	Name of Director	No. of Shares held in HBPCCL	No. of Shares held in JPVL
1	Shri Sunil Kumar Sharma	1*	5,700
2	Shri Suren Jain	1*	16,700
3	Shri Raj Kumar Narang	1*	4,850

* hold jointly with Jaiprakash Power Ventures Ltd. (JPVL), the Transferor Company, the beneficial interest of which is with JPVL.

11. Pre and Post Scheme of Arrangement Shareholding Pattern of the Transferor Company shall be as under:

Shareholding pattern	Pre Sanction of Scheme of Arrangement as on 30.09.2014		Post Sanction of Scheme of Arrangement	
	Equity Shares	% of holding	Equity Shares	% of holding
Promoter and Promoter Group	1868648237	63.60	1868648237	63.60
FII's	188784043	6.43	1069354847	36.40
Mutual Funds	112561650	3.83		
Banks/FII's/ Insurance Companies	48218264	1.65		
General Public	719790890	24.49		
Total	2938003084	100.00	2938003084	100.00

That there will be no change in Shareholding Pattern of Transferor Company, subject to paragraph 6 above.

Pre and Post Shareholding Pattern – Himachal Baspa Power Company Limited (Transferee Company)

Shareholding pattern	Pre Sanction of Scheme of Arrangement		Post Sanction of Scheme of Arrangement	
	Equity Shares	% of holding	Equity Shares	% of holding
Jaiprakash Power Ventures Limited	49500* Equity Shares of Rs.10 each	99	125,00,49,500* Equity Shares of Rs.10 each	99.9
Jaypee Group Employees Welfare Trust	500 Equity Shares of Rs.10 each	1	500 Equity Shares of Rs.10 each	0.1
TOTAL	50000 * Equity Shares of Rs.10 each	100	125,00,50,000* Equity Shares of Rs.10 each	100

*Note: Six (6) Equity Shares of Rs.10/- each are held jointly by initial subscribers to Memorandum and Articles of Association of Transferee Company jointly with Transferor Company and the beneficial interest of which is with JPVL.

12. That as on 31st March 2014, the Transferor Company had outstanding Redeemable Non-convertible Secured Debentures aggregating Rs. 73,325 lacs and Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating Rs.120980 lacs. Further, as on 30th September, 2014, the Transferor Company had outstanding Secured Non-convertible Debentures aggregates Rs. 49,091 lacs and Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating Rs. 123,980 lacs.

13. That the Scheme will not prejudicially affect the interest of

any shareholder here. Moreover, terms of the proposed Scheme of Arrangement, too, Transferor Company proposes to transfer and vest all the assets, liabilities, contracts, deeds, licenses etc. of Baspa-II Hydro-electric Project (Transferred Undertaking No.1) and Karcham Wangtoo Hydro-electric project (Transferred Undertaking No.2) to the Transferee Company. The Scheme also provides that the security available to the secured creditors of Baspa-II and Karcham Hydro-electric projects will remain unaffected.

14. The Equity Shares of the Transferor Company are listed on National Stock Exchange of India Limited and BSE Limited. The Redeemable Non-Convertible Secured Debentures of the Transferor Company are listed on BSE Limited. The Unsecured Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Stock Exchange. The shares of Transferee Company are not listed on any Stock Exchanges.

15. In terms of Clause 24(f) of the Listing Agreements with the Stock Exchanges, the Transferor Company, being the Company whose shares are listed on two Stock Exchanges as mentioned above, has served copies of the proposed Scheme of Arrangement on the respective Stock Exchanges before moving the Company Petition with the Hon'ble High Court of Himachal Pradesh at Shimla and has received 'No Objection'/ approval letters dated 2nd January, 2015 from National Stock Exchange of India Ltd. and BSE Ltd. as also from SEBI.

16. In terms of extant requirements for approval of Scheme of Arrangement as contained in Clause 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, the proposed Scheme of Arrangement does not require approval by public shareholders through postal ballot and e-voting, as per undertaking of the management certified by the Statutory Auditors and duly approved by the Board clearly stating reasons thereof, which is mentioned in the documents for inspection.

17. No investigation proceedings under Sections 235 to 251 of the Companies Act, 1956 and the like are pending against the Transferor Company and the Transferee Company.

18. The following documents will be available for inspection between 10 A.M. to 3.00 P.M. at the Registered Offices of the respective Applicant Companies on all working days till the date of the meetings:-

- Copy of the Order dated 8th January, 2015 passed by the Hon'ble High Court of Himachal Pradesh at Shimla in Company Petition No. 3 of 2015;
- Complete set of the Company Petition no. 3 of 2015 filed by the Applicant Companies in the High Court;
- Copies of published Audited Accounts of the Transferor Company for the financial year ended 31st March, 2014 and Audited Accounts for the half year ended 30th September, 2014;
- Memorandum & Articles of Association of the Applicant Companies;
- Valuation Report dated 14th November, 2014 from Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants Mumbai;
- Fairness Opinion Report dated 15th November, 2014 of SEBI Registered Merchant Bankers i.e. M/s. Sobhagya Capital Options Limited, in respect of Valuation done by Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- Copy of the Board Resolution dated 15th November, 2014 passed by the Board of Directors of the Transferor Company approving the Scheme of Arrangement and other matters incidental thereto;
- Copy of Board Resolution dated 15th November, 2014

passed by the Board of Directors of Transferor Company;

- i. Approval / 'No Objection' letters received from the Stock Exchanges / SEBI
- j. Copy of Scheme of Arrangement;
- k. Report from the Audit Committee recommending the Draft Scheme of Arrangement, taking into consideration, inter-alia, the Valuation Report as stated in Point No. (e) above;
- l. Pre and post Shareholding Patterns of Transferor and Transferee Companies;
- m. Compliance with Clause 49 of Listing Agreement;
- n. An undertaking dated 15th November, 2014 of Shri Suren Jain, Managing Director & CFO stating, inter-alia, that the requirement of approval of the said Scheme of Arrangement by the public shareholders through Postal Ballot and e-voting under Clause 5.16 (a) of SEBI circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013 was not applicable. A Certificate dated 1st March, 2014 issued by M/s. R. Nagpal Associates, Chartered Accountants, Statutory Auditors of the Company, confirming the above;
- o. Complaints Report for the period from 21st November, 2014 to 12th December, 2014 in the format prescribed by SEBI;
- p. Details of important pending legal cases by or against the Applicant Companies;
- q. List of shareholders of the Applicant Companies;
- r. List of Creditors of the Transferor Company; and
- s. Securities Purchase Agreement dated 16th November, 2014 between Jaiprakash Power Ventures Limited and JSW Energy Limited.

The above records will also be available for inspection at the venue of the meetings on the date of the meetings during 10.00 A.M. to 3.00 P.M.

In addition to above, all statutory records which are required to be kept open for inspection at the general meetings of shareholders under law, will be available for inspection at the venue of the meetings on the date of the meetings.

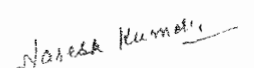


[R.K. GAUTAM]
SENIOR ADVOCATE
Chairman appointed
for the Meeting
of Equity Shareholders of
Jaiprakash Power
Ventures Limited

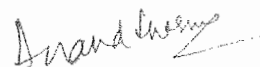


(N.K. THAKUR)
SENIOR ADVOCATE
Chairman appointed
for the meeting of the
Equity Shareholders of
Himachal Baspa Power
Company Limited

Dated : 14th January, 2015
Place : Shimla



[NARESH SOOD]
SENIOR ADVOCATE
Chairman appointed
for the meeting of the
Creditors of
Jaiprakash Power
Ventures Limited



(ANAND SHARMA)
ADVOCATE
Of Applicant Companies

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
COMPANY PETITION NO.3 OF 2015
IN THE MATTER OF COMPANIES ACT, 1956

IN THE MATTER OF :

JAIPRAKASH POWER VENTURES LIMITED Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as "Transferor Company" or "JPVL"] Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as "Transferee Company" or "HBPCL"] Transferee Company

..... APPLICANTS/PETITIONERS

FORM OF PROXY

I/We, _____ the undersigned, Creditor(s) of the above mentioned Transferor Company hereby appoint _____ and failing him/he _____, as my/our proxy, to act for me/us at the meeting of the Creditor(s) to be held at the premises of "JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.)", on **Saturday, the 28th February, 2015 at 1.00 PM**, for the purpose of considering and, if thought fit, approving, with or without modification(s), of the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above and at such meeting and any adjournment thereof, to vote for me/us and in my/our name _____ (here, "if for", insert "for", "if against", insert "against") the said Proposed Scheme of Arrangement either with or without modification(s), as my/our Proxy may approve.

Date: _____

Affix
Revenue
Stamp
of Re.1

Name and Address: _____

Signature: _____

Note: Proxy must be deposited at the Registered Office of the Transferor Company, not later than 48 hours before the time fixed for holding of the meeting.

JAIPRAKASH POWER VENTURES LIMITED

Attendance Slip (Entrance Pass)

I/We _____ (Name of the Creditor(s) / Proxy) hereby record my/our presence at the Meeting of the Creditors of Jaiprakash Power Ventures Limited, held at the premises of "JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.)", on **Saturday, the 28th February, 2015 at 1.00 PM**.

Full Name _____ Signature _____

(only Creditor(s) or their Proxies are allowed to attend)

BOOK POST

If undelivered please return to:
JAIPRAKASH POWER VENTURES LIMITED
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP).

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
COMPANY PETITION No. 3 of 2015
(UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956)
IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT OF
BETWEEN

JAIPRAKASH POWER VENTURES LIMITED Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as the "Transferor Company" or "JPVL"]

..... Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as :Transferee Company: or "HBPCL"]

..... Transferee Company

.....APPLICANTS/PETITIONERS

NOTICE CONVENING MEETING

To,

EQUITY SHAREHOLDERS OF HIMACHAL BASPA POWER COMPANY LIMITED

Take notice that by an order made on 8th January, 2015, the Court has directed that a meeting of the **Equity Shareholders** of Himachal Baspa Power Company Limited be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above.

Take further notice that in pursuance of the said order, a meeting of the Equity Shareholders of the Transferee Company will be held at the premises of **JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat- 173215, Distt. Solan (H.P.), on Saturday, the 28th February, 2015 at 3.00 PM**, when you are requested to attend.

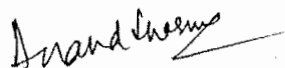
Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Transferee Company at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173215, Distt. Solan (H.P.) not later than 48 hours before the meeting.

This Court has appointed Shri N.K. Thakur, Senior Advocate as Chairman and Shri Jagan Nath, Advocate, as Co-Chairman, assisted by Ms. Deepika Thakur, Advocate, for the said meeting.

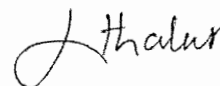
A copy each of the Scheme of Arrangement, the Statement under Section 393 of the Companies Act, 1956 and a form of proxy is enclosed.

Date : 14th January, 2015.

Place : Shimla



[Anand Sharma]
Advocate
Counsel for Applicant Companies



[N.K. Thakur]
Senior Advocate
Chairman appointed for the Meeting

Note : All alterations made in the form of the proxy should be initialed

**SCHEME OF ARRANGEMENT
BETWEEN
JAIPRAKASH POWER VENTURES LIMITED
(TRANSFEROR COMPANY)
AND
HIMACHAL BASPA POWER COMPANY LIMITED
(TRANSFeree COMPANY)
AND
THEIR SHAREHOLDERS AND CREDITORS**

PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- (a) Part I - which deals with the introduction, rationale and benefits of this Scheme;
- (b) Part II - which deals with the definitions used in this Scheme;
- (c) Part III - which deals with the share capital of the Transferor and Transferee Companies;
- (d) Part IV - which deals with the transfer of the Transferred Undertaking No. 1 to Transferee Company and matters incidental thereto;
- (e) Part V - which deals with the transfer of the Transferred Undertaking No. 2 to Transferee Company and matters incidental thereto;
- (f) Part VI - which deals with the business (other than Transferred Undertakings) of the Transferor Company;
- (g) Part VII - which deals with the accounting and tax treatment; and
- (h) Part VIII - which deals with the general terms and conditions that would be applicable to the Scheme.

The Schedules referred to in this Scheme form part of the Scheme.

PART - I

INTRODUCTION, RATIONALE AND BENEFITS

1.1 INTRODUCTION:

- (a) Jaiprakash Power Ventures Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat - 173215, Distt. Solan (H.P.) ("**Transferor Company**"). The Transferor Company is engaged, *inter alia*, in the business of owning and operating power generation plants in India. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.
- (b) Himachal Baspa Power Company Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat - 173215, Distt. Solan (H.P.) ("**Transferee Company**"). The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any stock exchange.
- (c) The Scheme provides for transfer of the Transferred Undertaking No.1 and the Transferred Undertaking No. 2 of the Transferor Company to and vesting thereof in the Transferee Company, in accordance with the terms of this Scheme and pursuant to the provisions of sections 391 and 394 of the Companies Act, 1956 and other relevant provisions of the Act.

1.2 RATIONALE AND BENEFITS:

The transfer of the Transferred Undertakings of the Transferor Company to the Transferee Company

pursuant to this Scheme shall, *inter alia*, result in the following benefits:

- (i) In case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo as well as help in taking further steps for enhancing shareholder value of the Transferor Company.
- (ii) In case of the Transferee Company:
 - a. the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertakings; and
 - b. the businesses of the Transferred Undertakings can be carried out more conveniently with greater focus and attention.

**PART - II
DEFINITIONS**

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

- (a) "**Act**" means the Companies Act, 1956 and / or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 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.
- (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the "**Act of 1956**" and Companies Act, 2013 has been referred to as the "**Act of 2013**" wherever specific sections have been referred to hereinafter in this Scheme.
- (b) "**Appointed Date**" shall be the Effective Date as defined hereinafter in the Scheme;
- (c) "**Applicable Law**" means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) "**Board**" or "**Board of Directors**" means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (e) "**Court**" or "**High Court**" means the High Court of Himachal Pradesh at Shimla having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;

- (f) **"Effective Date"** or **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"**, or **"Scheme becoming effective"** or the like expressions used in the Scheme shall be a reference to the later of the date on which:
- the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Himachal Pradesh;
 - conditions referred to in Clause 8.3 are satisfied; and
 - the following consents have been obtained for the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 or, waived in accordance with Clause 8.4(g):
 - Consent of Chief Inspector of factories/ other competent authority for transfer of factories license;
 - Consent of Controller of Explosives / other competent authority under Explosives Rules, 2008 for use, storage and possession of explosives; and
 - Consent of licensing authority under the Petroleum Rules, 2002 for use, storage and transportation of petroleum.
- (g) **"Encumbrance"** means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executorial attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases), or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;
- (h) **"Equity Shares"** means Equity Shares 1 and Equity Shares 2;
- (i) **"Equity Shares 1"** means equity shares of Rs. 284,00,00,000 (Rupees Two Hundred Eighty Four Crores only), comprising of 28,40,00,000 (Twenty Eight Crores Forty Lakh) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **"Equity Share 1"** shall be construed accordingly;
- (j) **"Equity Shares 2"** means equity shares of Rs. 966,00,00,000 (Rupees Nine Hundred Sixty Six Crores only), comprising of 96,60,00,000 (Ninety Six Crores Sixty Lakhs) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **"Equity Share 2"** shall be construed accordingly;
- (k) **"Excluded Liabilities"** means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;
- (l) **"Intellectual Property Rights"** means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;
- (m) **"JAL"** means Jaiprakash Associates Limited (formerly known as Jaiprakash Industries Limited), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;
- (n) **"NCDs"** mean NCD 1 and NCD 2;
- (o) **"NCD 1"** means non convertible debentures of Rs. 568,00,00,000 (Rupees Five Hundred Sixty Eight Crores), comprising of 5,68,00,000 (Five Crores Sixty Eight Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
 - have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - be redeemed at the end of 10 years from the date of issue.
- (p) **"NCD 2"** means non convertible debentures of Rs. 1932,00,00,000 (Rupees One Thousand Nine Hundred Thirty Two Crores), comprising of 19,32,00,000 (Nineteen Crore Thirty Two Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
 - have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - be redeemed at the end of 10 years from the date of issue.
- (q) **"Permitted Asset Encumbrances"** means:
 - Encumbrances in favour of Project Lenders (relating to the relevant Transferred Undertaking) and any lenders who are not Project Lenders;
 - Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertakings; and
 - Rights of the Government of Himachal Pradesh under:
 - Articles 14.3, 14.8.2 and 14.8.3(b) of the power purchase agreement between the Transferor Company and Himachal Pradesh State Electricity Board Limited for sale of the power generated from Transferred Undertaking No. 1, dated 4 June 1997 and amended on 7 January 1998;
 - Clause 9 of the implementation agreement between Government of Himachal Pradesh and JAL executed on 1 October 1992, for implementing Transferred Undertaking No. 1; and
 - Article 6.4 of the implementation agreement initially executed between JAL and Government of Himachal Pradesh on 18 November, 1999 and later assigned to the Transferor Company on 30 December, 2002, including all subsequent amendments thereto.
- (r) **"Project Lenders"** collectively means the lenders relating to the Transferred Undertakings and a Project Lender means any one of them;

(s) **"Project Locations"** means (i) the District Kinnaur in the State of Himachal Pradesh including the villages Kaksthal, Sherpa, Wangtoo, Sholtu, Karcham and Kuppa; (ii) Bithal in District Shimla; and (iii) the land situated at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat.

(t) **"Remaining Business Liabilities"** means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertakings. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;

(u) **"Scheme", "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;

(v) **"Taxation"** (including with correlative meaning, the terms **Tax** and **Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);

(w) **"Transferred Undertaking No. 1"** shall have the meaning ascribed to it under Part A of Schedule I;

(x) **"Transferred Undertaking No. 2"** shall have the meaning ascribed to it under Part B of Schedule I;

(y) **"Transferred Undertakings"** collectively mean the Transferred Undertaking No.1 and Transferred Undertaking No.2 and **Transferred Undertaking** means any one of them.

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act including any statutory modifications, amendments or re-enactment thereof, for the time being in force;

2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.

PART-III SHARE CAPITAL

3.1 The present authorized, issued, subscribed and paid up share capital of the Transferor Company is as under:

Authorized Capital	Amount Rs.
Comprising 8,30,00,00,000 equity shares of Rs. 10 each	83,00,00,00,000
Comprising 30,00,00,000 preference shares of Rs. 100 each	30,00,00,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 2,93,80,03,084 equity shares of Rs. 10 each	29,38,00,30,840

The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

3.2 The present authorized, issued, subscribed and paid up share capital of the Transferee Company is as under:

Authorized Capital	Amount Rs.
Comprising 50,000 equity shares of Rs. 10 each	5,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 50,000 equity shares of Rs. 10 each	5,00,000

The shares of Transferee Company are not listed on any stock exchange.

3.4 It is clarified that the right of the Transferor Company to alter its authorized, issued, subscribed or paid up capital share capital during the pendency of this Scheme or at any time thereafter is not affected by this Scheme.

PART-IV

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 1 TO/ IN TRANSFEE COMPANY

4.1 VESTING OF TRANSFERRED UNDERTAKING 1

(a) With effect from the Appointed Date, the Transferred Undertaking No. 1 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.

(b) If for any reason any part of the Transferred Undertaking No. 1 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No.1 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 1 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No.1 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

(c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 1 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.

(d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all

such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 1 with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 1 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 1, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 1 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 1 other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the aforesaid and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No.1

with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.

- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 1, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 1, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No.1, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents / instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 1 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES:

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 1 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have

arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.

- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No.1 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.4 **CONTRACTS, DEEDS, ETC.:**

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 1 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and / or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 1, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 **LEGAL PROCEEDINGS:**

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 1, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 1, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 **EMPLOYEES:**

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 1 with any Union / representatives of the employees.
- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 1 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made

to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 1 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 1 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licences etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 1 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licences etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the

same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) shall stand transferred from the authorized capital of the Transferor Company and get combined with the authorized capital of the Transferee Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under -

"V. The Authorised Share Capital of the Company is Rs.1250,05,00,000 (Rupees One Thousand Two Hundred and Fifty Crores and Five Lakhs only) divided into 125,00,50,000 (One Hundred Twenty Five Crores and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable."

- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the 300 MW Baspa Hydro Electric Project Stage II forming part of the Transferred Undertaking No. 1. Under the power purchase agreement entered into with the Himachal Pradesh State Electricity Board for this project, the tariff for the power generated is determined by the Himachal Pradesh Electricity Regulatory Commission (HPERC) based on the project cost and other financial parameters approved by the HPERC from time to time. After the Appointed Date, the tariff determination by HPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 1 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the

Transferor Company of the Transferred Undertaking No. 1 with the Transferee Company:

- (i) Equity Shares 1; and
- (ii) NCD 1.

- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 1 and NCD 1, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 1 shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 1.

- 4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 1 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

- 4.11 The Scheme provides for acquisition of the Transferred Undertaking No. 1 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART-V

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 2 TO / IN TRANSFEE COMPANY

5.1 VESTING OF TRANSFERRED UNDERTAKING NO. 2:

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 2 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 2 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No. 2 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee

Company agree that pending vesting of such part of Transferred Undertaking No. 2 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No. 2 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 2 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 2 with it.

5.2 ASSETS:

Without prejudice to the generality of Clause 5.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 2 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 2, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 2 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 2 other than those dealt with in Clause 5.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion

but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.

- (d) Without prejudice to the aforesaid and Clause 5.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No. 2 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 2, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 2, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No. 2, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 2 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

5.3 LIABILITIES:

Without prejudice to the generality of Clause 5.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 2 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No. 2 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

5.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 2 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and / or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on

behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.

- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 2, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

5.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 2, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 2, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

5.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 2 with any Union/ representatives of the employees.

- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 2 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.

- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 2 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 2 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred

Undertaking No. 2 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

5.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended as contemplated in Clause 4.8 (a).
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the Karcham Wangtoo Hydro Electric Project, with an installed capacity of 1,091 MW, forming part of the Transferred Undertaking No. 2. Under the power purchase agreement entered into with the Power Trading Corporation for this project, the tariff for the power generated to be determined by the Central Electricity Regulatory Commission (CERC) based on the project cost and other financial parameters approved by the CERC from time to time. After the Appointed Date, the tariff determination by CERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

5.9 SLUMP EXCHANGE

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 2 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 2 with the Transferee Company:
 - (i) Equity Shares 2; and
 - (ii) NCD 2.
- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant

to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 2 and NCD 2, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 2 shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 2.

- 5.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 2 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

- 5.11 The Scheme provides for acquisition of the Transferred Undertaking No. 2 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART-VI

BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKINGS) OF THE TRANSFEROR COMPANY

- 6.1 The business, other than the Transferred Undertakings of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 6.2 All legal, Taxation or other proceedings (*including before any statutory or quasi-judicial authority or tribunal*) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 6.3 In view of transfer of Rs.1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Parts IV and V above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:

"V. The Authorised Share Capital of the Company is Rs. 10050,00,00,000/- (Rupees Ten Thousand and Fifty Crores only) divided into 705,00,00,000 (Seven Hundred and Five Crores) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crores) Preference Shares

of Rs. 100/- each (whether convertible – optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.”

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/information / the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

PART -VII ACCOUNTING AND TAX TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCDs received pursuant to this Scheme at their respective fair values.
- (c) The difference between the book value of assets of the Transferred Undertakings over the aggregate of (i) the book value of the liabilities of the Transferred Undertakings; and (ii) the fair value of the Equity Shares and NCDs received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY:

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCDs issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCDs issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCDs and fair value of liabilities over the aggregate fair value of various assets determined by the valuers will be debited to goodwill.

7.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to

the Transferor Company pertaining to the period prior to the Appointed Date, including all or any liability / refunds / credits / claims pertaining to the period before the Appointed Date shall be treated as liability / refunds / credits / claims of the Transferor Company.

- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance tax credits etc., relating to the Transferred Undertakings for the period on and after the Appointed Date.
- (c) All tax holiday including but not limited to benefit under section 80(IA) of the Income-tax Act, 1961 including its continuing benefits, incentives, exemptions, concessions, carbon credits and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertakings, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertakings vest with and be available to the Transferee Company on the same terms and conditions.
- (d) The transfer pursuant to the Scheme is to the Transferee Company which is a subsidiary of the Transferor Company, and no stamp duty is payable on the said transfer.

PART-VIII GENERAL TERMS AND CONDITIONS

8.1 APPLICATION TO HIGH COURT:

The Transferee Company and the Transferor Company shall jointly and with all reasonable dispatch, make all applications/ petitions/ affidavits etc. under Sections 391 to 394 of the Act of 1956 and other applicable provisions of the Act to the Court for directions to convene and/or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be required, under any law, agreement or otherwise and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

8.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose; or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertakings".

- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised 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.

8.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- (a) The consents by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (b) the Scheme being approved by the Stock Exchanges, pursuant to clause 24(f) of the Equity Listing Agreement between such Stock Exchanges and the Transferor Company;
- (c) approval of the Scheme by SEBI in terms of applicable SEBI Circulars, if any;
- (d) sanction of the Scheme by the Court in terms of Sections 391 and 394 of the Act of 1956 and other relevant provisions of the Act.

8.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the Transferee Company that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of

the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.

- (d) In the event of the Scheme failing to take effect by March 31, 2016 or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (e) No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval of / consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(f)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) 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 the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertakings and of the instruments issued under the Scheme is carried out by M/s. Bansi S. Mehta & Co., Chartered Accountants vide their valuation report dated November 14, 2014 and a fairness opinion thereon has been provided by M/s Sobhagya Capital Options Limited vide their opinion dated November 15, 2014.

8.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants

engaged by it in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme which relate to the transaction contemplated hereunder.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

SCHEDULE I DESCRIPTION OF UNDERTAKING

Part A – Transferred Undertaking No. 1

“**Transferred Undertaking No. 1**” means the entire business of Baspa Hydro Electric Project Stage-II with an installed capacity of 300 MW located at Karcham in the district of Kinnaur in the state of Himachal Pradesh and built on the lower reaches of the Baspa river on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking No. 1 and at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat as listed in Schedule XIII-A (Project Land) hereto;
- (ii) the school named Jay Jyoti School run by Jaiprakash Seva Sansthan located at Sholtu, Tehsil Tapri, Dist. Kinnaur, Himachal Pradesh on the land of the Transferred Undertaking No. 1;
- (iii) all ancillary and support infrastructure, developments, buildings and other facilities including the housing colony located at Sholtu and Kuppa developed and/or used by the Transferor Company in connection with the operation of the said hydroelectric plant on the land of the Transferred Undertaking No. 1;
- (iv) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (v) all agreements, suppliers contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (vi) all government approvals required for owning and operating the Transferred Undertaking No. 1 including government approvals which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (vii) all funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees employed for the Transferred Undertaking No. 1;
- (viii) employees employed for the Transferred Undertaking No. 1;
- (ix) all financing arrangements which pertain to or relate to the Transferred Undertaking No. 1;
- (x) all insurance policies or agreements for insurance and interests in insurance pools and programs of the Transferor Company and related to the Transferred Undertaking No. 1 and its business;
- (xi) all movable property relating to or comprising the Transferred Undertaking No. 1 and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking

No. 1 and located at the land of the Transferred Undertaking No. 1, including all equipment and vehicles which have been transferred to the Transferor Company by Jaiprakash Associates Limited prior to the Effective Date;

- (xii) all books, records, files, papers, engineering and process information, computer programs, software 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 which pertain to or relate to the Transferred Undertaking No. 1;
- (xiii) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (xiv) the goodwill of the Transferred Undertaking No. 1 as a going concern;
- (xv) all Intellectual Property Rights relating to the Transferred Undertaking No. 1;
- (xvi) all advances received from its customers which pertain to or relate to the Transferred Undertaking No. 1 and its business;
- (xvii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking No. 1 including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the business of the Transferred Undertaking No. 1.
- (xviii) Liabilities
all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking No. 1;
- (xix) all claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in-action, and rights of recovery which pertain to or relate to the Transferred Undertaking No. 1 including litigations;
- (xx) The Certified Emission Reductions and Verified Emission Reductions accrued for the period prior to the Effective Date in relation Transferred Undertaking No. 1.

It is clarified that:

- (a) all assets in (xi) above excludes movable property owned by Jaiprakash Associates Limited and all assets owned by or leased to Jaypee Powergrid Limited;
- (b) Wangtoo Abdullahpur transmission systems belonging to Jaypee Powergrid Limited and assets owned by Jaypee Powergrid Limited do not form part of the Transferred Undertaking No. 1;
- (c) any asset belonging to the Transferred Undertaking No. 1 but temporarily deployed at other locations shall be brought back to the Transferred Undertaking No. 1 on or before the Effective Date;
- (d) any asset belonging to Jaiprakash Associates Limited, deployed at Transferred Undertaking No. 1 shall be withdrawn on or before the Effective Date; and
- (e) the Excluded Liabilities do not form part of the Transferred Undertaking No. 1.

Part B-Transferred Undertaking No. 2

The term "Transferred Undertaking No. 2" means the entire business of Karcham Wangtoo Hydro Electric Project with installed capacity of 1091 MW located in the district of Kinnaur in the state of Himachal Pradesh and built on the Satluj river on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking No. 2;
- (ii) the housing colony related to the above Transferred Undertaking No. 2 located at Sholtu, Kaksthal and Sherpa, the hospital named "Jaypee Hospital" located at Sholtu and the industrial technical institute located at Urni, District Kinnaur;
- (iii) all ancillary and support infrastructure, developments, buildings and other facilities developed and/or used by the Transferor Company: (i) in connection with the operation of the said hydroelectric plant at the relevant location of the Transferred Undertaking No. 2; and (ii) in relation to fulfilling the Transferor Company's obligations towards local area development requirements under contract or Applicable Law with respect to the said hydroelectric plant;
- (iv) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (v) all agreements, suppliers contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (vi) all government approvals required for owning and operating the Transferred Undertaking No. 2 including government approvals which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (vii) all funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave salary and bonus, which pertain to the employees employed for the Transferred Undertaking No. 2;
- (viii) employees employed for the Transferred Undertaking No. 2;
- (ix) all financing arrangements which pertain to or relate to the Transferred Undertaking No. 2;
- (x) all insurance policies or agreements for insurance and interests in insurance pools and programs of the Transferor Company and related to the Transferred Undertaking No. 2 and its business;
- (xi) all movable property relating to or comprising the Transferred Undertaking No. 2 and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking No. 2 and located at the land of the Transferred Undertaking No. 2, including all equipment and vehicles which have been transferred to the Transferor Company by Jaiprakash Associates Limited prior to the Effective Date;
- (xii) all books, records, files, papers, engineering and process information, computer programs, software 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 which pertain to or relate to the Transferred Undertaking No. 2;

- (xiii) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (xiv) the goodwill of the Transferred Undertaking No. 2 as a going concern;
- (xv) all Intellectual Property Rights relating to the Transferred Undertaking No. 2;
- (xvi) all advances received from its customers which pertain to or relate to the Transferred Undertaking No. 2 and its business;
- (xvii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking No. 2 including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the business of the Transferred Undertaking No. 2.
- (xviii) Liabilities
all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking No. 2;
- (xix) all claims, judgments, proceedings, demands, lawsuits, causes of action, chose-in- action, and rights of recovery which pertain to or relate to the Transferred Undertaking No. 2 including litigations;
- (xx) The Certified Emission Reductions and Verified Emission Reductions accrued for the period prior to the Effective Date in relation Transferred Undertaking No. 2.

It is clarified that:

- (a) all assets in (xi) above excludes movable property owned by Jaiprakash Associates Limited and all assets owned by or leased to Jaypee Powergrid Limited;
- (b) Wangtoo Abdullahpur transmission systems belonging to Jaypee Powergrid Limited and assets owned by Jaypee Powergrid Limited do not form part of the Transferred Undertaking No. 2;
- (c) any asset belonging to the Transferred Undertaking No. 2 but temporarily deployed at other locations shall be brought back to the Transferred Undertaking No. 2 on or before the Effective Date;
- (d) any asset belonging to Jaiprakash Associates Limited, deployed at Transferred Undertaking No. 2 shall be withdrawn on or before the Effective Date; and
- (e) the Excluded Liabilities do not form part of the Transferred Undertaking No. 2.

**IN THE HON'BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
EXPLANATORY STATEMENT**

UNDER SECTION 393 OF THE COMPANIES ACT, 1956

ANNEXED TO THE NOTICES OF CONVENING THE MEETING OF SHAREHOLDERS / CREDITORS
PURSUANT TO THE ORDER DATED 8th JANUARY, 2015 PASSED BY THE
HON'BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

IN

COMPANY PETITION No. 3 OF 2015

IN THE MATTER OF PROPOSED SCHEME OF ARRANGEMENT

BETWEEN :

JAIPRAKASH POWER VENTURES LIMITEDTransferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITEDTransferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

1. JAIPRAKASH POWER VENTURES LIMITED
having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).
[Also referred to hereinafter as the "Transferor Company" or "JPVL"] Transferor Company
2. HIMACHAL BASPA POWER COMPANY LIMITED
having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).
[Also referred to hereinafter as "Transferee Company" or "HBPCCL"] Transferee Company

.....APPLICANTS/PETITIONERS

1. The Companies Act, 2013 received approval of both the Houses of Parliament, as also the Presidential assent and notified in official Gazette on 30th August, 2013. Ministry of Corporate Affairs has notified most of the provisions of the Companies Act, 2013 for implementation. However, the provisions relating to Compromises, Arrangements and Amalgamations as contained in Chapter XV i.e. Sections 230 to 240 of Companies Act, 2013 have not yet been notified by the Ministry of Corporate Affairs. Accordingly, in the petition before Hon'ble High Court of Himachal Pradesh seeking directions for convening meetings, the provisions of Chapter-V of the Companies Act, 1956 i.e. Sections 391 to 396(A) relating to Arbitration, Compromises, Arrangements, Reconstruction and Company (Court) Rules, 1959, are being relied upon.
2. The above-named companies have moved a Company Petition, being Company Petition No.3 of 2015 in the Hon'ble High Court of Himachal Pradesh at Shimla seeking directions to convene meetings of the Equity Shareholders and Creditors of the Transferor Company for considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement amongst the petition Companies and other directions incidental thereto. The proposed Scheme of Arrangement contemplates the transfer of the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 (as defined in proposed Scheme of Arrangement) of the Transferor Company to the Transferee Company, in each case, as a going concern pursuant to the said Scheme. On the above Petition, the Hon'ble Court has passed an Order dated 8th January, 2015 directing the convening of meetings of the Equity Shareholders & Creditors of the Transferor Company and Equity Shareholders of Transferee Company and has appointed Chairman and Co- Chairman for each meeting, fixed date, time and venue of the meetings and quorum for each meeting and has given directions regarding dispatch and publication of notices and other directions incidental thereto.
3. The above Scheme of Arrangement has been approved by the Board of Directors of the Transferor and Transferee Companies at their respective meetings, duly convened and held on 15th November, 2014.
4. **Reg. TRANSFEROR COMPANY :
[Jaiprakash Power Ventures Limited (JPVL)]**
 - (i) The Transferor Company was incorporated as a public limited company, with the name of Jaiprakash Hydro-Power Limited, under the Companies Act, 1956 on 21st December 1994 in the State of Himachal Pradesh. It received Certificate of Commencement of Business on 9th January, 1995 and since then it has been in business. The name of the Company was changed to Jaiprakash Power Ventures Limited on 23rd December 2009.
 - (ii) The registered office of the Transferor Company is situated at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.).
 - (iii) The Authorised, Issued, Subscribed and Paid up Capital of the Transferor Company as on 30th November, 2014 has been as under –

JPVL (Transferor Company)	
	As at 30 th November, 2014 Rs.
AUTHORISED CAPITAL	
8,300,000,000 Equity Shares of Rs. 10/- each	8300,00,00,000
300,000,000 preference shares of Rs.100 each	3000,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
2,938,003,084 Equity Shares of Rs. 10/- each fully paid up	29,380,030,840
 - (iv) The Transferor Company is a subsidiary of Jaiprakash

Associates Limited, which holds 60.69% of the Paid Up Capital of the Transferor Company as on 31st March, 2014.

- (v) The objects of the Company are set out in the Objects Clause of the Memorandum of Association of the Transferor Company. The Company presently owns and operates three Hydro Power Plants namely, 300 MW BASPA II Hydro-electric Project at District Kinnaur, Himachal Pradesh (BASPA-II) ('Transferred Undertaking 1'), 1091 MW Karcham Wangtoo Hydro-electric Project ('Transferred Undertaking 2') both at Himachal Pradesh and 400 MW Vishnuprayag Hydro-electric Project at Uttarakhand. The Company also owns and operates 500 MW Jaypee Bina Thermal Power Project and 660MW Unit-1 of the 1320 MW Nigrie Super Thermal Power Project. The Company is implementing 660MW Unit-2 of the 1320MW Nigrie Super Thermal Power Project. The Company is also setting up 4 MTPA Cement Grinding Unit at Nigrie to optimally utilize fly ash to be generated by Nigrie Super Thermal Power Project.

In addition to above, the Company is also implementing power projects and operating one Transmission System through its subsidiary companies:-

- 217 KM Transmission system for evacuation of power of Karcham Wangtoo Hydro Electric Project and other entities as per the requirement of Central Transmission Utility [through its subsidiary company, Jaypee Powergrid Limited]. The Transmission System is in operation.
 - 1980 MW Bara Thermal Power Project in U.P., with the permission to add two more units of 660 MW, thereby increasing the capacity to 3300 MW, in U.P. [through its subsidiary company, Prayagraj Power Generation Company Ltd.]. This Company is also setting up 4 MTPA Cement Grinding Unit to optimally utilize fly ash to be generated by the Thermal Power Plant.
 - 1980 MW Karchana Thermal Power Project in U.P [through its subsidiary company, Sangam Power Generation Company Ltd.].
 - 2700 MW Lower Siang Hydro Electric Project and a 500 MW Hironag Hydro Electric Project both in Arunachal Pradesh [through its subsidiary company, Jaypee Arunachal Power Ltd.];
 - 450 MW Kynshi-II Hydro Electric Project and 270 MW Umngot Hydro Electric Project both in the State of Meghalaya, [through its subsidiary company, Jaypee Meghalaya Power Ltd.];
- (vi) The audited accounts of the Company have been presented to the shareholders up to the financial year ended 31st March 2014. The summarized financial position of the Company as per the latest published audited accounts as at 31st March, 2014 and as per audited accounts as at 30th September, 2014, is as under:-

(Rupees in Lacs)		
Particulars	Audited Figures for the half year ended September 30, 2014	Audited Figures for the year ended March 31, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
a) Share Capital	2,93,800	2,93,800
b) Reserves and Surplus	3,69,721	3,39,171
Deferred Revenue	59,543	56,266
Non Current Liabilities	18,20,941	17,88,840
Current Liabilities	5,61,067	4,65,292
TOTAL	3,105,072	2,933,369

ASSETS		
Non -current assets		
a) Fixed assets	23,09,803	22,36,183
b) Non-current investments	5,48,003	5,00,499
c) Long-term loans and advances	38,885	31,104
d) Other non- current assets	18,681	13,341
Current assets	1,89,700	1,52,242
TOTAL	3,105,072	2,933,369

For further details, the Transferor Company requests for reference to the Audited Accounts.

There has been no material change in the financial position of the Transferor Company after 30th September, 2014. The capital structure and financial position of the Transferor Company may change pending the Scheme coming into effect, in view of the circumstances as mentioned in Para no. 6 of this Statement.

5. Reg. TRANSFeree COMPANY:

[HIMACHAL BASPA POWER COMPANY LIMITED]

- Himachal Baspa Power Company Limited, the Transferee Company was incorporated as a public limited company under the Companies Act, 1956 on 14th March, 2014 in the State of Himachal Pradesh. It received its Certificate of Commencement of Business on 24th March, 2014.
- The registered office of the Transferee Company is situated at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, Distt. Solan (H.P.)
- The Authorised, Issued, Subscribed and Paid up Capital of the Transferee Company as on 31st March 2014 has been as under –

HIMACHAL BASPA POWER COMPANY LIMITED. (Transferee Company)

As at
31st March 2014
Rs.

AUTHORISED CAPITAL	
50,000 Equity Shares of Rs. 10/- each	5,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000

- The Transferee Company is a subsidiary of the Transferor Company, which as on date holds 99% of the Paid Up Capital of the Transferee Company.
 - The objects of the Transferee Company are set out in the Objects Clause of the Memorandum of Association of the Transferee Company. The Transferee Company does not presently have any business operations.
 - Transferee Company was incorporated only on 14th March, 2014 and it does not have any business operations and hence there are no available financial results or Balance Sheet. Further, there are no Creditors.
- The capital structure and financial position of the Transferee Company will not change pending the Scheme coming into effect.
- The circumstances which may result in change in the capital structure and /or financial position of the Transferor Company are:
 - The Transferor Company may be required to raise funds, both equity and debt for its ongoing projects which may result in changes in the financial position and capital structure of the Transferor Company.
 - The Transferor Company may subscribe to or invest in the equity share capital of any other entity.
 - The Transferor Company's Foreign Currency Convertible

Bonds (FCCBs) of USD 200 Million may be converted into Equity Shares of Rs. 10/- each by the bondholders, which may result in changes in the financial position and capital structure of the Transferor Company.

- (iv) The continuance of business operations of the Transferor Company up to the Effective Date may result in changes in the capital structure and financial position of the Transferor Company.
7. The main provisions of the proposed Scheme of Arrangement are stated below –
[Para numbers are as assigned in the Scheme]

PART-II DEFINITIONS

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

- (a) **"Act"** means the Companies Act, 1956 and/or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 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.
- (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the **"Act of 1956"** and Companies Act, 2013 has been referred to as the **"Act of 2013"** wherever specific sections have been referred to hereinafter in this Scheme.
- (b) **"Appointed Date"** shall be the Effective Date as defined hereinafter in the Scheme;
- (c) **"Applicable Law"** means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) **"Board" or "Board of Directors"** means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (e) **"Court" or "High Court"** means the High Court of Himachal Pradesh at Shimla having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;
- (f) **"Effective Date" or "coming into effect of this Scheme" or "effectiveness of this Scheme", or "Scheme becoming effective" or the like expressions used in the Scheme shall be a reference to the later of the date on which:**
- (i) the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Himachal Pradesh;
- (ii) conditions referred to in Clause 8.3 are satisfied; and
- (iii) the following consents have been obtained for the Transferred Undertaking No. 1 and Transferred Undertaking No. 2 or, waived in accordance with Clause 8.4(g):

1. Consent of Chief Inspector of factories/other competent authority for transfer of factories license;
2. Consent of Controller of Explosives/other competent authority under Explosives Rules, 2008 for use, storage and possession of explosives; and
3. Consent of licensing authority under the Petroleum Rules, 2002 for use, storage and transportation of petroleum.

- (g) **"Encumbrance"** means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executory attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases), or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;
- (h) **"Equity Shares"** means Equity Shares 1 and Equity Shares 2;
- (i) **"Equity Shares 1"** means equity shares of Rs. 284,00,00,000 (Rupees Two Hundred Eighty Four Crores only), comprising of 28,40,00,000 (Twenty Eight Crores Forty Lakh) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **"Equity Share 1"** shall be construed accordingly;
- (j) **"Equity Shares 2"** means equity shares of Rs. 966,00,00,000 (Rupees Nine Hundred Sixty Six Crores only), comprising of 96,60,00,000 (Ninety Six Crores Sixty Lakhs) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- each as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **"Equity Share 2"** shall be construed accordingly;
- (k) **"Excluded Liabilities"** means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;
- (l) **"Intellectual Property Rights"** means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;
- (m) **"JAL"** means Jaiprakash Associates Limited (formerly known as Jaiprakash Industries Limited), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;
- (n) **"NCDs"** mean NCD 1 and NCD 2;
- (o) **"NCD 1"** means non convertible debentures of Rs. 568,00,00,000 (Rupees Five Hundred Sixty Eight Crores), comprising of 5,68,00,000 (Five Crores Sixty Eight Lakh) number of fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
- (i) have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - (ii) be redeemed at the end of 10 years from the date of issue.
- (p) **"NCD 2"** means non convertible debentures of Rs. 1932,00,00,000 (Rupees One Thousand Nine Hundred Thirty Two Crores), comprising of 19,32,00,000 (Nineteen Crore Thirty Two Lakh) number of fully paid

up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:

- (i) have a coupon rate of 13% (thirteen percent) per annum, payable annually on March 31st every year; and
 - (ii) be redeemed at the end of 10 years from the date of issue.
- (q) **"Permitted Asset Encumbrances"** means:
- (i) Encumbrances in favour of Project Lenders (relating to the relevant Transferred Undertaking) and any lenders who are not Project Lenders;
 - (ii) Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertakings; and
 - (iii) Rights of the Government of Himachal Pradesh under:
 - a. Articles 14.3, 14.8.2 and 14.8.3(b) of the power purchase agreement between the Transferor Company and Himachal Pradesh State Electricity Board Limited for sale of the power generated from Transferred Undertaking No. 1, dated 4 June 1997 and amended on 7 January 1998;
 - b. Clause 9 of the implementation agreement between Government of Himachal Pradesh and JAL executed on 1 October 1992, for implementing Transferred Undertaking No. 1; and
 - c. Article 6.4 of the implementation agreement initially executed between JAL and Government of Himachal Pradesh on 18 November, 1999 and later assigned to the Transferor Company on 30 December, 2002, including all subsequent amendments thereto.
- (r) **"Project Lenders"** collectively means the lenders relating to the Transferred Undertakings and a Project Lender means any one of them;
- (s) **"Project Locations"** means (i) the District Kinnaur in the State of Himachal Pradesh including the villages Kakthal, Sherpa, Wangtoo, Sholtu, Karcham and Kuppa; (ii) Bithal in District Shimla; and (iii) the land situated at Plot No. 8, Block No. 185, Taluka Kalol, Mouje Dhanot, District Mehsana, Gujarat.
- (t) **"Remaining Business Liabilities"** means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertakings. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;
- (u) **"Scheme", "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;
- (v) **"Taxation"** (including with correlative meaning, the terms **Tax** and **Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);

- (w) **"Transferred Undertaking No. 1"** shall have the meaning ascribed to it under Part A of Schedule I;
- (x) **"Transferred Undertaking No. 2"** shall have the meaning ascribed to it under Part B of Schedule I;
- (y) **"Transferred Undertakings"** collectively mean the Transferred Undertaking No.1 and Transferred Undertaking No.2 and **Transferred Undertaking** means any one of them.

2.2 All terms and words which are used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act including any statutory modifications, amendments or re-enactment thereof, for the time being in force;

2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.

PART – IV

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 1 TO/ IN TRANSFEE COMPANY

4.1 VESTING OF TRANSFERRED UNDERTAKING 1

- (a) With effect from the Appointed Date, the Transferred Undertaking No. 1 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking No. 1 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No.1 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 1 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No.1 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 1 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 1 with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 1 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed

and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 1, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 1 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 1 other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the afore stated and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No.1 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1) (c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 1, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 1, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No.1, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.

- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 1 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES:

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 1 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No.1 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 1 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.

- (b) The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 1, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 1, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 1, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 1 with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of the Transferred Undertaking No. 1 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or

other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 1, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 1 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 1 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 1 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 1 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) shall stand transferred from the authorized capital of the Transferor Company and get combined with the authorized capital of the Transferee

Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under -

"V. The Authorised Share Capital of the Company is Rs.1250,05,00,000(Rupees One Thousand Two Hundred and Fifty Crores and Five Lakhs only) divided into 125,00,50,000 (One Hundred Twenty Five Crores and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable."

(b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.

(c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

(d) The Transferor Company owns and operates the 300 MW Baspa Hydro Electric Project Stage II forming part of the Transferred Undertaking No. 1. Under the power purchase agreement entered into with the Himachal Pradesh State Electricity Board for this project, the tariff for the power generated is determined by the Himachal Pradesh Electricity Regulatory Commission (HPERC) based on the project cost and other financial parameters approved by the HPERC from time to time. After the Appointed Date, the tariff determination by HPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

(a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 1 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 1 with the Transferee Company:

- (i) Equity Shares 1; and
- (ii) NCD 1.

(b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

(c) The Equity Shares 1 and NCD 1, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 1 shall rank pari-passu in all respects with the existing equity shares of the Transferee Company

for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 1.

4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking No. 1 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

4.11 The Scheme provides for acquisition of the Transferred Undertaking No. 1 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART – V

TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING NO. 2 TO/ IN TRANSFEE COMPANY

5.1 VESTING OF TRANSFERRED UNDERTAKING NO. 2:

(a) With effect from the Appointed Date, the Transferred Undertaking No. 2 in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.

(b) If for any reason any part of the Transferred Undertaking No. 2 does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking No. 2 to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking No. 2 to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking No. 2 in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.

(c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking No. 2 shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.

(d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking No. 2 with it.

5.2 ASSETS:

Without prejudice to the generality of Clause 5.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking No. 2 shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

(a) All assets and properties of the Transferred Undertaking No. 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title to the property will be deemed to have been vested accordingly without any further act, instrument or deed

and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking No. 2, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking No. 2 shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking No. 2 other than those dealt with in Clause 5.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged to do so, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee Company.
- (d) Without prejudice to the afore stated and Clause 5.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking No. 2 with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking No. 2, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.
- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking No. 2, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking No. 2, shall, without any further act, instrument or deed, be released and shall no longer be

available as a security for such liabilities.

- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/ instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Himachal Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking No. 2 after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

5.3 LIABILITIES:

Without prejudice to the generality of Clause 5.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking No. 2 shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.
- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking No. 2 is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

5.4 CONTRACTS, DEEDS, ETC.:

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking No. 2 and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations

under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.

- (b) The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking No. 2, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

5.5 LEGAL PROCEEDINGS:

With effect from the Appointed Date,

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking No. 2, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking No. 2, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

5.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2 who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking No. 2 with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of

the Transferred Undertaking No. 2 who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking No. 2, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking No. 2 or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking No. 2 without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking No. 2 and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred Undertaking No. 2 as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

5.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended as contemplated in Clause 4.8 (a).
- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns and operates the Karcham Wangtoo Hydro Electric Project, with an installed capacity of 1,091 MW, forming part of the Transferred Undertaking No. 2. Under the power purchase agreement entered into with the Power Trading Corporation for this project, the tariff for the power generated to be determined by the Central Electricity Regulatory Commission (CERC) based on the project cost and other financial parameters approved by the CERC from time to time. After the Appointed Date, the tariff determination by CERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

5.9 SLUMP EXCHANGE

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking No. 2 and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking No. 2 with the Transferee Company:
 - (i) Equity Shares 2; and
 - (ii) NCD 2.

- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares 1 and Equity Shares 2 shall be:

Authorized Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount Rs.
Comprising 125,00,50,000 equity shares of Rs. 10 each	1250,05,00,000

- (c) The Equity Shares 2 and NCD 2, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares 2 shall rank pari-passu in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares 2.
- 5.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred

Undertaking No. 2 which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

- 5.11 The Scheme provides for acquisition of the Transferred Undertaking No. 2 on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.

PART – VI BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKINGS) OF THE TRANSFEROR COMPANY

- 6.1 The business, other than the Transferred Undertakings of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 6.2 All legal, Taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 6.3 In view of transfer of Rs. 1250,00,00,000 (Rupees One Thousand Two Hundred and Fifty Crores Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Parts IV and V above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:

- "V. The Authorised Share Capital of the Company is Rs. 10050,00,00,000/- (Rupees Ten Thousand and Fifty Crores only) divided into 705,00,00,000 (Seven Hundred and Five Crores) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crores) Preference Shares of Rs. 100/- each (whether convertible – optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013."

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Himachal Pradesh within 30 (thirty) days from the Effective Date.

PART – VII ACCOUNTING AND TAX TREATMENT

7.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCDs received pursuant to this Scheme at their respective fair values.

- (c) The difference between the book value of assets of the Transferred Undertakings over the aggregate of (i) the book value of the liabilities of the Transferred Undertakings; and (ii) the fair value of the Equity Shares and NCDs received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

7.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY:

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCDs issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCDs issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCDs and fair value of liabilities over the aggregate fair value of various assets determined by the valuers will be debited to goodwill.

7.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Appointed Date, including all or any liability/refunds/credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Transferor Company.
- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance tax credits etc., relating to the Transferred Undertakings for the period on and after the Appointed Date.
- (c) All tax holiday including but not limited to benefit under section 80(IA) of the Income-tax Act, 1961 including its continuing benefits, incentives, exemptions, concessions, carbon credits and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertakings, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertakings vest with and be available to the Transferee Company on the same terms and conditions.
- (d) The transfer pursuant to the Scheme is to the Transferee Company which is a subsidiary of the Transferor Company, and no stamp duty is payable on the said transfer.

PART – VIII GENERAL TERMS AND CONDITIONS

8.1 APPLICATION TO HIGH COURT:

The Transferee Company and the Transferor Company shall jointly and with all reasonable dispatch, make all applications/petitions/ affidavits etc. under Sections 391 to 394 of the Act of 1956 and other applicable provisions of the Act to the Court for directions to convene and/or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be

required, under any law, agreement or otherwise and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

8.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose; or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertakings".
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised 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.

8.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- (i) The consents by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (ii) the Scheme being approved by the Stock Exchanges, pursuant to clause 24(f) of the Equity Listing Agreement between such Stock Exchanges and the Transferor Company;
- (iii) approval of the Scheme by SEBI in terms of applicable SEBI Circulars, if any;
- (iv) sanction of the Scheme by the Court in terms of Sections 391 and 394 of the Act of 1956 and other relevant provisions of the Act.

8.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the

Transferee Company that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.

- (d) In the event of the Scheme failing to take effect by March 31, 2016 or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. No further approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (e) No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval of/ consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(f)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) 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 the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertakings and of the instruments issued under the Scheme is carried out by M/s. Bansil S. Mehta & Co., Chartered Accountants vide their valuation report dated November 14, 2014 and a fairness opinion thereon has been provided by M/s Sobhagya Capital Options Limited vide their opinion dated November 15, 2014.

8.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants engaged by it in

relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme which relate to the transaction contemplated hereunder.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

The Scheme of Arrangement is annexed hereto which may be referred to for its detailed terms, if required.

8. That the valuation of 300 MW Baspa-II Hydro - Electric Project (Transferred Undertaking 1) and 1091 MW Karcham Wangtoo Hydro-Electric Project (Transferred Undertaking 2) has been carried out by M/s. Bansil S. Mehta & Co., Chartered Accountants, Mumbai, Independent Valuers, vide their Valuation Report dated 14th November 2014 upon which Sobhagya Capital Options Limited (SCOL), a SEBI Registered Merchant Bankers have given 'Fairness Opinion Report' vide their Report dated 15th November, 2014, in respect of the Valuation Report on Transferred Undertaking 1 and 2. SCOL have opined that the valuation determined by the Independent Valuers is fair and reasonable. The Valuation Report and Fairness Opinion Report have been accepted and adopted by the Boards of Directors of the Transferor Company and the Transferee Company.

Substantive portions of "Fairness Opinion" Report of M/s. Sobhagya Capital Options Limited, New Delhi, a SEBI Registered Merchant Bankers on Valuation Report of M/s. Bansil S. Mehta & Co., Chartered Accountants, Mumbai as Independent Valuers for the purpose of proposed Scheme of Arrangement of 300 MW Baspa-II Hydro-electric Project (Transferred Undertaking No.1) and 1091 MW Karcham Wangtoo Hydro-electric Project (Transferred Undertaking No.2) into its subsidiary i.e. Transferee Company are reproduced below :-

"We, in the capacity of SEBI registered Merchant Bankers do hereby certify that in our opinion:

- a) the computation of the Enterprise Value of Rs. 8262 Crores (Rupees Eight Thousand Two Hundred and Sixty Two Crores) for the Karcham Project and of Rs. 1353 Crores (Rupees One Thousand Three Hundred and Fifty Three Crores) for Baspa Project;
- b) the consideration for the Transferred Undertakings aggregating to Rs. 3750 Crores (constituting of 1,25,00,00,000 Equity Shares of face and paid up value of Rs. 10/- each and 25,00,00,000 13% Debentures of face and paid up value of Rs. 100/- each proposed to be allotted to JPVL for the proposed transfer) after giving due consideration to the existing debt of the Transferor Company which is attributable to the Transferred Undertakings; as on the Valuation Date is fair and reasonable."
9. That the circumstances that have necessitated the Scheme and the rationale sought to be achieved are explained in Para No.1.2 of the Scheme, as under:-
 - a. The Transferor Company is engaged, inter alia, in the business of owning and operating power generation plants in India including the 300 MW Baspa II Hydro Electric Project and 1091 MW Karcham Wangtoo Hydro Electric Project, both situated at Himachal Pradesh. The same have been referred to in the Scheme individually as the Transferred Undertaking No. 1 and the Transferred Undertaking No. 2, respectively, and collectively, as the "Transferred Undertakings".
 - b. The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any Stock Exchange.
 - c. The transfer of the Transferred Undertakings of the Transferor Company to the Transferee Company pursuant to this Scheme shall, inter alia, result in the following benefits:
 - i. In case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo

as well as help in taking further steps for enhancing shareholder value of the Transferor Company.

- ii. In case of the Transferee Company, the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertakings and the businesses of the Transferred Undertakings can be carried out more conveniently with greater focus and attention.
- d) While the proposed Scheme will deleverage the balance sheet of the Transferor Company, in order to enhance shareholder value, the Board of Directors of the Transferor Company has taken further steps on November 16, 2014 and approved the Securities Purchase Agreement with JSW Energy Limited regarding sale of securities of the Transferee Company for a base Enterprise Value of approximately Rs. 9,700 crore, subject to mutually agreed adjustments detailed in the Securities Purchase Agreement. The consideration under the Securities Purchase Agreement, linked to the above base Enterprise Value of approximately Rs. 9,700 crore, subject to mutually agreed adjustments, will be settled for in cash after adjusting for outstanding long term debt of the Transferee Company.

It may be noted that the above consideration would be payable on the Closing Date. The "Closing Date", for the purposes of the Securities Purchase Agreement, shall be the date mutually agreed by the Parties in writing, provided that the Closing shall take place not later than 30 (thirty) days from the Effective Date of the Proposed Scheme or, such extended date as the Parties mutually agree in writing, subject to a long stop date of March 31, 2016.

- e. The Board of the Transferor Company has decided that the proposed Scheme be implemented as an independent process and necessary approvals be obtained in this regard. The Board of the Transferor Company has directed that the shareholders' approval for the sale of securities of the Transferee Company, if considered necessary, be obtained only after the shareholders' and the High Court have approved the proposed Scheme.

That in terms of revised requirements as contained in Securities and Exchange Board of India's Circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013, the following documents have been uploaded on the website of the Company i.e. www.jppowerventures.com and National Stock Exchange of India Limited and BSE Limited have also hosted the same on their respective websites:-

- Draft Scheme of Arrangement between the Transferor Company and the Transferee Company;
- Valuation Report from Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- Report from the Audit Committee recommending the Draft Scheme of Arrangement, taking into consideration, inter-alia, the Valuation Report as stated in Para (b) above;
- Fairness Opinion Report of SEBI Registered Merchant Bankers i.e. M/s. Sobhagya Capital Options Limited;
- Pre and post Shareholding Patterns of Transferor and Transferee Companies;
- Audited financials of the Transferor Company of last 3 years;
- Compliance with Clause 49 of the Listing Agreements with the Stock Exchanges;
- An undertaking dated 15th November, 2014 of Shri Suren Jain, Managing Director & CFO stating, inter-alia, that the requirement of approval of the said Scheme of Arrangement by the public shareholders through Postal Ballot and e-voting under Clause 5.16 (a) and SEBI circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated

21st May, 2013 was not applicable; and

- A Certificate dated 15th November, 2014 issued by M/s. R. Nagpal Associates, Chartered Accountants, Statutory Auditors of the Company, confirming the undertaking mentioned in point no. (h) above.

The aforesaid documents were hosted on the Company's and Stock Exchanges websites for more than 21 days.

No complaint was received from any member of Public or from anyone whatsoever. The Complaints Report given below, in the format prescribed by SEBI is hosted on the Company's website :

Complaints Report
(for the period from 21st November, 2014 to
12th December, 2014)
Part A

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

Part B

Sr.No.	Name of complainant	Date of Complaint	Status (Resolved / pending)
N.A.			

- The Directors of the Transferor Company and of Transferee Company have no material interest in the Scheme of Arrangement. The shareholdings of the present Directors of the Applicant Companies as on 31st December, 2014 are as under –

A. SHAREHOLDINGS OF PRESENT DIRECTORS OF JAIPRAKASH POWER VENTURES LIMITED – TRANSFEROR COMPANY

S. No.	Name of Director	No. of Shares held in JPVL	No. of Shares held in HBPCCL
1	Shri Manoj Gaur	41,400	1*
2	Shri Sunil Kumar Sharma	5,700	1*
3	Shri Suren Jain	16,700	1*
4	Shri Brij Behari Tandon	-	-
5	Shri Raj Narain Bhardwaj	-	-
6	Shri Subhash Chandra Bhargava	-	-
7	Shri Gyan Prakash Gaur	50,000	-
8	Shri Ashwani Kumar Goswami	-	-
9	Dr. Jagannath Gupta	500	-
10	Shri Shanti Sarup Gupta	120	-
11	Shri Sham Lal Mohan	-	-
12	Shri Umesh Jain	-	-
13	Shri Arun Balakrishnan	-	-
14	Shri Kailash Nath Bhandari	-	-
15	Shri Praveen Kumar Singh	3,50,000	-
16	Shri Shyam Datt Nailwal	16,100	1*
17	Ms. Sunita Joshi	28,100	-
18	Shri Dharam Paul Goyal	21,000	-
19	Shri Atanu Sen	-	-
20	Lt. Gen. (Retd.) Ravindra Mohan Chadha	2,850	-

* held jointly with Jaiprakash Power Ventures Ltd. (JPVL), the holding Company of Himachal Baspa Power Company Limited (HBPCCL), the beneficial interest of which is with JPVL.

B. SHAREHOLDINGS OF DIRECTORS OF HIMACHAL BASPA POWER COMPANY LIMITED - TRANSFEREE COMPANY ARE AS UNDER:

S. No.	Name of Director	No. of Shares held in HBPCCL	No. of Shares held in JPVL
1	Shri Sunil Kumar Sharma	1*	5,700
2	Shri Suren Jain	1*	16,700
3	Shri Raj Kumar Narang	1*	4,850

* held jointly with Jaiprakash Power Ventures Ltd. (JPVL), the Transferor Company, the beneficial interest of which is with JPVL.

11. Pre and Post Scheme of Arrangement Shareholding Pattern of the Transferor Company shall be as under:

Shareholding pattern	Pre Sanction of Scheme of Arrangement as on 30.09.2014		Post Sanction of Scheme of Arrangement	
	Equity Shares	% of holding	Equity Shares	% of holding
Promoter and Promoter Group	1868648237	63.60	1868648237	63.60
Fils	188784043	6.43	1069354847	36.40
Mutual Funds	112561650	3.83		
Banks/Fils/ Insurance Companies	48218264	1.65		
General Public	719790890	24.49		
Total	2938003084	100.00	2938003084	100.00

That there will be no change in Shareholding Pattern of Transferor Company, subject to paragraph 6 above.

Pre and Post Shareholding Pattern – Himachal Baspa Power Company Limited (Transferee Company)

Shareholding pattern	Pre Sanction of Scheme of Arrangement		Post Sanction of Scheme of Arrangement	
	Equity Shares	% of holding	Equity Shares	% of holding
Jaiprakash Power Ventures Limited	49500* Equity Shares of Rs.10 each	99	125,00,49,500* Equity Shares of Rs.10 each	99.9
Jaypee Group Employees Welfare Trust	500 Equity Shares of Rs.10 each	1	500 Equity Shares of Rs.10 each	0.1
TOTAL	50000 * Equity Shares of Rs.10 each	100	125,00,50,000* Equity Shares of Rs.10 each	100

*Note: Six (6) Equity Shares of Rs.10/- each are held jointly by initial subscribers to Memorandum and Articles of Association of Transferee Company jointly with Transferor Company and the beneficial interest of which is with JPVL.

12. That as on 31st March 2014, the Transferor Company had outstanding Redeemable Non-convertible Secured Debentures aggregating Rs. 73,325 lacs and Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating Rs.120980 lacs. Further, as on 30th September, 2014, the Transferor Company had outstanding Secured Non-convertible Debentures aggregates Rs. 49,091 lacs and Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating Rs. 123,980 lacs.

13. That the Scheme will not prejudicially affect the interest of

any shareholder / creditor. In terms of the proposed Scheme of Arrangement, the Transferor Company proposes to transfer and vest all the assets, liabilities, contracts, deeds, licenses etc. of Baspa-II Hydro-electric Project (Transferred Undertaking No.1) and Karcham Wangtoo Hydro-electric project (Transferred Undertaking No.2) to the Transferee Company. The Scheme also provides that the security available to the secured creditors of Baspa-II and Karcham Hydro-electric projects will remain unaffected.

14. The Equity Shares of the Transferor Company are listed on National Stock Exchange of India Limited and BSE Limited. The Redeemable Non-Convertible Secured Debentures of the Transferor Company are listed on BSE Limited. The Unsecured Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Stock Exchange. The shares of Transferee Company are not listed on any Stock Exchanges.

15. In terms of Clause 24(f) of the Listing Agreements with the Stock Exchanges, the Transferor Company, being the Company whose shares are listed on two Stock Exchanges as mentioned above, has served copies of the proposed Scheme of Arrangement on the respective Stock Exchanges before moving the Company Petition with the Hon'ble High Court of Himachal Pradesh at Shimla and has received 'No Objection'/ approval letters dated 2nd January, 2015 from National Stock Exchange of India Ltd. and BSE Ltd. as also from SEBI.

16. In terms of extant requirements for approval of Scheme of Arrangement as contained in Clause 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, the proposed Scheme of Arrangement does not require approval by public shareholders through postal ballot and e-voting, as per undertaking of the management certified by the Statutory Auditors and duly approved by the Board clearly stating reasons thereof, which is mentioned in the documents for inspection.

17. No investigation proceedings under Sections 235 to 251 of the Companies Act, 1956 and the like are pending against the Transferor Company and the Transferee Company.

18. The following documents will be available for inspection between 10 A.M. to 3.00 P.M. at the Registered Offices of the respective Applicant Companies on all working days till the date of the meetings:-

- Copy of the Order dated 8th January, 2015 passed by the Hon'ble High Court of Himachal Pradesh at Shimla in Company Petition No. 3 of 2015;
- Complete set of the Company Petition no. 3 of 2015 filed by the Applicant Companies in the High Court;
- Copies of published Audited Accounts of the Transferor Company for the financial year ended 31st March, 2014 and Audited Accounts for the half year ended 30th September, 2014;
- Memorandum & Articles of Association of the Applicant Companies;
- Valuation Report dated 14th November, 2014 from Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- Fairness Opinion Report dated 15th November, 2014 of SEBI Registered Merchant Bankers i.e. M/s. Sobhagya Capital Options Limited, in respect of Valuation done by Independent Valuers i.e. M/s. Bansi S Mehta & Co., Chartered Accountants, Mumbai;
- Copy of the Board Resolution dated 15th November, 2014 passed by the Board of Directors of the Transferor Company approving the Scheme of Arrangement and other matters incidental thereto;
- Copy of Board Resolution dated 15th November, 2014

- passed by the Board of Directors of Transferee Company;
- i. Approval / 'No Objection' letters received from the Stock Exchanges / SEBI
 - j. Copy of Scheme of Arrangement;
 - k. Report from the Audit Committee recommending the Draft Scheme of Arrangement, taking into consideration, inter-alia, the Valuation Report as stated in Point No. (e) above;
 - l. Pre and post Shareholding Patterns of Transferor and Transferee Companies;
 - m. Compliance with Clause 49 of Listing Agreement;
 - n. An undertaking dated 15th November, 2014 of Shri Suren Jain, Managing Director & CFO stating, inter-alia, that the requirement of approval of the said Scheme of Arrangement by the public shareholders through Postal Ballot and e-voting under Clause 5.16 (a) of SEBI circular Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013 was not applicable. A Certificate dated 1st March, 2014 issued by M/s. R. Nagpal Associates, Chartered Accountants, Statutory Auditors of the Company, confirming the above;
 - o. Complaints Report for the period from 21st November, 2014 to 12th December, 2014 in the format prescribed by SEBI;
 - p. Details of important pending legal cases by or against the Applicant Companies;
 - q. List of shareholders of the Applicant Companies;
 - r. List of Creditors of the Transferor Company; and
 - s. Securities Purchase Agreement dated 16th November, 2014 between Jaiprakash Power Ventures Limited and JSW Energy Limited.

The above records will also be available for inspection at the venue of the meetings on the date of the meetings during 10.00 A.M. to 3.00 P.M.

In addition to above, all statutory records which are required to be kept open for inspection at the general meetings of shareholders under law, will be available for inspection at the venue of the meetings on the date of the meetings.

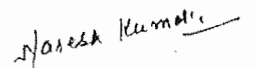


[R.K. GAUTAM]
SENIOR ADVOCATE
Chairman appointed
for the Meeting
of Equity Shareholders of
Jaiprakash Power
Ventures Limited

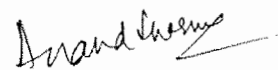


(N.K. THAKUR)
SENIOR ADVOCATE
Chairman appointed
for the meeting of the
Equity Shareholders of
Himachal Baspa Power
Company Limited

Dated : 14th January, 2015
Place : Shimla



[NARESH SOOD]
SENIOR ADVOCATE
Chairman appointed
for the meeting of the
Creditors of
Jaiprakash Power
Ventures Limited



(ANAND SHARMA)
ADVOCATE
Of Applicant Companies

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA
COMPANY PETITION NO.3 OF 2015
IN THE MATTER OF COMPANIES ACT, 1956

IN THE MATTER OF :

JAIPRAKASH POWER VENTURES LIMITED

..... Transferor Company

AND

HIMACHAL BASPA POWER COMPANY LIMITED

..... Transferee Company

1. JAIPRAKASH POWER VENTURES LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as "Transferor Company" or "JPVL"]

..... Transferor Company

2. HIMACHAL BASPA POWER COMPANY LIMITED

having its registered office at
JUIT Complex, Wagnaghat,
P.O. Dumehar Bani, Kandaghat – 173 215,
Distt. Solan (H.P.).

[Also referred to hereinafter as "Transferee Company" or "HBPCL"]

..... Transferee Company

..... APPLICANTS/PETITIONERS

FORM OF PROXY

I/We, _____ the undersigned, Equity Shareholder(s) of the above mentioned Transferor Company hereby appoint _____ and failing him/he _____, as my/our proxy, to act for me/us at the meeting of the Equity Shareholder(s) to be held at the premises of "JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.)", on **Saturday, the 28th February, 2015 at 3.00 PM**, for the purpose of considering and, if thought fit, approving, with or without modification(s), of the proposed Scheme of Arrangement between Transferor Company and the Transferee Company as named above and at such meeting and any adjournment thereof, to vote for me/us and in my/our name _____ (here, "if for", insert "for", "if against", insert "against") the said Proposed Scheme of Arrangement either with or without modification(s), as my/our Proxy may approve.

Date:

Name and Address:

Signature:

Affix
Revenue
Stamp
of Re.1

Folio No: _____ DP ID No. _____ Client ID No. _____ No. of Shares: _____

Note: Proxy must be deposited at the Registered Office of the Transferor Company, not later than 48 hours before the time fixed for holding of the meeting.

HIMACHAL BASPA POWER COMPANY LIMITED

Attendance Slip (Entrance Pass)

I/We _____ (Name of the Shareholder / Proxy) hereby record my/our presence at the Meeting of the Equity Shareholders of Himachal Baspa Power Company Limited, held at the premises of "JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, Distt. Solan (H.P.)", on **Saturday, the 28th February, 2015 at 3.00 PM**.

Full Name _____ Signature _____

Folio No: _____ DP ID No. _____ Client ID No. _____ No. of Shares: _____

(only Equity Shareholders or their Proxies are allowed to attend)

BOOK POST

If undelivered please return to:

HIMACHAL BASPA POWER COMPANY LIMITED

Sector - 128, NOIDA- 201304

District Gautam Buddha Nagar, (UP).