10. The amalgamation between the Transferor Company and the Transferee/ Applicant Company will be effected by the amalgamation embodied in the Scheme under Sections 391 to 394 of the Act.

11. The Applicant Company is a Government company within the meaning of Section 617 of the Act, as 75% shares of the Applicant Company are held by the Government of India (Consequent upon Offer for Sale of 9.5% paid up equity capital of the Company on 7th February 2013, the shareholding of Government of India in the Applicant Company has reduced to 75% from 84.5%). The Applicant Company is a power generation company operating thermal power plants having installed capacity of 34810 MV as on 29th March 2013. Further, Applicant Company is also engaged in developing Hydro Power Projects viz. Koldam Hydro Power Project (800MW), Tapovan Vishnugad Hydro Power Project (520 MW) and Singrauli CW discharge Hydro Project (8 MW).

12. The Transferor Company is a wholly owned subsidiary of the Applicant Company and also a Government Company within the meaning of Section 617 of the Act. The Transferor Company is engaged in developing two hydro power projects namely, Lata-Tapovan Hydro Power Project (171 MW) located in Chamoli District of Uttrakhand and Rammam Hydro Power Project (120 MW) located in Darjeeling District of West Bengal.

13. The Transferor Company now proposes to amalgamate into its holding company. The Scheme between the Transferor Company and the Applicant Company provides for the amalgamation of the Transferor Company into and with the Applicant Company, as a going concern together with its assets, properties, liabilities, rights, benefits and interests therein, pursuant to Sections 391 to 394 and other relevant provisions of the Act, in the manner provided for in the Scheme.

14. The Ministry of Power, Government of India has vide letter dated 10th April 2012 accepted and approved the proposal of amalgamation of the Transferor Company with the Applicant Company.

15. The rationale and the benefits of the proposed amalgamation include the following:-

    a. Reduction in the number of legal entities and thereby reduction in entity costs, elimination of legal and regulatory compliance related to the Transferor Company;

    b. Synergy of operations;

    c. Reduction in overhead expenditure;

    d. Enhanced efficiency and administrative control; and

    e. Optimum utilization of resources.

16. On considering the facts, circumstances and benefits, the Board of Directors of the Transferor Company and the Applicant Company have, at their respective Board meetings, held on May 3, 2012 and May 10, 2012 respectively, considered and unanimously approved the present Scheme.

17. Some of the salient features of the Scheme are as below:

    A. The Appointed Date under the Scheme is 1st April 2012.

    B. The Effective Date under the Scheme is the date of filing of the certified copy of the sanction order of the Ministry of Corporate Affairs to the Scheme by the Transferor Company and the Applicant Company with the Registrar of Companies, National Capital Territory of Delhi & Haryana.

    C. The Scheme provides that upon the same becoming effective and with effect from the Appointed Date, the entire undertakings of the Transferor Company shall be transferred to and vested in the Applicant Company.

    D. The Scheme further provides :-

        i. for the transfer of all debts, liabilities etc. of the Transferor Company to the Applicant Company;

        ii. for the transfer of all properties of the Transferor Company to the Applicant Company;

        iii. for transfer of all licenses, permissions etc. of the Transferor Company to the Applicant Company.

    E. It is further provided for in the Scheme that since the Transferor Company is a wholly owned subsidiary of the Applicant Company, upon the Scheme becoming effective, no shares shall be issued by the Applicant Company.

    F. All employees working with the Transferor Company are on secondment basis from the Transferee Company and on approval of the Scheme of amalgamation of both the Companies by the Central Government, they shall be repatriated to the Transferee Company.

    G. The Scheme provides that upon the same becoming effective, the Transferor Company shall stand dissolved without being wound up.

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