

**Reliance Infrastructure Limited****CIN: L99999MH1929PLC001530**Registered Office:- H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.

Tel: 022 30386286, Fax: 022 30376622, Website: www.rinfra.com

Email : rinfra.investor@relianceada.com

**NOTICE OF COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF  
RELIANCE INFRASTRUCTURE LIMITED**

<b>Day</b>	:	Monday
<b>Date</b>	:	6 <sup>th</sup> June, 2016
<b>Time</b>	:	11.00 a.m.
<b>Venue</b>	:	Reliance Energy Management Institute, Jogeshwari – Vikhroli Link Road, Opposite North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065

<b>E-voting</b>	
<b>Commencing on</b>	9 a.m. on June 3, 2016
<b>Ending on</b>	5 p.m. on June 5, 2016

<b>CONTENTS</b>		
<b>Sr. No</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Notice of the Court Convened Meeting of the Equity Shareholders of Reliance Infrastructure Limited	2
2.	Explanatory statement under Section 393 of the Companies Act, 1956 read with Section 102 and other applicable provisions of the Companies Act, 2013	6
3.	Scheme of Arrangement	15
4.	Fairness Opinion by M/s. Keynote Corporate Services Limited	36
5.	Complaints Report submitted to National Stock Exchange of India Limited and BSE Limited on 12 <sup>th</sup> April, 2016	40
6.	Observation Letters from National Stock Exchange of India Limited and BSE Limited dated 4 <sup>th</sup> May, 2016	41
7.	Proxy Form	45
8.	Attendance Slip	45

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**COMPANY SUMMONS FOR DIRECTION NO 385 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

Reliance Infrastructure Limited

AND

Reliance Electric Generation and Supply Private Limited

AND

their respective shareholders and creditors

**RELIANCE INFRASTRUCTURE LIMITED**, a Company )  
incorporated under the provisions of the Indian Companies Act, )  
1913 and having its registered office at H Block, 1<sup>st</sup> Floor, )  
Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710. ) ..... Applicant Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF RELIANCE INFRASTRUCTURE LIMITED**

To,

**The Equity Shareholder(s) of Reliance Infrastructure Limited** ("Transferor Company" or "Applicant Company")

**TAKE NOTICE** that by an Order made on 6<sup>th</sup> May, 2016, in the above mentioned Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065 on Monday, 6<sup>th</sup> June, 2016 at 11:00 a.m., to transact the following Special Business:

To consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 391 to 394 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) for approval of the proposed Scheme of Arrangement between Reliance Infrastructure Limited ("the Transferor Company" or "RInfra") and Reliance Electric Generation and Supply Private Limited ("the Transferee Company" or "REGSPL") and their respective shareholders and creditors ("**Scheme**" or "**the Scheme**");

**"RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, the rules and regulations made thereunder (including any statutory modification(s)/ amendment(s) and re-enactment(s) thereof) and all other applicable provisions, if any, of the Companies Act, 2013, the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to necessary approvals / consents / sanctions and permissions of the shareholders and / or creditors of the Company, sanction of the Hon'ble High Court of Judicature at Bombay or the National Company Law Tribunal constituted under the provisions of the Companies Act, 2013, as the case may be or such other competent authority, as may be applicable, High Court, the Securities

and Exchange Board of India (SEBI) and concerned Stock Exchange(s) or such other competent authority as may be applicable, and such other approvals / permissions / exemptions, as may be required under applicable laws, regulations, listing regulations and guidelines issued by the regulatory authorities, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), in the matter of Scheme of Arrangement between Reliance Infrastructure Limited ("the Transferor Company" or "RInfra") and Reliance Electric Generation and Supply Private Limited ("the Transferee Company" or "REGSPL") and their respective shareholders and creditors ("Scheme" or "the Scheme"), inter alia, providing for transfer and vesting of the Transferor Company's entire Mumbai Power Generation, Transmission and Distribution Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division on a going concern basis to the Transferee Company for an aggregate lumpsum cash consideration of Rs. 6,282.50 crore, placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

**TAKE FURTHER NOTICE THAT** in pursuance of the said Order, a meeting of the equity shareholders of the Transferor Company will be held at **Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065 on Monday, 6th June, 2016 at 11:00 a.m.** at which place, day, date and time 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 or your authorised signatory, is deposited at the registered office of the Transferor Company at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, not later than 48 hours before the scheduled time of the commencement of the said meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. V R Galkar, Independent Director of the Applicant Company, and failing him, Ms. Ryna Karani, Independent Director of the Applicant Company, and failing her, Mr. S S Kohli, Independent Director of the Applicant Company and failing him, Mr. K Ravikumar, Independent Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme, the explanatory statement under Section 393 of the Companies Act, 1956, Complaints Report, Observation Letters issued by National Stock Exchange of India Limited and BSE Limited, Fairness Opinion, Proxy Form and the Attendance Slip are enclosed herewith.

Place : Mumbai  
Date : May 6, 2016

**Sd/-**  
**V R Galkar**  
**Chairman appointed for the meeting**

**Registered Office:**

Reliance Infrastructure Limited  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN: L99999MH1929PLC001530

## Notes :

- (1) All alterations made in the form of proxy should be initialled.
- (2) Only registered equity shareholders of the Transferor Company may attend and vote (either in person or by proxy or by authorised representative under Section 112 and 113 of the Companies Act, 2013) at the equity shareholders' meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Transferor Company may attend and vote at the equity shareholders' meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the Transferor Company not later than 48 hours before the scheduled time of the commencement of the meeting authorising such representative to attend and vote at the equity shareholders' meeting.
- (3) Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Transferor Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Transferor Company not later than 48 hours before the meeting.
- (4) Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Transferor Company in respect of such joint holding will be entitled to vote.
- (5) **A registered equity shareholder of the Transferor Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Transferor Company. The Proxy Form duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and/ or holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**
- (6) Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Applicant Company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.
- (7) The notice is being sent to all Shareholders, whose name appeared in the Register of Members as on 29<sup>th</sup> April, 2016. This notice of the court convened meeting of the Shareholders of the Company is also displayed/ posted on the website of the Company.
- (8) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the Transferor Company has provided the facility to Members to exercise their votes on resolution through e-voting facility arranged by M/s. Karvy Computershare Private Limited ("**Karvy**") and the business contained in the notice may be transacted through such voting. Instructions for e-voting are given in the e-voting instruction slip.

## Notes for e-voting:

- (9) The e-voting period commences on 3<sup>rd</sup> June, 2016 (9.00 a.m.) and ends on 5<sup>th</sup> June, 2016 (5.00 p.m.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which shall be 30<sup>th</sup> May, 2016 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.

- (10) For the purpose of dispatch of this Notice, Shareholders of the Company holding shares either in physical form or in dematerialised form as on 29<sup>th</sup> April, 2016 have been considered.
- (11) Members who have acquired shares after the dispatch of this Notice and before the cut-off date i.e. 30<sup>th</sup> May, 2016, may approach the Company/Karvy for issuance of the User ID and Password exercising their right to vote by electronic means.
- (12) Voting rights of each member shall be reckoned as on the cut-off date which is 30<sup>th</sup> May, 2016 and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.
- (13) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Transferor Company as on cut off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper. Any person who acquires shares of the Transferor Company and becomes the member of the Transferor Company after the cut-off date i.e. 30<sup>th</sup> May, 2016 shall not be eligible to vote either through e-voting or at Court Convened Meeting.
- (14) Members can opt for only one mode of voting, i.e. either through ballot papers at Court Convened Meeting or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through ballot papers at Court Convened Meeting shall be treated as invalid.
- (15) Members who have cast their vote by remote e-voting prior to the Court Convened Meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (16) Shri Anil Lohia and in his absence Shri Rinkit Uchat, Partners of M/s. Dayal & Lohia, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (17) The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than two days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- (18) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rinfra.com](http://www.rinfra.com) and on the website of <https://evoting.karvy.com> within two days of the passing of the resolution at the Court Convened Meeting (CCM) on 6<sup>th</sup> June, 2016 and communicated to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**COMPANY SUMMONS FOR DIRECTION NO 385 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

Reliance Infrastructure Limited

AND

Reliance Electric Generation and Supply Private Limited

AND

their respective shareholders and creditors

**RELIANCE INFRASTRUCTURE LIMITED**, a Company )  
incorporated under the provisions of the Indian Companies Act, )  
1913 and having its registered office at H Block, 1<sup>st</sup> Floor, )  
Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710. ) ..... Applicant Company

**Explanatory statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 for the court convened meeting of the equity shareholders of Reliance Infrastructure Limited**

1. Pursuant to an Order dated 6<sup>th</sup> day of May, 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction No. 385 of 2016 referred to hereinabove, a meeting of the Equity Shareholders of the Applicant Company is being convened and held on Monday, 6<sup>th</sup> day of June, 2016 at 11.00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Reliance Infrastructure Limited ("the Transferor Company" or "RInfra") and Reliance Electric Generation and Supply Private Limited ("the Transferee Company" or "REGSPL") and their respective shareholders and creditors ("**Scheme**" or "**the Scheme**").
2. The Scheme provides for the transfer and vesting of the Transferred Divisions(s) viz., as per the context, all or one of the Mumbai Power Division, Goa Power Station Division, Samalkot Power Station Division and Windmill Division (as defined in Clause 1.1.11 of the Scheme) of the Transferor Company into the Transferee Company on a going concern basis for an aggregate cash consideration of Rs. 6,282.50 crore pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof).
3. In addition to the Court Convened Meeting of the Equity Shareholders of the Transferor Company pursuant to Sections 391 to 394 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof), approval of the Equity Shareholders of the Transferor Company is also sought by way of e-voting as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") (erstwhile Clause 35B of the Listing Agreement), SEBI Circulars and the Act.
4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, has been approved by the Board of Directors of the Transferor Company at its meeting held on 16<sup>th</sup> March, 2016 is attached to this explanatory statement and forms part of this statement.
5. In this Statement, Reliance Infrastructure Limited is hereinafter referred to as "the Company" or "the Applicant Company" or "RInfra" or "the Transferor Company" and Reliance Electric Generation and Supply Private Limited

as "REGSPL" or "the Transferee Company". The other definitions contained in the Scheme will apply to this Explanatory Statement also.

## 6. Background of the Companies:

### 6.1 Reliance Infrastructure Limited ("the Company" or "the Applicant Company" or "RInfra" or "the Transferor Company")

- (a) RInfra was originally incorporated under the provisions of the Indian Companies Act, VII of 1913 in Bombay, the State of Maharashtra on 1<sup>st</sup> October, 1929, under the name "Bombay Suburban Electric Supply Limited". The name of Company was later changed to "BSES Limited" on 23<sup>rd</sup> December, 1992 under the Companies Act 1956. The name of Company was further changed to "Reliance Energy Limited" on 24<sup>th</sup> April, 2004. The name of the Company was later changed to "Reliance Infrastructure Limited" on 28<sup>th</sup> April 2008.
- (b) The registered office of RInfra is at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.
- (c) The authorised, issued, subscribed and paid-up share capital of RInfra as on December 31, 2015 is as under:

Share Capital	Amount in Rs.
<b>Authorized Share Capital</b>	
45,00,60,000 Equity Shares of Rs. 10 each	4,50,06,00,000
80,00,000 Equity Shares of Rs. 10 each with differential rights	8,00,00,000
155,00,00,000 Redeemable Preference Shares of Rs 10 each	15,50,00,00,000
4,20,00,000 Unclassified Shares of Rs 10 each	42,00,00,000
<b>TOTAL</b>	<b>20,50,06,00,000</b>
<b>Issued Share Capital</b>	
26,53,92,065 Equity Shares of Rs. 10 each fully paid up	<b>2,65,39,20,650</b>
<b>Subscribed and Fully Paid-up Share Capital</b>	
26,29,90,000 Equity Shares of Rs. 10 each fully paid up	2,62,99,00,000
<b>Add:</b> 3,54,479 Forfeited Shares-Amount originally paid up	3,54,479
<b>TOTAL</b>	<b>2,63,02,54,479</b>

Subsequent to December 31, 2015, up to the date of the Scheme being approved by the Board of Directors of the Transferor Company, there is no change in authorised, issued, subscribed and paid-up equity share capital of the Transferor Company.

- (d) The equity shares of RInfra are listed on the National Stock Exchange of India Limited and BSE Limited (together called as the "**Stock Exchanges**"). Global Depository Receipts issued by the Transferor Company are listed on the London Stock Exchange.
- (e) The objects for which RInfra has been established are set out in its Memorandum of Association. The main objects of Transferor Company are set out hereunder:

"1. To acquire from the parties interested therein, take over and work the concession now vested in Sir Thomas William Birkett Knight, Harold Percival Hebblethwaite Esquire, Francis Charles Annesley Esquire, Ellis Cunningham Reid Esquire and Gerald Courtenay Phillips Esquire carrying on business in partnership together at Bombay under the name style of firm of Messieurs Killick Nixon & Company at Killick Building, Home Street, Fort, Bombay and Calendar's Cable and Construction Company Limited, a Company incorporated in England under the English Companies Act and having a Branch Office at Forbes Building, Home Street, Fort, Bombay conferred by the Bombay Suburban Electric License 1926 granted by the Government of Bombay on the 29th May, 1926 and published in the Bombay Government Gazette of the 3rd June, 1926 Part I at page 1272 upon such terms as may appear conducive to the interest of the Company and to pay therefor either in cash or in shares of the Company or partly in

one and partly in the other, and with the object aforesaid to adopt, become parties to, enter into and carry into effect all such agreements, guarantees, deeds, and instruments as may be necessary or as may be deemed advisable or proper, and in particular to become parties to, enter into and carry into effect the Agreements which have already been prepared and are referred to in \* Article 3 of the Articles of Association of the company.

2. To generate, acquire by purchase in bulk, develop and accumulate electrical power at the place or places contemplated by the said License and to transmit, distribute and supply such power throughout the area of supply named therein; and generally to generate, acquire by purchase in bulk, develop and accumulate power at any other place or places and to transmit, distribute and supply such power.
3. To carry on the business of an electric Power, Light and Supply Company in all its branches, and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works, and to generate, acquire by purchase in bulk, accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private."

## 6.2 Reliance Electric Generation and Supply Private Limited ("REGSPL" or "the Transferee Company")

- (a) Reliance Electric Generation and Supply Private Limited was incorporated on 18<sup>th</sup> September, 2008 under the Companies Act, 1956 under the name "Daffodil Advisors Private Limited." The name was later changed to "Tulip Realtech Private Limited" on 12<sup>th</sup> January, 2009. The name was further changed to "Reliance Electric Generation and Supply Private Limited" on 12<sup>th</sup> March, 2016.
- (b) The registered office of REGSPL is at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.
- (c) The authorised, issued, subscribed and paid-up share capital of REGSPL as on December 31, 2015 is as under:

Share Capital	Amount in Rs
<b>Authorized Share Capital</b>	
50,000 Equity shares of Rs. 10 each, fully paid up	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
50,000 Equity shares of Rs. 10 each, fully paid up	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>

Subsequent to December 31, 2015, up to the date of the Scheme being approved by the Board of Directors, there has been no change in the issued, subscribed and paid up share capital of REGSPL.

- (d) The equity shares of REGSPL are not listed on any Stock Exchange.
- (e) The objects for which REGSPL has been established are set out in its Memorandum of Association. The main objects of Transferee Company are set out hereunder:
  - "1. To carry on all or any of the business of production, manufacture, generation, conversion, transformation, processing, storing, processing, supply, distribution of electricity, all form of energy and any such products and by-products derived from such business including without limitation, steam, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including, without limitation to conventional sources such as heat, thermal, hydel and/or from non-conventional sources such as tidal wave, wind, solar, geothermal, biological, biogas and coal bed methane."
- (f) REGSPL is a wholly owned subsidiary of RInfra.



7. The Proposed Scheme was placed before the Board of Directors of the Company on 16<sup>th</sup> March, 2016 wherein the Report on valuation of Transferred Divisions(s) of the Transferor Company issued by SSPA & Co, Chartered Accountants, an independent valuer, and Fairness Opinion issued by M/s. Keynote Corporate Services Limited, were also placed before the Board.

8. **Rationale of the Scheme**

8.1 Each of the several businesses carried on by the Transferor Company either by itself or through its subsidiaries and affiliate companies and through strategic investments in other companies have significant potential for growth. The nature of risk and returns involved in each of these businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, the Transferor Company has decided to transfer Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division into its wholly owned subsidiary Reliance Electric Generation and Supply Private Limited.

8.2 The transfer and vesting of the Transferred Divisions(s) viz. Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division of the Transferor Company pursuant to this Scheme is with a view to achieving following benefits:

- Increasing shareholder value by leveraging diversified investment opportunities;
- Attribution of appropriate risk and valuation to different businesses based on their respective risk-return profile and cash flows;
- Pooling of resources at the Transferor Company level and allocation of capital to each of the businesses based on the risk-return;
- Simplified and transparent business structure resulting into better management control on the businesses and achieving operational synergies.

9. **Salient features of the Scheme are set out as below:**

(a) The Scheme provides for the transfer and vesting of Transferred Divisions(s) viz. Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division of RInfra into REGSPL on a going concern basis for an aggregate consideration of Rs 6,282.50 crores, in accordance with the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and rules made thereunder, SEBI LODR Regulations, and such other approvals / permissions, as may be required under applicable law, regulations, listing agreements and guidelines issued by the regulatory authorities.

(b) "Appointed Date" for the Scheme is 1st April, 2016 or such other date as may be decided by the High Court.

(c) "Effective Date" for each Section of the Scheme means the date of resolution by the Board of Directors of the Transferor Company, resolving that a particular Section of the Scheme has become effective in terms of Clause 7.3.1. of the Scheme where such resolution follows the filing of the certified copies of the order sanctioning this Scheme of Arrangement, passed by the High Court or such other competent authority, as may be applicable, with the Registrar of Companies, by the Transferor Company and by the Transferee Company. All references in any Section of this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date relating to the Section.

(d) With effect from the Appointed Date, the whole of the undertaking and properties of the Transferred Divisions(s) shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to

and vested in and / or be deemed to be transferred to and vested in the Transferee Company on going concern basis so as to vest in the Transferee Company all rights, title and interest pertaining to the Transferred Divisions(s).

- (e) Upon the coming into effect of this Scheme, all employees of the Transferor Company engaged in or in relation to the Transferred Divisions of the Transferor Company and who are in such employment as on the Effective Date shall become the employees of the Transferee Company and subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Transferred Divisions.
- (f) The Transferee Company shall issue its debentures in lieu of the debentures in the Transferor Company on the same terms as that of the existing debentures in the Transferor Company pertaining to the Transferred Divisions subject however that the period of redemption of the debentures issued by the Transferee Company shall not extend beyond the date on which the existing debentures of the Transferor Company are redeemable.
- (g) This Scheme is and shall be conditional upon and subject to (as per clause 7.3 of the Scheme):
  - a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Bombay or any other competent authority, as may be applicable.
  - b. Receipt of written approval from the Maharashtra Electricity Regulatory Commission for Section 2B to the Scheme, either unconditionally or in a form and substance satisfactory to the Transferor Company and Transferee Company (each acting reasonably) with respect to the transactions envisaged under this Scheme and any conditions contained in such approval required to be met taking place whether through the action of the Transferee Company or the Transferor Company;
  - c. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, other than as mentioned above, which by law or otherwise may be necessary for the implementation of this Scheme;
  - d. The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Companies Act, 1956.
  - e. Certified copies of the Orders of the High Court of Judicature at Bombay sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.

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

#### 10. **Board meeting, Valuation Report and Fairness opinion**

In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015 ("SEBI Circular") (erstwhile Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013), the Audit Committee of the Company ("Audit Committee") on 16<sup>th</sup> March, 2016, recommended the Scheme to the Board of Directors of the Company inter-alia taking into account;

- (a) The Valuation Report issued by M/s SSPA & Co, Chartered Accountants, an independent valuer for consideration pursuant to the Scheme;
- (b) The Fairness Opinion issued by M/s. Keynote Corporate Services Limited on the fairness of the Valuation Report.

11. **Approvals**

- (a) The Company has received, in terms of Regulation 37 of SEBI LODR Regulations (erstwhile Clause 24(f) of the Listing Agreement), Observation Letter dated 4<sup>th</sup> May, 2016 from National Stock Exchange of India Limited and BSE Limited respectively. A copy each of the Observation Letters are enclosed as Annexures to this Notice.
- (b) As required under the SEBI circular, the Applicant Company has filed the Complaints Report with BSE Limited and the National Stock Exchange of India Limited on April 12<sup>th</sup>, 2016. After filing of the Complaint Reports, the Applicant Company has not received any complaint. A copy of the Complaints Report is enclosed as Annexures to this Notice.

12. The details of the present directors and Key Managerial Personnel (KMP) of Transferor Company and their respective shareholdings in Transferor Company and Transferee Company are as follows:

Sr. No.	Name	Shares held in Transferor Company	Shares held in Transferee Company
	<b>Directors</b>		
1.	Shri Divyesh Dalal	Nil	Nil
2.	Shri Prakash Khedekar	Nil	Nil
3.	<b>KMP</b>	---	---

13. The details of the present directors and Key Managerial Personnel (KMP) of Transferor Company and their respective shareholdings in Transferor Company and Transferee Company are as follows:

Sr. No.	Name	Shares held in Transferor Company	Shares held in Transferee Company
1.	<b>Directors</b>		
2.	Shri Anil D Ambani	1,39,437	Nil
3.	Shri S Seth	Nil	Nil
4.	Dr V K Chaturvedi	Nil	Nil
5.	Shri S S Kohli	Nil	Nil
6.	Shri K Ravikumar	Nil	Nil
7.	Shri V R Galkar	Nil	Nil
8.	Ms. Ryna Karani	100	Nil
9.	Shri Shiv Prabhat	Nil	Nil
	<b>KMP</b>		
10.	Shri Lalit Jalan, CEO	23	Nil
11.	Shri Madhukar Moolwaney, CFO	Nil	Nil
12.	Shri Ramesh Shenoy, Company Secretary	257	Nil

14. The directors of the Transferor Company and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.

15. Capital Structure – Pre and Post arrangement capital structure of the Transferor Company and the Transferee Company are / would be as mentioned in paragraph 6.1(c) and 6.2(c) above respectively.

16. The pre and post (expected) Scheme equity shareholding pattern of Transferor Company as on March 31, 2016 is as follows:

Sr. No.	Description	Pre & Post arrangement shareholding of Transferor Company (RInfra) – Refer note below	
		Number of shares	% (A+B+C+D)
<b>(A)</b>	<b>Promoter and promoter group</b>		
1	Indian		
(a)	Individuals / Hindu Undivided Family	6,63,424	0.25
(b)	Any other – Bodies Corporate	12,65,13,612	48.11
	<b>Sub-Total A(1):</b>	<b>12,71,77,036</b>	<b>48.36</b>
<b>2</b>	<b>FOREIGN</b>		
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	0	0.00
(b)	Bodies Corporate	0	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>12,71,77,036</b>	<b>48.36</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>		
<b>1</b>	<b>INSTITUTIONS</b>		
(a)	Mutual Funds/UTI	2,83,788	0.11
(b)	Foreign Portfolio Investors / FIIs	5,28,81,380	20.11
(c)	Financial Institutions / Banks ( including Foreign Banks)	11,06,346	0.42
(d)	Insurance Companies	4,06,56,286	15.46
	<b>Sub-Total B(1) :</b>	<b>9,49,27,800</b>	<b>36.10</b>
B(2)	Central Government/ State Government(s)/ President of India	1,31,317	0.05
	<b>Sub-Total B(2):</b>	<b>1,31,317</b>	<b>0.05</b>
<b>B(3)</b>	<b>NON-INSTITUTIONS</b>		
	Individual share capital up to Rs. 2 Lakh	2,66,02,246	10.12
	Individual share capital in excess of Rs. 2 Lakh	8,76,453	0.33
B (4)	Any Other (specify)		
	Overseas	-	-
	Domestic	32,59,233	1.24
	Non Resident Indians	-	-
	Clearing member	8,82,620	0.34
	Non Resident Indians	13,65,756	0.52
	Overseas Corporate Bodies	9,537	0.00
	Trust	-	-
	Person Acting in Concert (PAC)	-	-
	<b>Sub-Total B(4) :</b>	<b>55,17,146</b>	<b>2.10</b>
	<b>Total B=B(1)+B(2)+ B(3) + B (4) :</b>	<b>12,80,54,962</b>	<b>48.69</b>
	<b>Total (A+B) :</b>	<b>25,52,31,998</b>	<b>97.05</b>
(C1)	Shares underlying Depository Receipts	73,08,002	2.78
(C2)	Shares held by Employee Trust	4,50,000	0.17
(C3)	Non Promoter-Non Public	0	0.00
	<b>Sub-Total (C) :</b>	<b>77,58,002</b>	<b>2.95</b>
<b>(D)</b>	<b>Foreign Government</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A+B+C+D) :</b>	<b>26,29,90,000</b>	<b>100.00</b>

Note: There will be no change in the pre and post Scheme of Arrangement in the shareholding pattern of the Transferor Company as no shares would be issued pursuant to the Scheme.

17. The pre and post (expected) Scheme equity shareholding pattern of Transferee Company as on December 31, 2015 is as follows:

<b>Share Capital</b>	<b>Amount in ₹</b>
<b>Authorized Share Capital</b>	
50,000 Equity shares of Rs. 10 each, fully paid up	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
50,000 Equity shares of Rs. 10 each, fully paid up	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>

REGSPL is a wholly owned subsidiary of RInfra.

Note : There will be no change in the Pre and Post Scheme of Arrangement in the shareholding pattern of the Transferee Company as no shares would be issued pursuant to the scheme.

18. The rights and interests of the Equity Shareholders, Secured or Unsecured Creditors of the Transferor Company and the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
19. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 and Section 210 of the Companies Act, 2013, against the Transferor Company.
20. Each of the Sections of the Scheme pertaining to transfer and vesting of Transferred Divisions (Section 2A to 2D of the Scheme) is independent. Each section of the Scheme would be effective as and when the requisite approvals are received in terms of para 7.3.1 of the scheme. Therefore, the non implementability of each of the said Sections for non receipt of necessary approvals shall not affect the implementability or otherwise of the other Sections of the Scheme, wherein requisite approvals are obtained. The Board of Directors of the Transferor Company and the Transferee Company, shall mutually resolve as to whether and when each Section of the Scheme becomes effective.
21. In the event all of the aforesaid approvals not being received by 31<sup>st</sup> March, 2017 or such other date as may be decided by the Board of Directors of the Transferor Company and the Transferee Company, they may resolve that the said Section or transfer of that particular asset or liability shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise be expedient and be agreed by the Board of the Transferor Company and the Transferee Company.
22. This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013.
23. On the Scheme being approved by the requisite majority of the Shareholders, the Transferor and the Transferee Company shall file a petition with the Hon'ble High Court of Judicature at Bombay for sanction of the Scheme under Sections 391 to 394 and other applicable provisions of the Act.
24. The following documents will be open for inspection by the equity shareholders of the Transferor Company up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 a.m. and 2:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays:
- (i) Copy of the Order dated 6<sup>th</sup> May, 2016 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 385 of 2016 directing the convening of the meeting of the Equity Shareholders of Transferor Company;
  - (ii) Copy of the Company Summons for Directions No. 385 of 2016 of Transferor Company;
  - (iii) Scheme of Arrangement;
  - (iv) Memorandum and Articles of Association of Transferor Company and Transferee Company;

- (v) Annual Reports of Transferor Company and Transferee Company for the financial year ended March 31, 2015;
  - (vi) Copy of the valuation report dated 16<sup>th</sup> March, 2016 issued by M/s. SSPA & Co, Chartered Accountants, an independent valuer;
  - (vii) Copy of the Fairness Opinion dated 16<sup>th</sup> March, 2016 issued by M/s. Keynote Corporate Services Limited;
  - (viii) Copy of the Complaints Report submitted to National Stock Exchange of India Limited and BSE Limited on 12<sup>th</sup> April, 2016 and also uploaded on Transferor Company's website;
  - (ix) Copy of Observation letters dated 4<sup>th</sup> May, 2016 received from National Stock Exchange of India Limited and BSE Limited;
  - (x) Register of Director's Shareholdings of Transferor Company.
25. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Transferor Company or/and at the office of the advocate situated at M/s. Rajesh Shah & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001.

Place : Mumbai  
Date : May 6, 2016

**Sd/-**  
**V R Galkar**  
**Chairman appointed for the meeting**

**Registered Office:**

Reliance Infrastructure Limited  
H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN: L99999MH1929PLC001530

**SCHEME OF ARRANGEMENT**  
**BETWEEN**  
**RELIANCE INFRASTRUCTURE LIMITED**  
**AND**  
**RELIANCE ELECTRIC GENERATION AND SUPPLY PRIVATE LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**PREAMBLE**

This Scheme of Arrangement ("Scheme") is presented under Sections 391 to 394 of the Companies Act, 1956 for transfer and vesting of Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division of Reliance Infrastructure Limited ("RInfra" or "the Transferor Company") into Reliance Electric Generation and Supply Private Limited ("REGSPL" or "the Transferee Company") on a going concern basis pursuant to the relevant provisions of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013 (as defined hereinafter) and such other approvals / permissions, as may be required under applicable law, regulations, listing agreements and guidelines issued by the regulatory authorities.

The Transferor Company will continue to pursue its interests in the Remaining Business (as defined hereinafter) as is presently being carried out subject to the regulatory requirements, risks, etc, specific to its Remaining Business (as defined hereinafter).

This Scheme also makes provisions for various other matters consequential or related hereto and otherwise integrally connected herewith.

It is hereby clarified and stated that upon the relevant Sections of the Companies Act, 2013 pertaining to Scheme of Compromise, Arrangement, or Amalgamation of companies being notified by the Ministry of Corporate Affairs ("MCA"), this Scheme shall if so required and permitted be deemed to have been formulated and presented under Sections 230 to 240 of the Companies Act, 2013 read with applicable Rules made thereunder.

**RATIONALE**

1. RInfra and Reliance Electric Generation and Supply Private Limited are part of Reliance Group.
2. The Transferor Company is listed on BSE Limited and National Stock Exchange of India Limited. It is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors within the infrastructure space such as Power, Roads, Metro Rail, Cement and Defence. It is a leading utility company having presence across the value chain of power businesses, i.e. Generation, Transmission, Distribution and Power Trading. It also provides Engineering, Procurement and Construction (EPC) services for developing power and road projects.
3. Reliance Electric Generation and Supply Private Limited is a wholly owned subsidiary of the Transferor Company.
4. Each of the several businesses carried on by the Transferor Company either by itself or through its subsidiaries and affiliate companies and through strategic investments in other companies have significant potential for growth. The nature of risk and returns involved in each of these businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, the Transferor Company has decided to transfer

Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division into its wholly owned subsidiary Reliance Electric Generation and Supply Private Limited.

5. The transfer and vesting of the Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division of the Transferor Company pursuant to this Scheme is with a view to achieve following benefits:
- Increasing shareholders' value by leveraging diversified investment opportunities
  - Attribution of appropriate risk and valuation to different businesses based on their respective risk-return profile and cash flows;
  - Pooling of resources at the Transferor Company level and allocation of capital to each of the businesses based on the risk-return;
  - Simplified and transparent business structure resulting into better management control on the businesses and achieving operational synergies.

## **PARTS OF THE SCHEME**

The Scheme is divided into the following sections:

- (a) **SECTION 1** deals with the Definitions and Share Capital;
- (b) **SECTION 2A** deals with transfer of Goa Power Station Division of the Transferor Company into Reliance Electric Generation and Supply Private Limited;
- (c) **SECTION 2B** deals with transfer of Mumbai Power Division of the Transferor Company into Reliance Electric Generation and Supply Private Limited;
- (d) **SECTION 2C** deals with transfer of Samalkot Power Station Division of the Transferor Company into Reliance Electric Generation and Supply Private Limited;
- (e) **SECTION 2D** deals with transfer of Windmill Division of the Transferor Company into Reliance Electric Generation and Supply Private Limited;
- (f) **SECTION 3** deals with General Clauses, Terms and Conditions; and
- (g) **SECTION 4** deals with Other Terms and Conditions.

## **SECTION 1**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1.1. DEFINITIONS**

In this Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1.1. **"Act" or "the Act"** means the Companies Act, 1956, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013, the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government;
- 1.1.2. **"Appointed Date"** means 1<sup>st</sup> April, 2016 or such other date as may be decided by the High Court;
- 1.1.3. **"Board"** means the Board of Directors or in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such Company, and shall include



a committee duly constituted and authorised thereby for the purpose of matters pertaining to the Scheme and/or any other consequential or incidental matter in relation thereto;

- 1.1.4. **"Capital Reserve"** means a reserve, not being a free reserve and not available for declaring dividend; however, available for issue of bonus shares;
- 1.1.5. **"Court"** or **"High Court"** means the Hon'ble High Court of Judicature at Bombay under the Companies Act, 1956 or such other Tribunal (i.e.) the National Company Law Tribunal ("NCLT") and the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under sections 230 to 240 of the Companies Act, 2013;
- 1.1.6. **"Effective Date"** for each Section of the Scheme means the date of resolution by the Board of Directors of the Transferor Company, resolving that a particular Section of the Scheme has become effective in terms of Clause 7.3.1. of this Scheme where such resolution follows the filing of the certified copies of the order sanctioning this Scheme of Arrangement, passed by the High Court or such other competent authority, as may be applicable, with the Registrar of Companies, by the Transferor Company and by the Transferee Company. All references in any Section of this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date relating to the Section;
- 1.1.7. **"Free Reserves"** means uncommitted reserves, not being capital reserves, available without limitation for all purposes including declaration of dividends and bonus shares;
- 1.1.8. **"Goa Power Station Division"** means the power plant situated at Goa of the Transferor Company on a going concern basis along with all related assets, liabilities, employees as follows:
- a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to use the land on which the Goa Power Station Division is located), tangible or intangible, including all land, capital work in progress, building, plant and machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Goa Power Station Division;
  - b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Goa Power Station Division of the Transferor Company:
    - a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax, works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever;
    - b. inventories, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to Goa Power Station Division of the Transferor Company;

- c. all trademarks, trade names, copyrights, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom, whether registered, unregistered or pending registration, if any, pertaining to or relatable to the Goa Power Station Division;
  - d. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Transferor Company;
  - e. all books, records, files, papers, computer programs, engineering and process information, all product and service pricing, drawings & designs, manuals, production methodologies, generation, distribution and transmission plans, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, regulatory submissions and filings and other records whether in physical form or electronic form or in any other form;
- c) all debts, borrowings, debentures, provisions and liabilities including interest accrued thereon, whether present and future, whether secured and unsecured and the specific contingent liabilities pertaining to or relatable to the Goa Power Station Division;
  - d) all employees of the Transferor Company substantially engaged in the Goa Power Station Division as determined by the Board of Directors of the Transferor Company;
  - e) all legal, tax, regulatory, quasi-judicial, administrative proceedings, suits, appeals, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Goa Power Station Division;

Explanation: Whether any particular asset or liability should be included as asset or liability of the Goa Power Station Division or otherwise shall be decided mutually by the Directors or any committee thereof of the Transferor Company and the Transferee Company;

1.1.9. **"Mumbai Power Division"** means Mumbai Power Generation, Transmission and Distribution business of the Transferor Company on a going concern basis along with all related assets, liabilities, employees as follows:

- a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to various parcels of land on which activities relating to the Mumbai Power Generation, Transmission and Distribution business are located or carried out), tangible or intangible, including all land, capital work in progress, building, plant & machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Mumbai Power Generation, Transmission and Distribution business;
- b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Mumbai Power Generation, Transmission and Distribution business of the Transferor Company:
  - a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax,

works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever;

- b. inventories, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Mumbai Power Generation, Transmission and Distribution business of the Transferor Company;
- c. all trademarks, trade names, copyrights, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom, whether registered, unregistered or pending registration, if any, pertaining to or relatable to the Mumbai Power Generation, Transmission and Distribution business;
- d. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Transferor Company;
- e. all books, records, files, papers, computer programs, engineering and process information, all product and service pricing, drawings & designs, manuals, production methodologies, generation, distribution and transmission plans, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, regulatory submissions and filings and other records whether in physical form or electronic form or in any other form;
- c) all debts, borrowings, debentures, provisions and liabilities including interest accrued thereon, whether present and future, whether secured and unsecured and the specific contingent liabilities pertaining to or relatable to the Mumbai Power Generation, Transmission and Distribution business;
- d) Debenture Redemption Reserve, Revaluation Reserve, Contingencies Reserve Fund, Development Reserve Account No.1, Development Reserve Account No.2, Debt Redemption Reserve, Rural Electrification Scheme Reserve, Reserve to Augment Production Facilities, Reserve for Power Project, Development Reserve Account No. 3, Service Line Contribution pertaining to the Mumbai Power Division.
- e) all employees of the Transferor Company substantially engaged in the Mumbai Power Generation, Transmission and Distribution business as determined by the Board of Directors of the Transferor Company;
- f) all legal, tax, regulatory, quasi-judicial, administrative proceedings, suits, appeals, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Mumbai Power Generation, Transmission and Distribution business;

Explanation: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Mumbai Power Generation, Transmission and Distribution business or otherwise shall be decided mutually by the Directors or any committee thereof of the Transferor Company and the Transferee Company;

1.1.10. **"Samalkot Power Station Division"** means power plant situated at Samalkot, Andhra Pradesh, of the Transferor Company on a going concern basis along with all related assets, liabilities, employees as follows:

- a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to use the land on which the Samalkot Power Station Division is located), tangible or intangible, including all land, capital work in progress, building, plant & machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Samalkot Power Station Division;
- b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Samalkot Power Station Division of the Transferor Company:
  - a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax, works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever;
  - b. inventories, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Samalkot Power Station Division of the Transferor Company;
  - c. all trademarks, trade names, copyrights, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom, whether registered, unregistered or pending registration, if any, pertaining to or relatable to the Samalkot Power Station Division;
  - d. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Transferor Company;
  - e. all books, records, files, papers, computer programs, engineering and process information, all product and service pricing, drawings & designs, manuals, production methodologies, generation, distribution and transmission plans, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, regulatory submissions and filings and other records whether in physical form or electronic form or in any other form;
- c) all debts, borrowings, debentures, provisions and liabilities including interest accrued thereon, whether present and future, whether secured and unsecured and the specific contingent liabilities pertaining to or relatable to the Samalkot Power Station Division;
- d) all employees of the Transferor Company substantially engaged in the Mumbai Power Generation, Transmission and Distribution business as determined by the Board of Directors of the Transferor Company;

- e) all legal, tax, regulatory, quasi-judicial, administrative proceedings, suits, appeals, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Samalkot Power Station Division;

Explanation: Whether any particular asset or liability should be included as asset or liability of the Samalkot Power Station Division or otherwise shall be decided mutually by the Directors or any committee thereof of the Transferor Company and the Transferee Company;

- 1.1.11. **"Transferred Division"** and **"Transferred Divisions"** means as per the context all or one of the Mumbai Power Division, Goa Power Station Division, and Samalkot Power Station Division and Windmill Division of the Transferor Company;
- 1.1.12. **"Transferor Company"** or **"RInfra"** means Reliance Infrastructure Limited, a company incorporated under the Indian Companies Act, 1913, and having its registered office at H Block, 1st floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710;
- 1.1.13. **"Transferee Company"** or **"REGSPL"** means Reliance Electric Generation and Supply Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at H Block, 1st floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710;
- 1.1.14. **"Remaining Business of RInfra"** means all the undertakings, businesses, units, divisions, activities, investments and operations (including but not limited to Engineering, Procurement and Construction (EPC) business) and their respective assets and liabilities including employees of the Transferor Company other than those forming part of Transferred Divisions pursuant to this Scheme;
- 1.1.15. **"Registrar of Companies"** means the Registrar of Companies, Mumbai;
- 1.1.16. **"Scheme"** or **"the Scheme"** or **"this Scheme"** or **"Scheme of Arrangement"** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Judicature at Bombay or this Scheme with such modification(s), if any made, as per Clause 7.2 of the Scheme;
- 1.1.17. **"Windmill Division"** means the wind farm situated at Karnataka of the Transferor Company on a going concern basis along with all related assets, liabilities, employees as follows:
  - a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to use the land on which the Windmill Division is located), tangible or intangible, including all land, capital work in progress, building, plant & machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Windmill Division;
  - b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Windmill Division of the Transferor Company:
    - a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax, works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever;

- b. inventories, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Windmill Division of the Transferor Company;
  - c. all trademarks, trade names, copyrights, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom, whether registered, unregistered or pending registration, if any, pertaining to or relatable to the Windmill Division;
  - d. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Transferor Company;
  - e. all books, records, files, papers, computer programs, engineering and process information, all product and service pricing, drawings & designs, manuals, production methodologies, generation, distribution and transmission plans, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, regulatory submissions and filings and other records whether in physical form or electronic form or in any other form;
- c) all debts, borrowings, debentures, provisions and liabilities including interest accrued thereon, whether present and future, whether secured and unsecured and the specific contingent liabilities pertaining to or relatable to the Windmill Division;
  - d) all employees of the Transferor Company substantially engaged in the Windmill Division as determined by the Board of Directors of the Transferor Company;
  - e) all legal, tax, regulatory, quasi-judicial, administrative proceedings, suits, appeals, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Windmill Division;

Explanation: Whether any particular asset or liability should be included as asset or liability of the Windmill Division or otherwise shall be decided mutually by the Directors or any committee thereof of the Transferor Company and the Transferee Company.

All terms and words 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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

## 1.2. SHARE CAPITAL

1.2.1. The share capital of the Transferor Company as on December 31, 2015 is as under:

Share Capital	Amount in ₹
<b>Authorized Share Capital</b>	
45,00,60,000 Equity Shares of ₹ 10 each	4,50,06,00,000
80,00,000 Equity Shares of ₹ 10 each with differential rights	8,00,00,000
155,00,00,000 Redeemable Preference Shares of ₹ 10 each	15,50,00,00,000
4,20,00,000 Unclassified Shares of ₹ 10 each	42,00,00,000
<b>TOTAL</b>	<b>20,50,06,00,000</b>
<b>Issued Share Capital</b>	
26,53,92,065 Equity Shares of ₹ 10 each fully paid up	2,65,39,20,650
Subscribed and Fully Paid-up Share Capital	
26,29,90,000 Equity Shares of ₹ 10 each fully paid up	2,62,99,00,000
Add: 3,54,479 Forfeited Shares–Amount originally paid up	3,54,479
<b>TOTAL</b>	<b>2,63,02,54,479</b>

The shares of the Transferor Company are listed on the BSE Limited and the National Stock Exchange of India Limited. Subsequent to December 31, 2015, up to the date of the Scheme being approved by the Board of Directors of the Transferor Company there is no change in authorised, issued, subscribed and paid-up equity share capital of the Transferor Company.

1.2.2. The share capital of the Transferee Company as on December 31, 2015 is as under:

Share Capital	Amount in ₹
<b>Authorized Share Capital</b>	
50,000 Equity Shares of ₹ 10 each	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital</b>	
50,000 Equity Shares of ₹ 10 each	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>

Subsequent to December 31, 2015, upto the date of the Scheme being approved by the Board of Directors of the Transferee Company there is no change in authorised, issued, subscribed and paid-up equity share capital of the Transferee Company.

The entire share capital of the Transferee Company is held by the Transferor Company along with nominee shareholders.

## 1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE

Each Section of the Scheme, set out herein in its present form or with any modifications(s) in accordance with Clause 7.2 of the Scheme shall be effective from the Appointed Date but operative from the Effective Date.

### SECTION 2A

## 2.1 TRANSFER AND VESTING OF GOA POWER STATION DIVISION OF THE TRANSFEROR COMPANY INTO THE TRANSFEE COMPANY

2.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Goa Power Station Division of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, as a going concern, in the following manner:

- a) With effect from the Appointed Date, the whole of the undertaking and properties of the Goa Power Station Division shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on going concern basis so as to vest in the Transferee Company all rights, title and interest pertaining to the Goa Power Station Division.
- b) With effect from the Appointed Date and upon the Scheme becoming effective, all the immovable properties of the Goa Power Station Division, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party.
- c) In respect of such of the assets and properties forming part of the Assets pertaining to the Goa Power Station Division as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and / or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- d) In respect of assets other than those dealt with in Clause (c) above and forming part of the Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Goa Power Station Division, whether recoverable in cash or in kind or for value to be received, the same 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 Companies Act, 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, 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 and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.
- e) With effect from the Appointed Date, all debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to Goa Power Station Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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 debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

## **2.2 CONSIDERATION**

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Goa Power Station Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lump sum cash consideration of ₹ 109 crore (Rupees One Hundred and Nine Crore) to the Transferor Company.



### **2.3 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY**

- 2.3.1 The Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as part of the Goa Power Station Division pursuant to the Scheme.
- 2.3.2 The Transferor Company shall transfer the revaluation reserve pertaining to the Goa Power Station Division, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.
- 2.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the Goa Power Station Division over the value of the lumpsum Consideration receivable by the Transferor Company.

### **2.4 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

- 2.4.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the Assets and Liabilities comprised in the Goa Power Station Division transferred to and vested in it pursuant to this Scheme, at the fair market value as on the Appointed Date.
- 2.4.2 The deficit or excess, if any, remaining after recording the aforesaid entries over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

## **SECTION 2B**

### **3.1 TRANSFER AND VESTING OF MUMBAI POWER DIVISION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY**

- 3.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Mumbai Power Division of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, as a going concern, in the following manner:
  - a) With effect from the Appointed Date, the whole of the undertaking and properties of the Mumbai Power Division shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on going concern basis so as to vest in the Transferee Company all rights, title and interest pertaining to the Mumbai Power Division.
  - b) With effect from the Appointed Date and upon the Scheme becoming effective, all the immovable properties of the Mumbai Power Division, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party.
  - c) In respect of such of the assets and properties forming part of the Assets pertaining to the Mumbai Power Division as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and / or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
  - d) In respect of assets other than those dealt with in Clause(c) above and forming part of the Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Mumbai Power Division, whether recoverable in cash or in kind or for value to

be received, the same 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 Companies Act, 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, 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 and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.

- e) With effect from the Appointed Date, all reserves, debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to Mumbai Power Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the reserves, debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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 reserves, debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- f) The Transferee Company shall issue its debentures in lieu of the debentures in the Transferor Company on the same terms as that of the existing debentures in the Transferor Company subject however that the period of redemption of the debentures issued by the Transferee Company shall not extend beyond the date on which the existing debentures of the Transferor Company are redeemable.

### **3.2 CONSIDERATION**

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Mumbai Power Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lump sum cash consideration of ₹ 5,575 crore (Rupees Five Thousand Five Hundred and Seventy Five Crore) to the Transferor Company.

### **3.3 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY**

- 3.3.1 The Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as part of the Mumbai Power Division pursuant to the Scheme.
- 3.3.2 The Transferor Company shall transfer the reserves as mentioned in clause 1.1.9(d) transferred as part of the Mumbai Power Division pursuant to the Scheme, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.
- 3.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the Mumbai Power Division over the value of the lumpsum Consideration receivable by the Transferor Company.

### **3.4 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY**

- 3.4.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the Assets and Liabilities comprised in the Mumbai Power Division transferred to and vested in it pursuant to this Scheme, at the fair market value as on the Appointed Date.

- 3.4.2 The Transferee Company shall record the reserves as mentioned in clause 1.1.9(d) at the amounts appearing in the books of Transferor Company as on the Appointed Date, transferred as part of the Mumbai Power Division pursuant to the Scheme.
- 3.4.3 The deficit or excess, if any, remaining after recording the aforesaid entries specified in clause 3.4.1 and 3.4.2 above over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

## **SECTION 2C**

### **4.1 TRANSFER AND VESTING OF SAMALKOT POWER STATION DIVISION OF THE TRANSFEROR COMPANY INTO THE TRANSFEEE COMPANY**

- 4.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Samalkot Power Station Division of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, as a going concern, in the following manner:
- a) With effect from the Appointed Date, the whole of the undertaking and properties of the Samalkot Power Station Division shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on going concern basis so as to vest in the Transferee Company all rights, title and interest pertaining to the Samalkot Power Station Division.
  - b) With effect from the Appointed Date and upon the Scheme becoming effective, all the immovable properties of the Samalkot Power Station Division, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party.
  - c) In respect of such of the assets and properties forming part of the Assets pertaining to the Samalkot Power Station Division as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and / or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
  - d) In respect of assets other than those dealt with in Clause(c) above and forming part of the Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Samalkot Power Station Division, whether recoverable in cash or in kind or for value to be received, the same 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 Companies Act, 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, 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 and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.

- e) With effect from the Appointed Date, all debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to Samalkot Power Station Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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 debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

## **4.2 CONSIDERATION**

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Samalkot Power Station Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lumpsum cash consideration of ₹ 563 crore (Rupees Five Hundred and Sixty Three Crore) to the Transferor Company.

## **4.3 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY**

- 4.3.1 The Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as part of the Samalkot Power Station Division pursuant to the Scheme.
- 4.3.2 The Transferor Company shall transfer the revaluation reserve pertaining to the Samalkot Power Station Division, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.
- 4.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the Samalkot Power Station Division over the value of the lumpsum Consideration receivable by the Transferor Company.

## **4.4 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY**

- 4.4.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the Assets and Liabilities comprised in the Samalkot Power Station Division transferred to and vested in it pursuant to this Scheme, at the fair market value as on the Appointed Date.
- 4.4.2 The deficit or excess, if any, remaining after recording the aforesaid entries over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

## **SECTION 2D**

### **5.1 TRANSFER AND VESTING OF WINDMILL DIVISION OF THE TRANSFEROR COMPANY INTO THE TRANSFEEE COMPANY**

- 5.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Windmill Division of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, as a going concern, in the following manner:
- a) With effect from the Appointed Date, the whole of the undertaking and properties of the Windmill Division shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on

going concern basis so as to vest in the Transferee Company all rights, title and interest pertaining to the Windmill Division.

- b) With effect from the Appointed Date and upon the Scheme becoming effective, all the immovable properties of the Windmill Division, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party.
- c) In respect of such of the assets and properties forming part of the Assets pertaining to the Windmill Division as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and / or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- d) In respect of assets other than those dealt with in Clause(c) above and forming part of the Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Windmill Division, whether recoverable in cash or in kind or for value to be received, the same 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 Companies Act, 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, 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 and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.
- e) With effect from the Appointed Date, all debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to Windmill Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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 debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

## **5.2 CONSIDERATION**

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Windmill Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lumpsum cash consideration of ₹ 35.50 crore (Rupees Thirty Five Crore and Fifty Lakh) to the Transferor Company.

## **5.3 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY**

5.3.1 The Transferor Company shall reduce from its books, the book value of assets and liabilities, as on the Appointed Date, transferred as part of the Windmill Division pursuant to the Scheme.

- 5.3.2 The Transferor Company shall transfer the revaluation reserve pertaining to the Samalkot Power Station Division, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.
- 5.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the Windmill Division over the value of the lumpsum Consideration receivable by the Transferor Company.

#### **5.4 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY**

- 5.4.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the Assets and Liabilities comprised in the Windmill Division transferred to and vested in it pursuant to this Scheme, at the fair market value as on the Appointed Date.
- 5.4.2 The deficit or excess, if any, remaining after recording the aforesaid entries over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

### **SECTION 3**

#### **GENERAL CLAUSES, TERMS AND CONDITIONS**

##### **6.1 PERMITS, REGULATORY APPROVALS, TAX INCENTIVES AND TAX CREDITS**

- 6.1.1 With effect from the Appointed Date, all the statutory licenses, permissions, approvals, consents held by the Transferor Company pertaining to the Transferred Divisions without any further act or deed shall be deemed to be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Licenses shall endorse where necessary, and record the Transferee Company on such Licenses so as to empower and facilitate the approval and vesting of the Transferred Divisions of the Transferor Company in the Transferee Company and continuation of operations pertaining to the Transferred Divisions of the Transferor Company in the Transferee Company without any hindrance, and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company. The benefit of all Licenses, statutory and regulatory, including tax registrations, permissions or approvals or consents required to carry on the operations of the Transferred Divisions shall without any other order to this effect, vest into and become available to the Transferee Company pursuant to the sanction of this Scheme.
- 6.1.2 In so far as the immovable properties pertaining to the Transferred Divisions held by the Transferor Company is concerned, parties shall register the true copy of the order of the High Court approving the Scheme or if so required or advised conveyance deed(s) entered into by the Transferor Company and Transferee Company for the purpose of transferring the immovable properties, as the case may be, with the offices of the relevant sub-registrar of assurance or similar registering authority. All the rights of the Transferor Company in such immovable properties of the Transferred Divisions shall on the Scheme becoming effective stand transferred to the Transferee Company and where required such authorities shall make necessary mutation entries and changes in the land or revenue or other applicable records to reflect the name of the Transferee Company as owner of the immovable properties.
- 6.1.3 The Transferor Company in relation to the Transferred Divisions may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Transferred Divisions shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits, deductions,

exemptions under the income tax, excise, sales tax, service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Transferred Divisions, to the extent statutorily available, shall be claimed by the Transferee Company.

6.1.4 The Transferee Company will be the successor of the Transferor Company vis-à-vis the Transferred Divisions. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Transferred Divisions and the obligations if any for payment of the tax on any assets forming part of Transferred Divisions or their erection and / or installation, etc. shall be deemed to have been availed by the Transferee Company or as the case may be deemed to be the obligations of the Transferee Company. Consequently, and as the Scheme does not contemplate removal of any asset by the Transferee Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by the Transferor Company.

## **6.2 REMAINING BUSINESS OF THE TRANSFEROR COMPANY**

6.2.1 It is clarified that, the Remaining Business and all the assets, liabilities and obligations of the Transferor Company other than those transferred pursuant to this Scheme shall continue to belong to and be managed by the Transferor Company.

6.2.2 All legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Transferor Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferor Company in respect of the Remaining Business of the Transferor Company) shall be continued and enforced by or against the Transferor Company.

6.2.3 With effect from the Appointed Date and including the Effective Date –

- a. The Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Transferor Company for and on its own behalf;
- b. all profit accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business of the Transferor Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Transferor Company.

## **6.3 CONDUCT OF BUSINESS OF TRANSFERRED DIVISIONS UNTIL THE EFFECTIVE DATE**

6.3.1 With effect from the date of filing the Scheme in the High Court and up to and including the Effective Date except in the ordinary course of business the Transferor Company shall not without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of the Transferred Divisions or any material assets or part thereof.

## **6.4 LEGAL PROCEEDINGS**

6.4.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date and relating to the Transferred Divisions, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

- 6.4.2 After the Effective Date, if any proceedings are taken against the Transferor Company in respect of the matters referred above, it shall defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 6.4.3 The Transferee Company undertake to have all respective legal or other proceedings initiated by or against the Transferor Company as referred above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company as the case may be, to the exclusion of the Transferor Company.

## **6.5 CONTRACTS, DEEDS, ETC.**

- 6.5.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, memorandum of understandings and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferred Divisions of the Transferor Company, shall continue in full force and effect against or in favour of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 6.5.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

## **6.6 SAVING OF CONCLUDED TRANSACTIONS**

- 6.6.1 The transfer of properties and liabilities above and the continuance of proceedings by or against the Transferee Company above shall not affect any transaction or proceedings already concluded in the Transferor Company, in relation to the respective Transferred Divisions on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by the Transferor Company, in relation to the respective Transferred Divisions in respect thereto as done and executed on their behalf.

## **6.7 STAFF, WORKMEN & EMPLOYEES**

- 6.7.1 Upon the coming into effect of this Scheme, all employees of the Transferor Company engaged in or in relation to the Transferred Divisions of the Transferor Company and who are in such employment as on the Effective Date shall become the employees of the Transferee Company and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Transferred Divisions.
- 6.7.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the employees related to the Transferred Divisions (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees related to the Transferred Divisions being transferred to the Transferee Company, in terms of Clause 6.7.1 above shall be transferred to the Transferee Company and shall be held for their benefit pursuant to this Scheme in



the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees related to respective Transferred Divisions or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company do not have their own funds in respect of any of the above, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of the Transferor Company, until such time that the Transferee Company create their own fund, at which time the Funds and the investments and contributions pertaining to the employees related to Transferred Divisions shall be transferred to the funds created by the Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of the Transferor Company and the Transferee Company may decide to continue to make the said contributions to the Funds of the Transferor Company.

## **6.8 SECURITY CHARGE AGAINST LOANS**

It is provided that unless otherwise determined by the Board of Directors of the Transferor Company and the Transferee Company, the security or charge relating to existing loans, borrowings or debentures of the Transferor Company, in relation to the Transferred Divisions shall without any further act or deed continue to relate to the existing security, whether forming part of the Transferred Divisions or not after the Effective Date irrespective of the fact that the asset being offered as security may be part of the Transferor Company or the Transferee Company.

## **SECTION 4**

### **OTHER TERMS AND CONDITIONS**

#### **7.1 APPLICATION TO HIGH COURT**

The Transferor Company and the Transferee Company shall as may be required make applications and/or petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanction of this Scheme and all matters ancillary or incidental thereto.

#### **7.2 MODIFICATION OR AMENDMENTS TO THE SCHEME**

Subject to approval of High Court, the Transferee Company and the Transferor Company with the approval of their respective Boards of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and or impose. The aforesaid powers of the Transferee Company and the Transferor Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Boards of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the Hon'ble Court or any other authorities under applicable law.

#### **7.3 CONDITIONALITY OF THE SCHEME**

7.3.1 This Scheme is and shall be conditional upon and subject to:

- a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Bombay or any other competent authority, as may be applicable.

- b) Receipt of written approval from the Maharashtra Electricity Regulatory Commission for Section 2B to the Scheme, either unconditionally or in a form and substance satisfactory to the Transferor Company and Transferee Company (each acting reasonably) with respect to the transactions envisaged under this Scheme and any conditions contained in such approval required to be met taking place whether through the action of the Transferee Company or the Transferor Company;
- c) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, other than as mentioned above in this Clause, which by law or otherwise may be necessary for the implementation of this Scheme;
- d) The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Companies Act, 1956.
- e) Certified copies of the Orders of the High Court of Judicature at Bombay sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.

7.3.2 Each of the Sections of the Scheme pertaining to transfer and vesting of Transferred Divisions (Section 2A to 2D of the Scheme) is independent. Each Section of the Scheme would be effective as and when the aforesaid requisite approvals are received. Therefore, the non implementability of each of the said Sections for non receipt of necessary approvals shall not affect the implementability or otherwise of the other Sections of the Scheme, wherein requisite approvals are obtained. The Board of Directors of the Transferor Company and the Transferee Company, shall mutually resolve as to whether and when each Section of the Scheme becomes effective.

7.3.3 The non – receipt of any of the aforesaid approvals for a particular asset or liability forming part of any of the Transferred Divisions getting transferred pursuant to this Scheme, shall not affect the effectiveness of the said Section of the Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide. If permitted by law, the asset pending transfer shall be held by the Transferor Company in trust for and on behalf of the Transferee Company. In the event of non receipt of approval of any lender / creditor for the transfer of any liability, then at the option of the Board of Directors of the Transferee Company, it may issue a security / recognize a liability in favour of the Transferor Company on the same terms. The transfer of such asset or liability, shall become effective with effect from the Appointed Date as and when the said requisite approvals are received or aforesaid liability being recognized / security being issued and the provisions of the Scheme shall apply appropriately to the said transfer/ issue / recognition.

7.3.4 In the event all of the aforesaid approvals not being received by 31<sup>st</sup> March, 2017 or such other date as may be decided by the Board of Directors of the Transferor Company and the Transferee Company, they may resolve that the said Section or transfer of that particular asset or liability shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise be expedient and be agreed by the Board of the Transferor Company and the Transferee Company.

#### **7.4 REPEALS AND SAVINGS**

Any matter filed with Registrar of Companies, Regional Director or the Central Government under the Companies Act, 1956, before the notification of the corresponding provisions under the Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director or the Central Government, as the case may be, in terms of the Act. Any direction or order given by the Hon'ble High Court under the provisions of the Act and any act done by the Transferee Company and the Transferor Company, based

on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Companies Act, 2013. Accordingly, the provisions of the Companies Act, 2013, shall not apply to acts done by the Transferee Company and the Transferor Company and as per direction or order of the Hon'ble High Court sanctioning the Scheme.

## **7.5 COSTS, CHARGES & EXPENSES**

- 7.5.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferor Company and the Transferee Company respectively.
- 7.5.2 Stamp duty on the orders of the High Court, if any, and to the extent applicable, shall be borne by the Transferee Company.

*Private and Confidential*  
**KEYNOTE**

16<sup>th</sup> March, 2016

The Board of Directors,

**Reliance Infrastructure Limited**  
Reliance Centre,  
Santa Cruz – East,  
Mumbai – 400 055

Dear Sirs,

**Reg: Fairness Opinion towards a proposed arrangement between Reliance Infrastructure Limited and Reliance Electric Generation and Supply Private Limited**

Keynote Corporate Services Limited (“Keynote” or “we” or “us”) is Category I Merchant Banker registered with Securities Exchange Board of India (“SEBI”). We have been requested to issue a report on fairness towards the proposed arrangement between Reliance Infrastructure Limited (“RInfra” or “Transferor Company”) and Reliance Electric Generation and Supply Private Limited (“REGSPL” or “Transferee Company”) pursuant to the Draft Scheme of Arrangement under the relevant provisions of the Companies Act, 1956. We have perused the documents/ information provided by you in respect of the said Arrangement and state as follows:

**Company Profile:**

**Reliance Infrastructure Limited** or “*Transferor Company*” is listed on BSE Limited and National Stock Exchange of India Limited. It is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors within the infrastructure space such as Power, Roads, Metro Rail, Cement and Defense. It is the leading utility company having presence across the value chain of power businesses, i.e. Generation, Transmission, Distribution and Power Trading. It also provides Engineering, Procurement and Construction (EPC) services for developing power and road projects.

**Reliance Electric Generation and Supply Private Limited** or “*Transferee Company*” is a wholly owned subsidiary of Reliance Infrastructure Limited and is involved in the object of entering into the business of generation and supply of electricity and related activities. It was formed and/or constituted on 18/09/2008 under the Companies Act, 1956 under the name “Daffodil Advisors Private Limited.” The name was later changed to “Tulip Realtech Private Limited” on 12/01/2009. The name was further changed to “Reliance Electric Generation and Supply Private Limited” on 12/03/2016.

*Page 1 of 4*

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

# KEYNOTE

## **Rationale of the Report:**

We have informed that the management has decided to transfer the Power Generation Business Division ("PG Business") of Rlnfra into its wholly owned subsidiary, REGSPL. The Power Generation Business includes the following businesses:

- Mumbai Power Generation, Distribution and Transmission business (hereinafter referred to as "GTD Business");
- Samalkot Power Station (hereinafter referred to as "Samalkot Business");
- Goa Power Station (hereinafter referred to as "Goa Business"); and
- Wind Farm Project (hereinafter referred to as "Wind Farm Business") in Karnataka.

In this regard, we have been requested by the management to provide a Fairness report on the Fair value of the PG Business of Rlnfra.

## **Sources of Information:**

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by SSPA & Co. dated 16<sup>th</sup> March, 2016;
- Draft Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 between Rlnfra and REGSPL

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

## **Our Recommendation:**

As stated in the Valuation Report by SSPA & Co., they have recommended the following:

**SSPA & Co. has arrived at a valuation of INR 5,575 crores for GTD Business Division, INR 563 crores for Samalkot Business Division, INR 109 crores for Goa Business Division and INR 35.50 crores for Wind Farm Business Division**

The aforesaid Arrangement shall be pursuant to the Draft Scheme of Arrangement and shall be subject to receipt of approval from the Jurisdictional High Court of Bombay and other statutory approvals as may be required. The detailed terms and conditions of the arrangement are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

# KEYNOTE

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the Fair valuation as suggested by SSPA & Co. proposed under the Draft Scheme of Arrangement is fair in our opinion.

## Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by Rlnfra for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of PG Business of Rlnfra. We have solely relied upon the information provided to us by Rlnfra. We have not reviewed any books or records of Rlnfra (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of PG Business of Rlnfra and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of PG Business of Rlnfra. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by Rlnfra for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of PG Business of Rlnfra with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the management of Rlnfra during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that Rlnfra may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving Rlnfra or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to Rlnfra for providing a fairness opinion and will receive a fee for our services. In the past, Keynote and its affiliates have provided financial advisory and financing services to Rlnfra and have received fees for the rendering of the services

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the

## **Keynote Corporate Services Limited**

*Private and Confidential*

## KEYNOTE

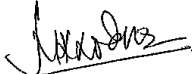
accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of Rlnfra and REGSPL for the purpose of this Transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of Rlnfra and REGSPL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to Rlnfra's, and REGSPL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of Rlnfra and REGSPL should vote at their respective meetings held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of Rlnfra will trade following the announcement of the Transaction or as to the financial performance of Rlnfra and REGSPL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, Rlnfra and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



**Nipun Lodha**

*Executive Vice President and Head Corporate Finance*

**SEBI Registration No. INM000003606**

**(Merchant Banker)**

*Page 4 of 4*

### **Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028

Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: [info@keynoteindia.net](mailto:info@keynoteindia.net) • Website: [www.keynoteindia.net](http://www.keynoteindia.net)

CIN-L67120MH1993PLC072407

**Reliance Infrastructure Limited****Corporate Office:**

Reliance Energy Building  
Near Devidas Lane Tel Exchange  
Devidas Lane, Borivali (West)  
Mumbai 400 103  
CIN : L99999MH1929PLC001530

Tel: +91 22 3009 9999  
Fax: +91 22 3009 8852  
www.rinfra.com

**Complaints Report submitted to National Stock Exchange of India Limited (NSE)**

Details of complaints received from 21<sup>st</sup> March, 2016 to 10<sup>th</sup> April, 2016 for the proposed Scheme of Arrangement between RInfra and REGSPL and their respective shareholders and creditors.

**Part A**

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

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1	-	-	-
2	-	-	-
3	-	-	-

**Complaints Report submitted to BSE Limited (BSE)**

Details of complaints received from 22<sup>nd</sup> March, 2016 to 11<sup>th</sup> April, 2016 for the proposed Scheme of Arrangement between RInfra and REGSPL and their respective shareholders and creditors.

**Part A**

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

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1	-	-	-
2	-	-	-
3	-	-	-

For Reliance Infrastructure Limited  
Sd/-  
Ramesh Shenoy  
Company Secretary  
Membership No. F2479

Registered Office : H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710



Ref: NSE/LIST/71701

May 4, 2016

The Company Secretary  
Reliance Infrastructure Limited  
Devidas Lane, SVP Road,  
Near Devidas Telephone Exc,  
Boirivali (West),  
Mumbai – 400 103

**Kind Attn.: Mr. Ramesh Shenoy**

Dear Sir,

**Sub: Observation letter for draft Scheme of Arrangement between Reliance Infrastructure Limited and Reliance Electric Generation and Supply Private Limited and their respective shareholders and creditors**

This has reference to draft Scheme of Scheme of Arrangement between Reliance Infrastructure Limited and Reliance Electric Generation and Supply Private Limited and their respective shareholders and creditors submitted to NSE vide your letter dated March 17, 2016.

Based on our letter reference no Ref: NSE/LIST/70059 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated May 03, 2016, has given following comments on the draft Scheme of Arrangement:

*“a) The company shall duly comply with various provisions of the Circular.”*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (LODR) Regulations 2015, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from May 4, 2016, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circular upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Limited

Kautuk Upadhyay  
Manager

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

This Document is Digitally Signed

Signer : Kautuk Rohit Upadhyay  
Date: Wed, May 4, 2016 13:41:44 GMT+05:30  
Location: NSE



DCS/AMAL/ND/377/2016-17  
May 4, 2016

The Company Secretary  
**Reliance Infrastructure Limited**  
H Block, 1st Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai 400710



**Sub: Observation letter regarding the Draft Scheme of Arrangement between Reliance Infrastructure Limited and Reliance Electric Generation and Supply Private Limited.**

We are in receipt of Draft Scheme of Arrangement Involving Arrangement of Reliance Infrastructure Limited with Reliance Electric Generation and Supply Private Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated May 03, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **“Company shall duly comply with various provisions of the Circulars.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

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

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
**Nitin Pujari**  
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com  
Corporate Identity Number : U67120MH2005PLC195188

THIS PAGE HAS BEEN INTENTIONALLY LFT BLANK

**RELIANCE**

Infrastructure

**Reliance Infrastructure Limited****CIN: L99999MH1929PLC001530**Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710  
Tel: 022 30386286, Fax: 022 30376622, Website: www.rinfra.com**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 385 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956)  
AND  
In the matter of Sections 391 to 394 of the Companies Act, 1956;  
AND  
In the matter of Scheme of Arrangement  
BETWEEN  
Reliance Infrastructure Limited  
AND  
Reliance Electric Generation and Supply Private Limited  
AND  
their respective shareholders and creditors

**RELIANCE INFRASTRUCTURE LIMITED**, a Company incorporated under the )  
provisions of the Indian Companies Act, 1913 and having its registered office at )  
H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710. ) ..... Applicant Company

**PROXY FORM**

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No. /DP ID & Client ID*	:	No. of shares held

\* Applicable in case shares are held in electronic form.

I/We, being the member(s) of [ ] shares of the RELIANCE INFRASTRUCTURE LIMITED, hereby appoint

- (1) Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
- (2) Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
- (3) Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my / our proxy, to act for me/ us at the **COURT CONVENED MEETING** of the Equity Shareholders to be held on Monday, 6<sup>th</sup> June, 2016 at 11.00 a.m. at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065, for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Reliance Infrastructure Limited ("Rinfra or "the Transferor Company") and Reliance Electric Generation and Supply Private Limited ("REGSPL or " the transferee Company") and their respective Shareholders and Creditors ("Scheme") under Sections 391 to 394 of the Companies Act, 1956 at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s).....(here, if for, insert 'FOR'; or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)\*, as my/our proxy may approve.

\*strike out whatever is not applicable

Signed this \_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder(s)

Signature of Proxyholder(s)

Please  
affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Sole / first holder

\_\_\_\_\_  
Signature of second holder

\_\_\_\_\_  
Signature of third holder

**Notes:**

- This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
- Please affix revenue stamp before putting signature.
- Alterations, if any, made in the Form of Proxy should be initialed.
- In case of multiple proxies, the Proxy later in time shall be accepted.
- Proxy need not be shareholder of the Transferor Company.

----- TEAR HERE -----

**RELIANCE**

Infrastructure

**Reliance Infrastructure Limited****CIN: L99999MH1929PLC001530**Registered Office: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710  
Tel: 022 30386286, Fax: 022 30376622, Website: www.rinfra.com**ATTENDANCE SLIP****COURT CONVENED MEETING ON MONDAY, 6<sup>th</sup> JUNE, 2016 AT 11.00 A.M.**

Folio No. / DP ID & Client ID\* \_\_\_\_\_ No. of shares held \_\_\_\_\_

\* Applicable in case shares are held in electronic form.

I/ We certify that I/ We am/ are registered shareholder/ proxy for the registered shareholder of the Company.

I/ We hereby record my presence at the **COURT CONVENED MEETING** of the Company to be held on Monday, 6<sup>th</sup> June, 2016 at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai - 400065 at 11.00 a.m..

\_\_\_\_\_  
Shareholder's / Proxy's name in BLOCK letters

\_\_\_\_\_  
Signature of Shareholder / Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.

THIS PAGE HAS BEEN INTENTIONALLY LFT BLANK

### Map of the Venue of the Meeting

Reliance Energy Management Institute,  
Jogeshwari-Vikhroli Link Road, Opposite SEEPZ North Gate No. 3,  
Aarey Colony, Aarey Colony Road, Mumbai 400 065

