



एनटीपीसी लिमिटेड

(भारत सरकार का उद्यम)

NTPC Limited

(A Govt. of India Enterprise)

केन्द्रीय कार्यालय/ Corporate Centre

Date: January 8, 2021

The General Manager

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Asst. Vice President

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051

Subject: Compliance under Regulation 37 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

This is in continuation to our letter dated 9th November 2019 regarding intimation for the amalgamation of Nabinagar Power Generating Company Limited (NPGC) and Kanti Bijlee Utpadan Nigam Limited (KBUNL), which are wholly owned subsidiaries of NTPC, with NTPC Limited under Sections 230 – 232 of the Companies Act, 2013 subject to necessary approvals under applicable laws.

In compliance with the provisions of the Regulation 37(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017 / 21 dated March 10, 2017 & CFD/DIL3/CIR/2018/2 dated 3rd January, 2018, we are enclosing herewith a copy of Scheme of Amalgamation in respect of proposed amalgamation of NPGC and KBUNL with NTPC Limited.

Thanking You.

Yours Sincerely,

For NTPC Limited

Nandini Sarkar

Nandini Sarkar
Company Secretary &
Compliance Officer



Encl: As above

पंजीकृत कार्यालय : एनटीपीसी भवन, स्कोप कॉम्प्लेक्स, 7, इन्स्टीट्यूशनल एरिया, लोधी रोड नई दिल्ली-110003

कार्पोरेट पहचान नम्बर : L40101DL1975GOI007966, टेलीफोन नं.: 011-24387333, फैक्स नं.: 011-24361018, ईमेल: ntpccc@ntpc.co.in, वेबसाइट: www.ntpc.co.in

Registered Office : NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003

Corporate Identification Number : L40101DL1975GOI007966, Telephone No.: 011-24387333, Fax No.: 011-24361018, E-mail : ntpccc@ntpc.co.in

Website : www.ntpc.co.in

**SCHEME OF AMALGAMATION
UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013**

BETWEEN

NABINAGAR POWER GENERATING COMPANY LIMITED (“NPGC”)

(“Transferor Company 1”)

AND

KANTI BIJLEE UTPADAN NIGAM LIMITED (“KBUNL”)

(“Transferor Company 2”)

AND

NTPC LIMITED (“NTPC”)

(“Transferee Company”)



1. INTRODUCTION

- 1.1. This Scheme (*defined hereinafter*) is presented under the provisions of Sections 230-232 of the Companies Act, 2013 read with relevant Rules of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 for amalgamation of wholly owned subsidiaries namely: (a) Nabinagar Power Generating Company Limited ("**Transferor Company 1**"); and (b) Kanti Bijlee Utpadan Nagam Limited ("**Transferor Company 2**") (collectively "**Transferor Companies**") with NTPC Limited ("**Transferee Company**").
- 1.2. The Transferor Companies are wholly owned subsidiary of Transferee Company hence, in consideration thereof, the Transferee Company will not issue any shares under the scheme of Arrangement pursuant to the amalgamation of the Transferor Companies with the Transferee Company. The existing holding of Transferee Company in Transferor Company gets cancel pursuant to the scheme of amalgamation.
- 1.3. In addition, this Scheme also provides for various others matter consequential or otherwise integrally connected herewith.
- 1.4. The amalgamation of the Transferor Companies with the Transferee Company, pursuant to and in accordance with this Scheme, under Sections 230-232 and other relevant provisions of the Companies Act, 2013, shall take place with effect from the Appointed Date (*defined hereinafter*) and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

2. DEFINITIONS

- 2.1. In the Scheme, unless contrary to the meaning or context thereof, (a) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme; and (b) the following words and expressions, wherever used (including in the recitals and introductory paragraphs above), shall have the following meaning:

"**Act**" means the Companies Act, 2013;

"**Appointed Date**" means [1st April 2021], or such other date as may be proposed and approved by the MCA;

"**Effective Date**" means the date on which the certified copies of the Order(s) of the MCA, vesting the assets, properties, liabilities, rights, duties, obligation, and the likes thereof, of the Transferor Companies, in the Transferee Company are filed with the Registrar of Companies, after obtaining the necessary consents, approvals, permission, resolutions, agreement, sanction and order in this regards. References in this Scheme to 'Scheme becoming effective' or 'date of coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;

"**Government Company**" has the meaning ascribed to such term in the Companies Act, 2013;

"**Listing Regulations**" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof;

"**MCA Notification**" means Ministry of Corporate Affairs Notification No. G.S.R. 582 (E), Dated 13th June, 2017 in which the word "Tribunal", wherever it occurs, the words "Central Government" shall be substituted in Chapter XV, Sections 230 to 232 of the Companies Act, 2013;

"**MCA**" means Ministry of Corporate Affairs;



“Registrar of Companies” or “ROC” means the Registrar of Companies at New Delhi;

“Rules” includes rules, circulars and notifications in force and issued from time to time under the provisions of the Act and any statutory modification or re-enactments thereof, unless stated otherwise.

“Scheme” means this Scheme of Amalgamation of the Transferor Companies with the Transferee Company in its present form or with such modifications as sanctioned by the Ministry of Corporate Affairs;

“Stock Exchanges” shall mean BSE Limited (BSE), NSE limited (NSE) or any other stock exchange, where equity shares of NTPC are currently listed/may be listed.

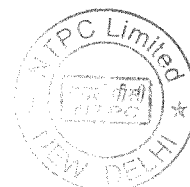
“Transferee Company” means NTPC Limited (CIN: L40101DL1975GOI007966), a company incorporated on November 7, 1975 under the Companies Act, 1956 and having its registered office at NTPC Bhawan, SCOPE Complex, 7, Institutional Area Lodhi Road, New Delhi 110003;

“Transferor Company 1” means Nabinagar Power Generating Company Limited (CIN: U40104DL2008PLC183024), a company incorporated on September 9, 2008 under the Companies Act, 1956 and having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi 110003;

“Transferor Company 2” means Kanti Bijlee Utpadan Nigam Limited (CIN: U40102DL2006GOI153167), a company incorporated on September 6, 2006 under the Companies Act, 1956 and having its registered office at NTPC Bhawan, Core - 7 SCOPE Complex, 7, Institutional Area, Lodhi Road New Delhi 110003;

“Undertaking of the Transferor Companies” means all the undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wherever situated and entire business of the Transferor Companies as a going concern together with all their assets and liabilities, including, without limitation:

- (a) all the assets and properties including fixed assets (whether movable or immovable, owned or leased, tangible or intangible, present, future or contingent of whatsoever nature) including patents, copyrights, designs and all other intellectual property rights, leases (including all leasehold rights) or tenancies in relation to offices or premises, software licenses, computer programs, etc. and current assets of the Transferor Companies, in each case, whether situated in India or abroad;
- (b) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, memoranda of understanding or similar instruments, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, income tax benefits / exemptions, all other rights including tax deferrals and exemptions and other benefits and prospecting licenses (in each case including the benefit of any applications made therefor), and the surface rights in relation thereto, receivables, and liabilities related thereto, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (c) all concessions, subsidies, exemptions, incentives, rebates, rights, interests and entitlements or obligations of any nature, amount or kind whatsoever, associated or available thereto;



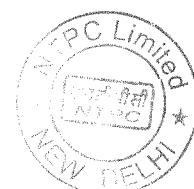
- (d) all the leasehold rights, development rights and other rights of the Transferor Companies, together with all easements and rights benefiting the said land;
 - (e) all the liabilities of the Transferor Companies, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Companies;
 - (f) all benefits and obligations under the contracts, deeds, bonds, agreements, schemes, arrangements, approvals and other instruments of any nature of the Transferor Companies; and
 - (g) all intellectual property rights, trade and service names and marks, patents, copyrights, design and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information and drawings, software licenses (whether proprietary or otherwise), computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Companies; and
 - (h) all employees of the Transferor Companies and all liabilities with regard to them, including with respect to payment of gratuity, superannuation, provident fund and others, if any.
- 2.2. References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 2.3. The headings herein shall not affect the construction of this Scheme.
- 2.4. Unless the context otherwise requires:
- (a) the singular shall include the plural and vice versa; and references to one gender includes all genders; and
 - (b) references to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

3. SHARE CAPITAL

3.1. Transferor Company 1

The share capital structure of the Transferor Company 1 as on March 31, 2019 is as under:

A. Authorised Share Capital		Amount in Rs.
4600000000 equity shares of Rs. 10 each		4600,00,00,000
Total		4600,00,00,000
B. Issued, Subscribed and Paid-up Share Capital		Amount in Rs.
3987155500 equity shares of Rs. 10 each		3987,15,55,000
Total		3987,15,55,000



3.2. Transferor Company 2

The share capital structure of the Transferor Company 2 as on March 31, 2019 is as under:

A. Authorised Share Capital	Amount in Rs.
2000000000 equity shares of Rs. 10 each	2000,00,00,000
Total	2000,00,00,000

B. Issued, Subscribed and Paid-up Share Capital	Amount in Rs.
1510673705 equity shares of Rs. 10 each	1510,67,37,050
Total	1510,67,37,050

3.3. Transferee Company

The share capital structure of the Transferee Company as on March 31, 2019 is as under:

A. Authorised Share Capital	Amount in Rs.
10000000000 equity shares of Rs. 10 each	10000,00,00,000
Total	10000,00,00,000

B. Issued, Subscribed and Paid-up Share Capital	Amount in Rs.
9894557280 equity shares of Rs. 10 each	9894,55,72,800
Total	9894,55,72,800

4. OBJECTS AND RATIONAL OF THE SCHEME

4.1. The Transferor Companies are wholly owned and step-down subsidiary of Transferee Company. The Transferor Companies and Transferee Company are in same line of business i.e. Generation of electricity. The proposed amalgamation will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs.

4.2. In addition to above, the proposed amalgamation will also have following benefits:

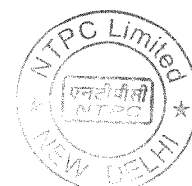
- (a) Synergy of operation;
- (b) Reduction in overhead expenditure;
- (c) Effective Administrative & management control;
- (d) Reduced cost of borrowing;
- (e) Operational efficiencies;

4.3. In view of the above, it is considered desirable and expedient to amalgamate the Transferor Companies with the Transferee Company in accordance with this Scheme, pursuant to Sections 230-232 of the Companies Act, 2013.

5. TRANSFER OF UNDERTAKING

5.1. General

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Companies shall, pursuant to the provisions of Sections 230-232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.



5.2. Transfer of Assets

- (a) Without prejudice to the generality of Clause 5.1 above, upon the coming into effect of the Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including all accretions to and appurtenances comprised in the Undertaking of the Transferor Companies of whatsoever nature and wheresoever situated, whether or not included in the books of the Transferor Companies, and all assets and properties, which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date (or in case of any estate, assets, etc. acquired on a date after the Appointed Date, with effect from such date), the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- (b) Without prejudice to the provisions of sub-Clause 5.2(a) above, in respect of such of the assets and properties of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, payment or by endorsement and/or delivery, the effectiveness of the Scheme shall be deemed to constitute delivery or deemed delivery or constructive delivery, as the case may be, of such property and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- (c) All the rights, remedies, claims and rights of action of the Transferor Companies against third parties shall, pursuant to Sections 230-232 of the Act, without any further act or deed, be and deemed to be rights, remedies, claims and rights of action of the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date.
- (d) All the consents, certificates, clearances, authorities, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, including but not limited to those available under the Customs Act, 1962, Central Excise Act, 1944, Finance Act, 1994, Central Sales Tax Act, 1956, Central Goods and Services Tax Act, 2017, State specific Value Added Tax and State specific Goods and Services Tax, as the case may be, regulations, income tax benefits and exemptions, all other rights, exemptions and benefits including those acquired by the Transferor Companies on or after the Appointed Date, shall, under the provisions of Sections 230-232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company, as if the same were originally given or issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, certificates, clearances, authorities, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.



- (e) All concessions, subsidies, exemptions, incentives, rebates, rights, interests, entitlements and obligations of any nature, amount or kind whatsoever, associated or available to the Transferor Companies, shall, under the provisions of Sections 230-232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company as if the same were originally given or issued to or executed in favour of the Transferee Company so as to become as, and from the Appointed Date, along with all concessions, subsidies, exemptions, incentives, rebates, rights, interests and entitlements of any nature, amount or kind whatsoever, associated or available thereto, of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5.3. **Contracts, Deeds etc.**

- (a) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, powers of attorney and other instruments of whatsoever nature, to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting and transfer of the Undertaking of the Transferor Companies occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.
- (c) With effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes.

5.4. **Transfer of Liabilities**

- (a) Upon the coming into effect of this Scheme, all liabilities, duties and obligations of the Transferor Companies, shall, under the provisions of Sections 230-232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become, on and from the Appointed Date (or in case of any liabilities incurred on a date after the Appointed Date, with effect from such date) the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- (b) For the avoidance of doubt:



- (i) all the liabilities of the Transferor Companies incurred, or which arise or accrue on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the liabilities of the Transferee Company upon the coming into effect of this Scheme.
 - (ii) where any such liability of the Transferor Companies have been discharged by the them on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
 - (iii) all liabilities incurred or undertaken by the Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230-232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Companies and shall become the liabilities of the Transferee Company.
- (c) The loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between the Transferor Companies and the Transferee Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Transferor Companies and the Transferee Company and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

5.5. **Encumbrances**

- (a) The transfer and vesting of the assets comprised in the Undertaking of the Transferor Companies, to and in the Transferee Company upon the coming into effect of the Scheme shall be subject to the encumbrances, if any, affecting the same as hereinafter provided.
- (b) All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that, if any of the assets of the Transferor Companies have not been encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such encumbrances shall not relate or attach to any of the other assets of the Transferee Companies. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of this Clause.
- (c) The existing encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of the Scheme.
- (d) Any reference to the Transferor Companies and their assets and properties in any



security documents or arrangements to which any of the Transferor Companies is a party to, shall be construed as a reference to the Transferee Company and the same assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the above provisions, if required.

- (e) Upon the coming into effect of the Scheme, the Transferee Company shall be liable to perform all obligations in respect of the liabilities which have been vested and transferred to it in terms of the Scheme.
- (f) Save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of the Scheme except to the extent that such amendment is required by necessary implication.
- (g) The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

5.6. Employees

- (a) Upon the coming into effect of this Scheme, all employees of the Transferor Companies shall become the employees of the Transferee Company with effect from the Appointed Date (or in case of any employee engaged by the Transferor Companies on a date after the Appointed Date, with effect from such date), and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company in terms of this Scheme. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Companies shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (b) It is clarified that save as expressly provided for in the Scheme, the employees of the Transferor Companies who become the employees of the Transferee Company by virtue of this Scheme, shall be bound by the employment policies and shall be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company, unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Companies with any union/employee of the Transferor Companies.
- (c) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund or benefits and any other funds created by the Transferor Companies or in respect of which the Transferor Companies makes contributions, for the employees of the Companies and such other funds or trusts, the benefits of which the employees of the Transferor Companies enjoy (collectively referred to as the “Funds”), all amounts standing to the credit of the Funds and investments made by the Funds in relation to the employees Transferor Companies shall be transferred to the Transferee Company or the trustees of similar trusts created by the Transferee Company and shall be held for the benefit of those employees of the Transferor Companies who are eligible for



benefits under such Funds prior to the Effective Date. In the event the Transferee Companies have their own funds in respect of any of the benefits to be provided to employees as referred to above, all amounts standing to the credit of the Funds and investments made by the Funds shall be transferred to the relevant funds of the Transferee Company.

- (d) In relation to those employees of the Transferor Companies who are not covered under the provident fund trust of the Transferor Companies or who do not enjoy the benefit of any other provident fund trust, and for whom the Transferor Companies is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Transferor Companies in relation to such provident fund trust shall become those of the Transferee Company.
- (e) In relation to any other fund created or existing for the benefit of the employees of the Transferor Companies being transferred to the Transferee Company, the Transferee Company shall stand substituted for the Transferor Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such funds in respect of such employees of the Transferor Companies, such that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company.

5.7. Legal, Taxation and other Proceedings

- (a) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Companies, pending on the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- (b) The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Companies referred to in sub-Clause 5.7(a) above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company.

5.8. Vehicles Transfer

Upon the Scheme coming into effect, all motor vehicles of any nature whatsoever, registered in favour of the Transferor Companies shall vest in the Transferee Company and the appropriate Governmental and registration authorities shall mutate and register the said vehicles in the name of the Transferee Company as if the vehicles had originally been registered in the name of the Transferee Company without levying or imposing any fees, charges, taxes or levy whatsoever.

5.9. Incomplete Transactions

Without prejudice to the provisions of Clauses 5.1 to 5.8, with effect from the Appointed Date, all transactions between the Transferee Company and Transferor Companies, that have not been completed, shall stand cancelled.

6. CONDUCT OF BUSINESS ON ACCOUNT OF THE TRANSFEE COMPANY



6.1. Upon the coming into effect of the Scheme, with effect from the Appointed Date and up to and including the Effective Date:

- (a) the Transferor Companies shall be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Companies, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities, benefits or privileges exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- (d) all taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and service tax, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and service tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

6.2. Subject to the terms of the Scheme, the transfer and vesting of the Undertaking of the Transferor Companies as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

7. DISSOLUTION OF THE TRANSFEROR COMPANIES & CONSIDERATION

7.1. The Transferor Companies shall be dissolved without winding up pursuant to the order passed under Section 230 of the Act, on the Effective Date.

7.2. Upon the Scheme coming into effect all equity shares of the Transferor Company 1 and Transferor Company 2, and the corresponding share certificates, held by the Transferee Company (either directly or through nominees) shall without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered. It is clarified that no new shares shall be issued, or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Companies.



- 7.3. Consequent to and as part of the amalgamation of the Transferor Companies with the Transferee Company herein, the authorised share capital of the Transferor Companies shall stand merged into and combined with the authorised share capital of the Transferee Company pursuant to the Scheme, without any further act of deed, and without payment of any registration or filing fee on such combined authorised share capital, the Transferor Companies and the Transferee Company having already paid such fees. Accordingly, the authorised share capital of the Transferee Company resulting from the amalgamation of the Transferor Companies with the Transferee Company shall be a sum of Rs. 16600,00,00,000 (Indian Rupees Sixteen thousand Six Hundred Crore only) divided into 16600000000 (One thousand Six Hundred Sixty Crore only) equity shares of Rs. 10 (Indian Rupees ten only) each and Clause V of the Memorandum of Association of the Transferee Company and Article 5 of the Articles of Association of the Transferee Company shall stand altered accordingly.
- 7.4. It is clarified that for the purposes of Clause 7.2 above, the consent of the members of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase in authorised share capital of the Transferee Company, and no further resolution under Section 13, Section 14, Section 61 or any other applicable provisions of the Act would be required to be separately passed. The stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.

8. ACCOUNTING AND TAX TREATMENT

8.1. Accounting

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Companies with the Transferee Company shall be accounted for as per the 'Indian Accounting Standard (Ind AS) 103 for Business Combination' prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time such that:

- (a) The merger shall be accounted for using the pooling of interests method as it involves entities under common control.
- (b) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (c) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (d) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (e) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.
- (f) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.



- (g) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Thus, for example, the General Reserve of the transferor entity becomes the General Reserve of the transferee, the Capital Reserve of the transferor becomes the Capital Reserve of the transferee and the Revaluation Reserve of the transferor becomes the Revaluation Reserve of the transferee. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes

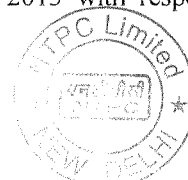
8.2. Tax

The Transferee Company will be the successor of the Transferor Companies. The unutilized credits relating to GST paid on inputs/input services lying to the account of Transferor Companies as well as the unutilized credits relating to service tax paid on input services consumed by the Transferor Companies shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme. Without limiting the generality of the foregoing Clause, with effect from the Appointed Date:

- (a) all income tax paid (including advance tax and self-assessment tax), income tax refund due or receivable, tax deducted at source, alternative minimum tax, MAT, wealth tax, carried forward losses, depreciation, capital losses, pending balances of amortizations, tax holiday benefits, incentives, credits (including tax credits), MAT credit entitlement, tax losses (if available) etc., under the Income Tax Act, 1961 in respect of any assessment and/or appeal, (whether as per books or as per the Income Tax Act, 1961) and any rights / refunds under Income Tax Act, 1961 including applications for rectification, appeals filed with tax authorities of the Transferor Companies shall also pursuant to Sections 230-232 or other provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company and shall be treated as paid by the Transferee Company and it shall be entitled to claim credit, refund or adjustment for the same as may be applicable;
- (b) if the Transferor Companies is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company; and
- (c) the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT/ GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

9. APPLICATION

- 9.1. In terms of Ministry of Corporate Affairs Notification No. G.S.R. 582 (E), Dated 13th June, 2017 issued in term of Section 462 of the Companies Act, 2013 read with Rule 3(1) of the Government of India (Allocation of Business) Rules, 1961, the Ministry Of Corporate Affairs has exclusive jurisdiction under the provisions of Companies Act, 2013 with respect of



‘Government Companies’. Since the Transferor Companies and Transferee Company are government companies, MCA has the jurisdiction to hear, consider and sanction this scheme.

- 9.2. Upon this Scheme being approved by the requisite number of the shareholders and creditors of the Transferor Companies and Transferee Company, the Transferor Companies and Transferee Company shall with all reasonable dispatch, file application before the MCA for sanction of this Scheme under Sections 230 - 232 and other applicable provisions of the Act, and for such other order or orders, as the MCA may deem fit for sanctioning the giving effect to this Scheme. Upon this Scheme becoming effective, the shareholders and creditors of the Transferor Companies and Transferee Company, shall be deemed to have also accorded their approval under all the relevant provisions of the Act, for giving effect to the provisions contained in this Scheme.

10. RESOLUTIONS

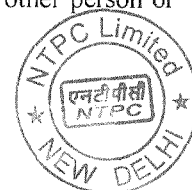
Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor Companies relating to any powers to borrow, make investments, give loans, give guarantees, etc. approved under the provisions of the Act or any other applicable statutory provisions, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and the amounts under such resolutions shall be added to the amounts under like resolutions passed by the Transferee Company or shall become the amounts available to the Transferee Company as if the resolutions were passed by the Transferee Company.

11. LISTING REGULATIONS AND SEBI COMPLIANCES

- 11.1. Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India (“SEBI”) insofar as they relate to sanction and implementation of the Scheme.
- 11.2. SEBI vide Notification No. SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended vide SEBI circular dated January 3, 2018 has relaxed the requirement of obtaining prior approval or no objection / observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.

12. APPROVALS AND MODIFICATIONS

- 12.1. The Transferor Companies and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:
- (a) To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the MCA, and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
- (b) To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect. Without prejudice to the generality of the foregoing the Transferor Companies and the Transferee Company (by their respective Board of Directors or such other person or



persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

13. CONDITIONS TO SCHEME BECOMING EFFECTIVE

The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the requisite number of members and creditors of the Transferor Companies and Transferee Company;
- (b) approval by the Ministry of Power under the DPE O.M. No. 3(2)/2003-DPE(Fin.)/GL. XVI dated 11th February 2003;
- (c) The Scheme being approved by the Central Government through MCA;
- (d) all certified copies of the order(s) of the MCA sanctioning this Scheme being filed with the RoC; and
- (e) all other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

14. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

15. ACCOUNTS

Upon this Scheme becoming effective, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

16. TAXES

The Transferee Company shall be entitled to file/revise its income tax returns, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted at source, credit of foreign taxes paid/ withheld etc, if any, as may be required consequent to implementation of this Scheme.

17. COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company.

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