

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Equity Shareholders of Tata Power Solar Systems Limited (“**Company**”) will be held on Wednesday, 8th December 2021 at 12 noon at a shorter notice, through Video Conferencing /Other Audio Visual Means, pursuant to directions of the Hon’ble National Company Law Tribunal, Mumbai Bench (“**Tribunal**”) vide its orders dated 6th October 2021 in connection with CA.239/2021 in CP.CAA.42/2021 in CA(CAA)1140/2020 and CP(CAA) No.42/MB-IV/2021 connected with CA(CAA) No. 1140/MB-IV/2020 (“**Tribunal Orders**”) to seek approval of the Equity Shareholders of the Company to the amendment in the Composite Scheme of Arrangement amongst Coastal Gujarat Power Limited and Tata Power Solar Systems Limited and The Tata Power Company Limited and their respective shareholders.

Approval to the amendment in the Composite Scheme of Arrangement amongst Coastal Gujarat Power Limited and Tata Power Solar Systems Limited and The Tata Power Company Limited and their respective shareholders

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of Tata Power Solar Systems Limited (the “**Company**”) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by such regulatory or other authorities while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (the “**Board**”), the amendment to the Composite Scheme of Arrangement amongst Coastal Gujarat Power Limited and Tata Power Solar Systems Limited and The Tata Power Company Limited and their respective shareholders (“**Composite Scheme**”), as approved by the Equity Shareholders of the Company *vide* consent affidavits dated 4th November 2020, be and is hereby approved, such that all provisions pertaining to amalgamation of Tata Power Solar Systems Limited with The Tata Power Company Limited and consequential changes or effect thereupon, be deleted and/or excluded from the Composite Scheme (“**Amended Composite Scheme**”).

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem requisite, desirable, appropriate or necessary to give effect to the above resolution and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon’ble National Company Law Tribunal, Mumbai Bench or its appellate authority(ies), while sanctioning the arrangement embodied in the Amended Composite Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Amended Composite Scheme, as the Board may deem fit and proper.”

By Order of the Board of Directors,
For Tata Power Solar Systems Limited

Jeraz E. Mahernosh
Company Secretary
FCS No.: 7008

Mumbai, 2nd December 2021

Registered Office:

c/o The Tata Power Co. Ltd., Corporate Center B,
34, Sant Tukaram Road, Carnac Bunder,
Mumbai 400 009.

CIN: U40106MH1989PLC330738

Tel: 91 22 6665 8282 Fax: 91 22 6665 8801

e-mail: info.solar@tatapower.com

Website: www.tatapowersolar.com

NOTES:

1. In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (“MCA”), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13th April 2020, in relation to “*Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19*”, General Circular No. 20/ 2020 dated 5th May 2020, in relation to “*Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)*” and General Circular No.39/ 2020 dated 31st December 2020, in relation to “*Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19- Extension of time.*” (collectively referred to as “MCA Circulars”) have permitted the holding of the General Meeting of Equity Shareholders through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the “Act”) (including any statutory modification or re-enactment thereof for the time being in force), read with the MCA Circulars, the Extraordinary General Meeting (EGM) of the Equity Shareholders of the Company is scheduled to be held on Wednesday, 8th December 2021, at 12 noon (IST) through VC/OAVM.
2. The relative Explanatory Statement pursuant to Section 102 of the Act and Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, in regard to the business as set out in the Notice above is annexed hereto.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS EGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS EGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF EGM ARE NOT ANNEXED TO THIS NOTICE.**
4. Corporate Members intending to appoint their authorized representatives to attend the EGM through VC or OAVM are requested to send a certified copy of the Board Resolution to the Company.
5. In line with the MCA Circular dated 5th May 2020, Notice of the EGM along with the Explanatory Statement is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company.
6. In case of joint holders attending the EGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Members will be allowed to pose questions during the course of the EGM. The queries can also be given in advance by e-mail at jemahernosh@tatapower.com

8. INSTRUCTIONS FOR MEMBERS ATTENDING THE EGM THROUGH VC/OAVM:

- The Members will be provided with a facility to attend the EGM through VC/OAVM through the Microsoft Teams platform and they may access the same from the link sent on their e-mail. On clicking this link, the Members will be able to attend and participate in the proceedings of the EGM and pose questions.
 - Members may join the EGM through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to allow camera and to use Internet with a good speed to avoid any disturbance during the EGM. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
 - The Chairman shall, at the EGM, at the end of discussion on the resolution on which voting is to be held, allow voting, for all those Members who are present during the EGM through VC/OAVM.
 - Only those Members who will be present at the EGM through VC/OAVM facility and are otherwise not barred from doing so, shall be eligible to vote at the EGM.
 - Members who need assistance before or during the EGM may contact Mr. Jeraz Mahernosh, Company Secretary by e-mailing at jmahernosh@tatapower.com
9. The EGM shall be conducted through Microsoft Teams platform and as the number of members is less than 50, the Chairman may decide to conduct the voting by show of hands, unless demand for a poll is made by any member in accordance with Section 109 of the Act. In case of a poll on any resolution at the EGM, Members are requested to convey their vote at jmahernosh@tatapower.com
10. Members desiring inspection of statutory registers during the EGM may send their request in writing to the Company at jmahernosh@tatapower.com

By Order of the Board of Directors,
For Tata Power Solar Systems Limited

Jeraz E. Mahernosh
Company Secretary
FCS No.: 7008

Mumbai, 2nd December 2021

Registered Office:

c/o The Tata Power Co. Ltd., Corporate Center B,
34, Sant Tukaram Road, Carnac Bunder,
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e-mail: info.solar@tatapower.com

Website: www.tatapowersolar.com

Explanatory Statement

As required by Section 102 of the Companies Act, 2013 (the "Act"), the following Explanatory Statement sets out all material facts relating to the resolution to be passed as mentioned in the accompanying Notice of the Extraordinary General Meeting dated 2nd December 2021:

1. The Board of Directors of Tata Power Solar Systems Limited (the "**Company**"), on 11th August 2020, had approved the Composite Scheme of Arrangement amongst Coastal Gujarat Power Limited ("**CGPL**") and Tata Power Solar Systems Limited and The Tata Power Company Limited ("**TPCL**") and their respective shareholders, under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("**Composite Scheme**").
2. The Equity Shareholders of the Company had provided their consent to the Composite Scheme *vide* consent affidavits dated 4th November 2020. Thereafter, pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") *vide* its order dated 5th January 2021, the meeting of the Equity Shareholders of the Company was dispensed with.
3. However, in recent months, there have been numerous favourable policies of the Government of India, to promote and encourage entities engaged in solar manufacturing including production linked incentive scheme to manufacture high efficiency solar PV modules and also, imposition of basic customs duty on import of solar cells/ modules, etc. to scale up domestic solar manufacturing including exporting solar cells/ modules. The Company is in the solar manufacturing business and the abovementioned government policies will help the Company further expand its existing manufacturing capacities to avail these benefits/ incentives and create more shareholder value to TPCL and its shareholders. Therefore, it was felt that it would be commercially prudent and desirable by the Board of Directors of the Company, TPCL and CGPL, to keep the Company as a separate entity and let it continue as a wholly owned subsidiary of TPCL, rather than merging it with TPCL as envisaged under the Composite Scheme.
4. On account of the abovementioned reasons, the Board of Directors of the Company, TPCL and CGPL, at their respective meetings held on 1st July 2021, decided to amend the Composite Scheme and withdraw the amalgamation of the Company with TPCL and accordingly, approved/ noted the amendment to the Composite Scheme, subject to the approval of the Hon'ble Tribunal and regulatory authorities, as may be required. The Composite Scheme, as amended, deals with removal of the provisions pertaining to amalgamation of the Company with TPCL and consequential changes or effect thereupon ("**Amended Composite Scheme**"). A copy of the Amended Composite Scheme is annexed herewith and marked as '**Annexure A**'.
5. Thus, the Amended Composite Scheme (post exclusion of the Company), will now comprise the amalgamation of CGPL with TPCL and consequential capital reorganisation of TPCL.
6. Pursuant to the Amended Composite Scheme, the rights of Equity Shareholders of the Company will not be adversely impacted as even currently, the financial accounts of the Company (being wholly owned subsidiary of TPCL) are consolidated with TPCL, and the Amended Composite Scheme will not impact the financial position of TPCL. Further, the Company would continue to remain a wholly owned subsidiary of TPCL.
7. The Company, TPCL and CGPL have also made requisite filings in relation to the Amended Composite Scheme before the Hon'ble Tribunal through affidavits and also filed a Company Application bearing No. CA. 239/2021 ("**Company Application**") seeking amendment to the Company Scheme Petition bearing No. CP (CAA) No. 42/MB-IV/2021 ("**Company Scheme Petition**"), *inter alia*, by deleting the Company from the array of parties and make consequential amendments to the Company Scheme Petition, including putting on record the Amended Composite Scheme. The Company Application was allowed by the Hon'ble Tribunal *vide* order dated 6th October 2021. As such, the Company Scheme Petition has been amended, *inter alia*, removing the Company as a party to the Company Scheme Petition and placing on record the Amended Composite Scheme. Further, the Hon'ble Tribunal *vide* its orders dated 6th October 2021, in connection with the abovementioned Company Application and the Company Scheme Petition, respectively ("**Tribunal Orders**") also has directed the Company to seek approval of the Equity

Shareholders with respect to the amendment to the Composite Scheme.

8. Brief Details of the Company

(i) The Company was incorporated on the 27th day of November 1989 under the provisions of the Companies Act, 1956 as a private company limited by shares. The Company is a public company within the meaning of the Companies Act, 2013. The registered office of the Company is situated at Corporate Centre B, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009, Maharashtra, India. The Transferor Company 2 is accordingly registered with the Registrar of Companies, Mumbai having corporate identity number U40106MH1989PLC330738. Its Permanent Account Number with the Income Tax Department is AA ACT4660J. The e-mail address of the Company is jemahernosh@tatapower.com. During the last five years, there has been no change in the name of the Company. However, on the 13th day of June 2019, the registered office of the Company was changed from the state of Karnataka to Maharashtra. The equity shares of the Company are not listed on any stock exchange.

(ii) Main objects of the Company have been reproduced below:

1. *To carry on business of manufacturers, dealers, wholesalers, retailers, distributors, importers, exporters, assemblers and fabricators, repairers, maintainers, owners, agents and operators for all kinds of renewable energy modules and systems including but not limited to solar photovoltaic systems, modules, accessories and hybrid systems combining solar photovoltaic with other forms of renewable energy and basic components for such systems.*
2. *To render any kind of technical, administrative, consultancy or financial services in the field of renewable energy systems including but not limited to solar photovoltaic and hybrid systems combining solar photovoltaic with other forms of energy."*

During the last five years, there has been no change in the Objects Clause of the Company.

(iii) The Company is engaged in the business of manufacturing solar photo-voltaic cells and modules as well as in the Engineering, Procurement and Construction (EPC) business of the solar energy market, wherein the manufactured cells/modules are utilised.

(iv) The authorized, issued, subscribed and paid-up share capital of the Company as on 30th September 2021 is as under:

Particulars	Amount in ₹
Authorised share capital	
2,50,00,000 equity shares of ₹ 100 each	250,00,00,000
Total	250,00,00,000
Issued, subscribed and paid up share capital	
2,29,77,567 equity shares of ₹ 100 each	229,77,56,700
Total	229,77,56,700

As on date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Company.

(v) Copy of the Audited Financial Statements of the Company for the financial year ended 31st March 2021, along with a copy of the audited financial statements of the Company for the quarter and half year ended 30th September 2021, are uploaded on the website of the Company at www.tatapowersolar.com.

(vi) The details of Promoters and Directors of the Company along with their addresses are mentioned herein below:

Sl. No.	Name	Category	Address
Promoters			
1.	The Tata Power Company Limited	Promoter	Bombay House, 24, Homi Mody Street, Mumbai 400 001
Directors			
1.	Dr. Praveer Sinha, Chairman	Non-Executive Director	Flat no. 3803, Dr. A. L. Nair Marg, Tower C Raheja Vivarea, Jacob Circle, Mumbai 400 011
2.	Mr. Seethapathy Chander	Non-Executive, Independent Director	No. 304 Tower 3, The Promont, Banashankari Stage 3, Bengaluru 560 085
3.	Mr. Anand Agarwal	Non-Executive Director	B-34, Naperol Towers, R. A. Kidwai Road, Wadala West, Mumbai 400 031
4.	Mr. Ashish Khanna	Non-Executive Director	1405A, Beverly Park - 2, M G Road Metro station, DLF City Phase 2, Sikanderpur, Ghosi (68), Gurgaon, Haryana 122 002
5.	Dr. Aditi Raja	Non-Executive Director	184/10 Whitefield Main Road, Near Forum Value Mall Whitefield, Ramagondanahalli, Whitefield, Bengalur 560 066
6.	Mr. Rajeev Sharma	Non-Executive Director	Q-8, Haus Khaz Enclave, New Delhi 110 016

(vii) The Company is a wholly owned subsidiary of TPCL.

(viii) Board approvals

The Board of Directors of the Company, at its meeting held on 1st July 2021, by resolution passed unanimously, approved the amendments to the Composite Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Dr. Praveer Sinha, Chairman	In favour
Mr. Seethapathy Chander	In favour
Mr. Anand Agarwal	In favour
Mr. Ashish Khanna	In favour
Dr. Aditi Raja	In favour

Mr. Rajeev Sharma was appointed w.e.f. 6th October 2021

(ix) Interest of Directors, Key Managerial Personnel and their relatives

Details of shares held by the present Directors and KMPs of the Company, either individually or jointly, as a first holder or second holder or as a nominee and by their relatives, in the Company, is as under:

Sl. No.	Name of the Director/ KMPs and relatives of directors and KMPs	Designation	Number of equity shares held as on 30 th September 2021
1.	Dr. Praveer Sinha	Non-Executive Director	Nil
2.	Mr. Seethapathy Chander	Non-Executive, Independent Director	Nil
3.	Mr. Anand Agarwal	Non-Executive Director	1*
4.	Mr. Ashish Khanna	Non-Executive Director	Nil
5.	Dr. Aditi Raja	Non-Executive Director	Nil
6.	Mr. Rajeev Sharma	Non-Executive Director	Nil
7.	Mr. Mahesh D. Paranjpe	Chief Executive Officer	Nil

8.	Mr. Aditya Gupta	Chief Financial Officer	Nil
9.	Mr. Jeraz E. Mahernosh	Company Secretary	1*

* Held as a joint holder with TPCL.

Save as aforesaid, none of the Directors and KMPs of the Company and their relatives have any concern or interest in the Amended Composite Scheme.

(x) Shareholding pattern

The shareholding pattern of the Company as on 30th September 2021, is as follows:

Sl. No.	Name of Shareholder	Number of Shares held	Percentage Holding
1	The Tata Power Company Limited	2,29,77,561	100.00
2	The Tata Power Company Limited Jointly with Mr. Hanoz M. Mistry	1	0.00
3	The Tata Power Company Limited Jointly with Mr. Anand Agarwal	1	0.00
4	The Tata Power Company Limited Jointly with Mr. Soundararajan Kasturi	1	0.00
5	The Tata Power Company Limited Jointly with Mr. Jeraz E. Mahernosh	1	0.00
6	The Tata Power Company Limited Jointly with Mr. Kailash Mali	1	0.00
7	The Tata Power Company Limited Jointly with Mr. Jitendra Prasad	1	0.00
Total		2,29,77,567	100.00

9. Brief details in relation to the parties involved in the Amended Composite Scheme

I. Background of the companies

A. TPCL

(i) TPCL was incorporated on the 18th day of September 1919 under the provisions of the Indian Companies Act, VII of 1913. TPCL is a public company within the meaning of the Companies Act, 2013. The registered office of TPCL is situated at Bombay House, 24, Homi Mody Street, Mumbai 400 001, Maharashtra, India. TPCL is accordingly registered with the Registrar of Companies, Mumbai having corporate identity number L28920MH1919PLC000567. It's Permanent Account Number with the Income Tax Department is AA ACT0054A. The e-mail address of TPCL is tatapower@tatapower.com and website is www.tatapower.com. During the last five years, there has been no change in the name and registered office of TPCL. The Equity Shares of TPCL are listed on BSE and NSE.

(ii) Main objects of TPCL have been reproduced below:

"1. To acquire from, take over and work the concession conferred upon Tata Sons Limited by the Government of Bombay, for the development of the Nila Mula Valley in the Haveli Taluka of the Poona District of the Presidency of Bombay with a view to the establishment of an undertaking for the generation of Electrical Energy by the storage of water power in a lake to be formed in that Valley and the supply of such energy to the public, 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, with or without modification the agreement which is particularly referred to in the Article 3(a) of the Articles of Association; and to become parties to, enter into and carry into effect all such other agreements, guarantees, deeds and instruments as may be necessary or as may be deemed advisable or proper.

2. *To acquire and take over from Tata Sons Limited upon the terms of the said Agreement referred to in Article 3(a) of the Articles of Association, if the same shall be obtained by that Company, the License under the Indian Electricity Act 1910 to work the said concession, or to apply to the proper authority or authorities for and to obtain such License and all other rights, licenses and concessions ancillary thereto and necessary to enable the Company to turn such concession to account, and to work the undertaking of any such License.*
3. *To generate, 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, develop and accumulate power at any other place or places and to transmit, distribute and supply such power.*
4. *To carry on the business of a General Electric Power Supply Company in all its branches, and to construct, lay down, establish fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private.*
5. *To acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, dynamos, accumulators and all apparatus now known, or which may hereafter be invented, in connection with the generation, accumulation, distribution, supply and employment of electricity, or any power that can be used as a substitute therefor, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centres.*
6. *To carry on the business of electricians and electrical, mechanical engineers, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism, or otherwise."*

During the last five years, there has been no change in the Objects Clause of TPCL.

- (iii) TPCL is engaged in the business of generation, transmission and distribution of electricity.
- (iv) The authorized, issued, subscribed and paid-up share capital of TPCL as on 30th September 2021, is as under:

Particulars	Amount in ₹
Authorised share capital	
550,00,00,000 equity shares of ₹ 1 each	550,00,00,000
2,29,00,00,000 cumulative redeemable preference shares of ₹ 100 each	229,00,00,000
Total	779,00,00,000
Issued capital	
325,22,67,007 equity shares (including 28,32,060 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a court order and 4,80,40,400 shares of TPCL held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the scheme of amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay)	325,22,67,007
Total	325,22,67,007
Subscribed and Paid Up capital	
319,53,39,547 equity shares fully Paid-up (excluding 28,32,060 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a court order and 4,80,40,400 shares of TPCL held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the	319,53,39,547

Particulars	Amount in ₹
<i>Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay)</i>	
Less: Calls in arrears (including INR 0.01 crore as on 30 th September 2021) in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited)	4,58,675
Add: 16,52,300 equity shares forfeited - amount paid	6,88,756
Total	319,55,69,628

As on date, there has been no change in the authorised, issued, subscribed and paid-up share capital of TPCL.

- (v) Copy of the Audited Financial Statements of TPCL for the financial year ended 31st March 2021, along with a copy of the audited financial statements of TPCL for the quarter and half year ended 30th September 2021, are uploaded on the website of TPCL at www.tatapower.com.
- (vi) The details of Promoters and Directors of TPCL along with their addresses, are mentioned herein below:

Sl. No.	Name	Category	Address
Promoter & Promoter Group			
1.	Tata Sons Private Limited	Promoter	Bombay House, 24, Homi Mody Street, Mumbai 400 001
2.	Tata Steel Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai 400 001
3.	Tata Investment Corporation Limited	Promoter Group	Elphinstone Building, 10, Veer Nariman Road, Fort, Mumbai 400 001
4.	Tata Industries Limited	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai 400 001
5.	Ewart Investments Limited	Promoter Group	Elphinstone Building, 10, Veer Nariman Road, Fort, Mumbai 400 001
6.	Tata Motors Finance Limited	Promoter Group	10 th Floor, 106 A & B, Maker Chambers III, Nariman Point, Mumbai 400 021
7.	Sir Dorabji Tata Trust (Mr. R. N. Tata) (Mr. V. Srinivasan) (Mr. V. Singh) (Mr. R. K. Krishna Kumar) (Mr. Pramit Jhaveri)	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai 400 001
9.	Sir Ratan Tata Trust (Mr. R. N. Tata) (Mr. V. Srinivasan) (Mr. V. Singh) (Mr. J. N. Tata) (Mr. R. K. Krishna Kumar) (Mr. N. N. Tata) (Mr. Jehangir H. C. Jehangir)	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai 400 001
10	JRD Tata Trust (Mr. R. N. Tata) (Mr. V. Srinivasan) (Mr. V. Singh)	Promoter Group	Bombay House, 24, Homi Mody Street, Mumbai 400 001

Sl. No.	Name	Category	Address
Directors			
1	Mr. N. Chandrasekaran, Chairman	Non-Executive Director	Floor 21, 33 South Condominium, Peddar Road, Mumbai 400 026
2	Ms. Anjali Bansal	Non- Executive, Independent Director	3302-3202, A Wing, Vivarea, Jacob Circle, Mahalaxmi, Mumbai 400 011
3	Ms. Vibha Padalkar	Non-Executive, Independent Director	B2503-2506, Ashok Tower CHSL, Dr. B. A. Road, Parel, Mumbai 400 012
4	Mr. Sanjay V. Bhandarkar	Non-Executive, Independent Director	32/33, Moonreach Apartments, Prabha Nagar, P. Balu Marg, Prabhadevi, Mumbai 400 028
5	Mr. K. M. Chandrasekhar	Non-Executive, Independent Director	Flat no. 2H, Great India Estates Homes, Majestic, Near NISH, Aakkulam Boat Club Road, Kuzhivila, Sreekariyam P.O., Thiruvananthapuram 695 017
6	Mr. Hemant Bhargava (LIC Nominee)	Non-Executive Director	Flat No. 3804, Tower 5, Runwal Greens, Mulund Goregaon Link Road, Mulund (W), Mumbai 400 080
7	Mr. Saurabh Agrawal	Non-Executive Director	Flat No. 2803, Imperial Towers, B. B. Nakashe Marg, Tardeo, Mumbai 400 034
8	Mr. Banmali Agrawala	Non-Executive Director	C-602, Palm Springs, Sector 54, Gurgaon, Haryana 122 002
9	Mr. Ashok Sinha	Non-Executive, Independent Director	Flat 18, Kailash, 50, Cumballa Hill, Pedder Road, Mumbai 400 026
10	Dr. Praveer Sinha, CEO & Managing Director	Executive Director	Flat No. 3803, Dr. A. L. Nair Marg, Tower C, Raheja Vivarea, Jacob Circle, Mumbai 400 011

B. CGPL

- (i) Coastal Gujarat Power Limited was incorporated on the 10th day of February 2006 under the provisions of the Companies Act, 1956 as a public company limited by shares. CGPL is a public company within the meaning of the Companies Act, 2013. The registered office of CGPL is situated at Corporate Centre B, 34, Sant Tukaram Marg, Carnac Bunder, Mumbai - 400 009, Maharashtra, India. CGPL is accordingly registered with the Registrar of Companies, Mumbai having corporate identity number U40102MH2006PLC182213. Its Permanent Account Number with the Income Tax Department is AADCC1347A. The e-mail address of CGPL is prasad.bagade@tatapower.com and website is www.tatapower.com. During the last five years, there has been no change in the name and registered office of CGPL. CGPL has issued redeemable non-convertible debentures which are listed on NSE.
- (ii) Main objects of CGPL have been summarized as below for the perusal of the shareholders:
 “1. To plan, promote, develop, design, engineer, construct, operate and maintain “electricity system” as defined under Section 2(25) of the Electricity Act, 2003 and integrated fuel systems in all its aspects including design and engineer, prepare preliminary feasibility, detailed project and appraisal reports; establish; own;

construct; operate and maintain electricity system and captive coal mines for generation evacuation; transmission and distribution of power for supply to the State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Government, Licensees, statutory bodies, other organisations (including private, public and joint sector undertakings) and bulk consumers of power in accordance with the applicable laws, rules, regulations, policies, procedures, guidelines and objectives prescribed by the Govt. of India from time to time.

2. To act as consultants, technical advisors, surveyors and providers of technical and other services to Public or Private Sector enterprises engaged in power generation, transmission and distribution and for financial institutions, banks, Central Government and State Governments and agencies engaged in research, design, engineering of all form of power, both conventional and non-conventional.”

During the last five years, there has been no change in the Objects Clause of CGPL.

- (iii) CGPL is engaged in the business of generating 4,150 MW electricity (installed capacity) from its Ultra Mega Power Project (UMPP) in the State of Gujarat.

- (iv) The authorized, issued, subscribed and paid-up share capital of CGPL as on 30th September 2021, is as under:

Particulars	Amount in ₹
Authorised share capital	
1,000,00,00,000 equity shares of ₹ 10 each	10,000,00,00,000
Total	10,000,00,00,000
Issued, subscribed and paid up share capital	
800,04,20,000 equity shares of ₹ 10 each	8,000,42,00,000
Total	8,000,42,00,000

As on date, there has been no change in the authorised, issued, subscribed and paid-up share capital of CGPL.

- (v) Copy of the Audited Financial Statements of CGPL for the financial year ended 31st March 2021, along with a copy of the audited financial statements of CGPL for the quarter and half year ended 30th September 2021, are uploaded on the website of CGPL at www.tatapower.com.

- (vi) The details of Promoters and Directors of CGPL along with their addresses are mentioned herein below:

Sl. No.	Name	Category	Address
Promoter			
1.	The Tata Power Company Limited	Promoter	Bombay House, 24, Homi Mody Street, Mumbai 400 001
Directors			
1.	Mr. Ramesh N. Subramanyam, Chairman	Non-Executive Director	1401, Tower 6, Crescent Bay, Jerbai Wadia Road, Parel, Mumbai 400 012
2.	Mr. Ashok Sinha	Non-Executive, Independent Director	Flat 18, Kailash, 50, Cumballa Hill, Pedder Road, Mumbai 400 026
3.	Mr. K. M. Chandrasekhar	Non-Executive, Independent Director	Flat No. 2H, Great India Estates Homes, Majestic, Near NISH, Aakkulam Boat Club Road, Kuzhivila, Sreekariyam P.O.,

Sl. No.	Name	Category	Address
			Thiruvananthapuram 695 017
4.	Mr. Vijay Namjoshi	Non-Executive Director	Tata Power Colony, Type III/24, Aziz Baug, Chembur, Mumbai 400 074
5.	Ms. Anjali Kulkarni	Non-Executive Director	101, Plot No.285, Horizon, Road No.5, Chembur, Mumbai 400 071

II. Salient features of the Amended Composite Scheme

The salient features of the Amended Composite Scheme are, *inter alia*, as stated below:

- (i) The “Appointed Date” of the Amended Composite Scheme shall be opening business hours of 1st April 2020 or such other date as may be approved by the Board of the Parties and “Effective Date” means the day on which last of the conditions specified in Clause 19 (Conditions Precedent) of the Amended Composite Scheme are complied with or otherwise duly waived;
- (ii) The Amended Composite Scheme provides for: (i) amalgamation of CGPL with TPCL; and (ii) capital reorganisation of TPCL;
- (iii) The Amended Composite Scheme, as may be approved or imposed or directed by the Hon’ble Tribunal, shall become effective from the Appointed Date but shall be operative from the Effective Date;
- (iv) CGPL is a wholly owned subsidiary of TPCL and, therefore, there shall be no issue of shares as consideration for the amalgamation of CGPL with TPCL;
- (v) On the Amended Composite Scheme becoming effective, CGPL shall stand dissolved without winding up and the Board and any committees thereof of CGPL shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of CGPL shall be struck off from the records of the concerned Registrar of Companies.
- (vi) Capital Reorganisation of TPCL:
 - (a) The debit balance in the Retained Earnings of TPCL (after giving the effect of the accounting treatment as per Clause 9 of Part II mentioned in the Amended Composite Scheme), would be offset against Securities Premium (to the extent available) and then against General Reserves of TPCL; and
 - (b) The entire balance amount standing to the credit of General Reserves (post adjustments as stated in Clause 11.1 of the Amended Composite Scheme) would be reclassified and credited to Retained Earnings of TPCL, such that upon the Amended Composite Scheme becoming effective, such amount transferred to the Retained Earnings will be available for distribution to the shareholders (promoter and non-promoter) of TPCL in terms of Section 123(1) of the Companies Act, 2013. There shall be no effect of the Amended Composite Scheme on the Equity Shareholders of TPCL.

Note: The above details are the salient features of the Amended Composite Scheme. Shareholders are requested to read the entire text of the Amended Composite Scheme annexed hereto to get fully acquainted with the provisions thereof.

III. Relationship subsisting between Parties to the Amended Composite Scheme

CGPL is a wholly owned subsidiary of TPCL.

IV. Board approvals

- (i) The Board of Directors of TPCL, at its meeting held on 1st July 2021, by resolution passed unanimously, approved the Amended Composite Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Mr. N. Chandrasekaran	In favour
Ms. Anjali Bansal	In favour
Ms. Vibha Padalkar	In favour
Mr. Sanjay V. Bhandarkar	In favour
Mr. K. M. Chandrasekhar	In favour
Mr. Hemant Bhargava	In favour
Mr. Saurabh Agrawal	In favour
Mr. Banmali Agrawala	In favour
Mr. Ashok Sinha	In favour
Dr. Praveer Sinha	In favour

- (ii) The Board of Directors of CGPL, at its meeting held on 1st July 2021, by resolution passed unanimously, approved the Amended Composite Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Mr. Ramesh N. Subramanyam	In favour
Mr. Ashok Sinha	In favour
Mr. K. M. Chandrasekhar	In favour
Mr. Vijay Namjoshi	In favour
Ms. Anjali Kulkarni	In favour

V. Interest of Directors, Key Managerial Personnel and their relatives

Details of shares held by the present Directors and KMPs of TPCL, and CGPL, either individually or jointly, as a first holder or second holder or as a nominee and by their relatives, in the respective companies, are as under:

- (i) TPCL

Sl. No.	Name of the Director/ KMPs and relatives of directors and KMPs	Designation	Number of equity shares held as on 30 th September 2021
1.	Mr. N. Chandrasekaran	Non-Executive Director	7,00,000
2.	Ms. Anjali Bansal	Non-Executive, Independent Director	Nil
3.	Ms. Vibha Padalkar	Non-Executive, Independent Director	Nil
4.	Mr. Sanjay V. Bhandarkar	Non-Executive, Independent Director	16,262 [#]
5.	Mr. K. M. Chandrasekhar	Non-Executive, Independent Director	Nil
6.	Mr. Hemant Bhargava	Non-Executive Director	Nil
7.	Mr. Saurabh Agrawal	Non-Executive Director	Nil
8.	Mr. Banmali Agrawala	Non-Executive Director	Nil
9.	Mr. Ashok Sinha	Non-Executive, Independent Director	Nil
10.	Dr. Praveer Sinha	CEO & Managing Director	Nil
11.	Mr. Ramesh N. Subramanyam	Chief Financial Officer	Nil
12.	Mr. Hanoz M. Mistry	Company Secretary	21,298 [*]

[#]Jointly held with mother

^{*}6,726 Equity shares held jointly with wife

(ii) CGPL

Sl. No.	Name of the Director/ KMPs and relatives of directors and KMPs	Designation	Number of equity shares held as on 30 th September 2021
1.	Mr. Ramesh N. Subramanyam	Non-Executive Director	Nil
2.	Mr. Ashok Sinha	Non-Executive, Independent Director	Nil
3.	Mr. K. M. Chandrasekhar	Non-Executive, Independent Director	Nil
4.	Mr. Vijay Namjoshi	Non-Executive Director	Nil
5.	Ms. Anjali Kulkarni	Non-Executive Director	Nil
6.	Mr. A. N. Ramesh	Chief Executive Officer	Nil
7.	Mr. Prasad S. Bagade	Chief Financial Officer & Company Secretary	Nil

Save as aforesaid, none of the Directors and KMPs of the said companies and their relatives have any concern or interest in the Amended Composite Scheme.

VI. Shareholding pattern

A. **The pre/post arrangement shareholding pattern of the parties to the Amended Composite Scheme**

(i) TPCL

The pre-arrangement shareholding pattern of TPCL as on 30th September 2021, is as under:

Sl. No.	Category of Shareholder	Total No. of Shares	As a percentage of total capital
(A)	Promoters		
(1)	Indian		
(a)	Individuals/Hindu Undivided Family	0	0.00
(b)	Central Government/State Government(s)	0	0.00
(c)	Bodies Corporate	1,497,257,565	46.86
(d)	Financial Institutions/Banks	0	0.00
(e)	Any Other (specify)	0	0.00
	Sub-Total (A)(1)	1,497,257,565	46.86
(2)	Foreign		
(a)	Individuals (Non-Resident Individuals/Foreign Individual)	0	0.00
(b)	Bodies Corporate	0	0.00
(c)	Institutions	0	0.00
(d)	Qualified Foreign Investor	0	0.00
(e)	Any Other (specify)	0	0.00
	Sub-Total (A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	1,497,257,565	46.86
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds/UTI	265,333,424	8.30
(b)	Alternate Investment Funds	833,0357	0.26
(c)	Financial Institutions/Banks	8,906,069	0.28
(d)	Central Government/State Government(s)	17,106,095	0.54
(e)	Venture Capital Funds	0	0.00
(f)	Insurance Companies	349,195,981	10.93

(g)	Foreign Institutional Investors	66,455	0.00
(h)	Foreign Venture Capital Investors	0	0.00
(i)	Qualified Foreign Investor	0	0.00
(j)	Any Other (specify)		
	i) Foreign Portfolio Investors – Corporate	353,287,769	11.06
	ii) Foreign Institutional Investors - DR	0	0.00
	iii) Foreign Nationals – DR	0	0.00
	iv) Foreign Bodies – DR	365,990	0.01
	v) Provident Funds/ Pension Funds	4,288,563	0.13
	Sub-Total (B)(1)	1,006,880,703	31.51
(2)	Non-Institutions		
(a)	Bodies Corporate	31,363,813	0.98
(b)	Individuals	0	0.00
	i) Individual shareholders holding nominal share capital up to Rs.2 lakh	548,407,352	17.16
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	28,935,251	0.91
(c)	Qualified Foreign Investor	0	0.00
(d)	Any Other (specify)	0	0.00
	i) Overseas Corporate Bodies	4000	0.00
	ii) Trust	1,034,654	0.03
	iii) Clearing Member/House	17,143,545	0.54
	iv) Non-Resident Indians	38,230,757	1.20
	v) NBFC registered with RBI	57,675	0.00
	vi) Limited Liability Partnership- LLP	1,049,724	0.03
	vii) HUF	15,048,532	0.47
	viii) Directors & their relatives	716,262	0.02
	ix) IEPF A/c	8,849,414	0.28
	Sub-Total (B)(2)	690,840,979	21.62
	Total Public Shareholding (B) = (B)(1) + (B)(2)	1,697,721,682	53.13
	TOTAL (A) + (B)	3,194,979,247	99.99
(C)	Shares held by Custodians against which DRs are issued (GDR)	360,300	0.01
	TOTAL (A) + (B) + (C)	3,195,339,547	100.00

There will be no change in the shareholding pattern of TPCL consequent to the Amended Composite Scheme.

(ii) CGPL

The pre-arrangement shareholding pattern of CGPL is as follows:

Sl. No.	Name of Shareholder	Number of Shares held	Percentage Holding
1	The Tata Power Company Limited	800,04,19,994	100.00
2	The Tata Power Company Limited Jointly with Mr. H. M. Mistry	1	0.00
3	The Tata Power Company Limited Jointly with Mr. Anand Agarwal	1	0.00
4	The Tata Power Company Limited Jointly with Mr. Soundararajan Kasturi	1	0.00
5	The Tata Power Company Limited Jointly with Mr. Jeraz E. Mahernosh	1	0.00
6	The Tata Power Company Limited Jointly with Mr. Kailashpati Mali	1	0.00
7	The Tata Power Company Limited Jointly with Mr. Jitendra Prasad	1	0.00
	Total	800,04,20,000	100.00

Post-arrangement, CGPL will be dissolved without winding up.

B. Pre/post Arrangement capital structure of the parties to the Amended Composite Scheme

- (i) TPCL
The pre-arrangement capital structure of TPCL is given in paragraph 9.VI.A.(i) above. There will be no change in the shareholding pattern of TPCL consequent to the Amended Composite Scheme.
- (ii) CGPL
The pre-arrangement capital structure of CGPL is given in paragraph 9.VI.A.(ii) above. Post-arrangement, CGPL will be dissolved without winding up.

10. Inspection of Documents

For the benefit of Equity Shareholders, the electronic copy of the following documents will be available for inspection in the Investor section of the website of TPCL at www.tatapower.com:

- (i) Copy of the orders dated 6th October 2021, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, in connection with CA.239/2021 in CP.CAA.42/2021 in CA(CAA)1140/2020 and CP(CAA) No.42/MB-IV/2021 connected with CA(CAA) No. 1140/MB-IV/2020;
- (ii) Memorandum and Articles of Association of the Company, TPCL and CGPL;
- (iii) Audited financial statements of the Company, TPCL and CGPL for the financial year ended 31st March 2021, and audited financial statements of the Company, TPCL and CGPL for the quarter and half year ended 30th September 2021; and
- (iv) Copy of the Amended Composite Scheme.

Based on the above and considering the material facts, in the opinion of the Board of Directors of the Company, the amendment to the Composite Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders.

The Board of Directors of the Company recommends the amendment to the Composite Scheme for approval of the Equity Shareholders.

By Order of the Board of Directors,
For Tata Power Solar Systems Limited

Jeraz E. Mahernosh
Company Secretary
FCS No.: 7008

Mumbai, 2nd December 2021

Registered Office:

c/o The Tata Power Co. Ltd., Corporate Center B,
34, Sant Tukaram Road, Carnac Bunder,
Mumbai 400 009.
CIN: U40106MH1989PLC330738
Tel: 91 22 6665 8282 Fax: 91 22 6665 8801
e-mail: info.solar@tatapower.com
Website: www.tatapowersolar.com

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

COASTAL GUJARAT POWER LIMITED

AND

THE TATA POWER COMPANY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013**

(A) PREAMBLE

This composite scheme of arrangement provides for: (i) amalgamation of Coastal Gujarat Power Limited (hereinafter referred to as “**Transferor Company**”) with The Tata Power Company Limited (hereinafter referred to as “**Transferee Company**”); and (ii) capital reorganization of the Transferee Company. This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

(B) DESCRIPTION OF COMPANIES

1. The Transferee Company is a public company incorporated under the provisions of the Indian Companies Act, 1913. The Transferee Company *inter alia* is engaged in the business of generation, transmission and distribution of electricity. The equity shares of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*). The non-convertible debentures of the Transferee Company are also listed on the Stock Exchanges.
2. The Transferor Company is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company *inter alia* is engaged in the business of generating electricity at its UMPP (4150MW installed capacity). The Transferor Company has issued redeemable non-convertible debentures which are listed on National Stock Exchange of India Limited. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

(C) RATIONALE OF THE SCHEME

1. The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Company pursuant to amalgamation. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:
 - (a) Streamlining of the corporate structure and consolidation of assets and liabilities of the Transferor Company within the Transferee Company;
 - (b) Availing easier financial support for the businesses of the Transferor Company;
 - (c) More efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;
 - (d) Enabling opportunities for employees of the Parties (*as defined hereinafter*) to grow by bringing them in a common pool;
 - (e) Easier implementation of corporate actions through simplified compliance structure;
 - (f) Improve management oversight and bring in operational efficiencies;
 - (g) Cost savings through legal entity rationalisation and consolidation of support functions, business processes, elimination of duplicate expenses, etc.; and
 - (h) Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.
2. The Transferee Company is one of the largest power generation, distribution and transmission companies in India, having a legacy spanning over 100 (hundred) years. The Transferee Company has been quite instrumental in serving the power consumption needs of the Indian

population.

3. The Transferee Company has built up significant reserves from its retained profits over the years by transferring the same to its General Reserves (*as defined hereinafter*). With robust business practices in place, the Transferee Company expects that it will continue its growth trajectory and its business operations will keep generating incremental cash flow over the coming years.
4. The Transferee Company is of the view that the funds represented by the General Reserves are in excess of the Transferee Company's current anticipated operational and business needs in the foreseeable future, thus, these excess funds can be distributed to its shareholders in such manner and to such extent, as the Board (*as defined hereinafter*) of the Transferee Company in its sole discretion, may decide, from time to time and in accordance with the provisions of the Act (*as defined hereinafter*) and other Applicable Law (*as defined hereinafter*).

The Scheme is in the interest of the shareholders, creditors and all other stakeholders of the Parties and is not prejudicial to the interests of the concerned shareholders, creditors of the Parties or the public at large.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, interpretations and share capital of the Parties;
2. **PART II** deals with amalgamation of the Transferor Company with the Transferee Company;
3. **PART III** deals with capital reorganization of the Transferee Company; and
4. **PART IV** deals with the general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013;

“Applicable Law” or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (b) Permits; and (c) orders, decisions, injunctions, judgments,

awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

"Appointed Date" means opening business hours of 1 April 2020 or such other date as may be approved by the Board of the Parties;

"Appropriate Authority" means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;
- (b) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, the Tribunal; and
- (c) any Stock Exchange.

"Board" in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"Distribution" has the same meaning ascribed to it in Clause 12.1 hereto and the term **"Distribute"** shall be construed accordingly;

"Effective Date" means the day on which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with or otherwise duly waived.

Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

"Encumbrance" means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;

"General Reserves" means and includes the general reserves of the Transferee Company which have been built primarily through transfer of retained undistributed profits over the years, pursuant to the provisions of the Act read with Companies (Declaration and Payment of Dividend) Rules, 2014 and erstwhile notified rules under the provisions of Companies Act 1956, namely, the Companies (Transfer of Profits to Reserves) Rules, 1975 and which forms a part of the revenue reserves of the Transferee Company, as reflected in the books of accounts of the Transferee Company;

"Income Tax Act" means the Income-tax Act, 1961;

“INR” means Indian Rupee, the lawful currency of the Republic of India;

“Parties” means collectively the Transferor Company and the Transferee Company and **“Party”** shall mean each of them, individually;

“Permits” means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

“Person” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“Retained Earnings” means line-item classified as retained earnings as presented in the balance sheet of the Transferee Company, which constitute accumulated profits of the Transferee Company, arrived at after providing for depreciation in accordance with the provisions of the Act;

“RoC” means the relevant jurisdictional Registrar of Companies having jurisdiction over Parties;

“Securities Premium” means the line-item classified as securities premium as presented in the balance sheet of the Transferee Company, forming part of the reserves and surplus of the Transferee Company;

“Scheme” or **“this Scheme”** means this composite scheme of arrangement as modified from time to time;

“Stock Exchanges” means BSE Limited and the National Stock Exchange of India Limited, collectively;

“Tax Laws” means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

“Taxation” or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto;

“Transferee Company” means The Tata Power Company Limited, a company incorporated under the provisions of the Indian Companies Act, 1913, having corporate identification number L28920MH1919PLC000567 and its registered office at Bombay House, 24 Homi Mody Street, Mumbai - 400001, Maharashtra, India;

“Transferor Company” means Coastal Gujarat Power Limited, a company incorporated under the provisions of the Companies Act, 1956, having corporate identification number

U40102MH2006PLC182213 and its registered office at 34, Sant Tukaram Marg Carnac Bunder, Mumbai - 400009, Maharashtra, India; and

“**Tribunal**” means the Mumbai bench of the National Company Law Tribunal having jurisdiction over Parties.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;

1.2.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.4 the words “include” and “including” are to be construed without limitation.

2. SHARE CAPITAL

2.1 The share capital structure of the Transferor Company as on 31 July 2020 is as follows:

Particulars	Amount in INR
Authorised share capital	
1,000,00,00,000 equity shares of INR 10 each	10,000,00,00,000
Total	10,000,00,00,000
Issued, subscribed and paid up share capital	
800,04,20,000 equity shares of INR 10 each	8,000,42,00,000
Total	8,000,42,00,000

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company until the date of approval of the Scheme by the Board of the Transferor Company.

2.2 The share capital structure of the Transferee Company as on 31 July 2020 is as follows:

Particulars	Amount in INR
Authorised share capital	
550,00,00,000 equity shares of INR 1 each	550,00,00,000
2,29,00,000 cumulative redeemable preference shares of INR 100 each	229,00,00,000
Total	779,00,00,000
Issued capital	
276,17,00,970 equity shares (including 28,32,060 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a court order and 4,80,40,400 shares of the Applicant Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the scheme of amalgamation sanctioned by the High Court of Judicature, Bombay)	276,17,00,970

Particulars	Amount in INR
Total	276,17,00,970
Subscribed and Paid Up Capital	
270,47,73,510 equity shares fully Paid-up <i>(excluding 28,32,060 not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a court order and 4,80,40,400 shares of the Applicant Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay)</i>	270,47,73,510
Less: Calls in arrears <i>(including Rs. 0.01 crore as on 31st March 2020) in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited)</i>	4,58,675
Add: 16,52,300 equity shares forfeited - amount paid	6,88,756
Total	270,50,03,591

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company until the date of approval of the Scheme by the Board of the Transferee Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 18 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY

- 4.1 Upon effectiveness of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall stand transferred to and vested in the Transferee Company as a going concern and accordingly, all assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.
- 4.2 Upon effectiveness of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme, is as follows:

- 4.2.1 In respect of such of the assets and properties of the Transferor Company which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Company, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;
- 4.2.2 Subject to Clause 4.2.4 below, with respect to the assets of the Transferor Company other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission in favour of Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.
- 4.2.3 In respect of such of the assets and properties of the Transferor Company which are immovable in nature, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose

of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the concerned Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;

- 4.2.6 All debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause **Error! Reference source not found.**;
- 4.2.7 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;
- 4.2.8 Unless otherwise agreed to between the concerned Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.
- 4.2.9 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Company, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate 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 the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever;
- 4.2.10 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation

that the Transferor Company was enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, 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 Company shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed; and

- 4.2.11 All contracts where the Transferor Company is a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. Accordingly, power purchase agreements/ arrangements, where the Transferor Company is a party, will be modified / executed to reflect the aforesaid, which will be binding upon each of the parties and, if required, the Transferee Company, shall be authorised to cause such contracts, agreements, arrangements and other instruments to be taken on record/recognised by the Appropriate Authorities. The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Parties concerned, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/or Transferee Company shall have any obligation or liability against the other party in relation thereto.

- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

5. EMPLOYEES

- 5.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, all employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to

abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any Persons in relation to the employees of the Transferor Company. The Transferee Company agrees that the services of all such employees of the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

- 5.2 The accumulated balances, if any, standing to the credit of the aforesaid employees of the Transferor Company in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company.

6. LEGAL PROCEEDINGS

- 6.1 Upon the coming into effect of this Scheme, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

7. TAXES/ DUTIES/ CESS

Upon the effectiveness of the Scheme and with effect from Appointed Date, by operation of law pursuant to the order of the Tribunal:

- 7.1 All the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & foreign tax credits), tax losses, minimum alternate tax credit, dividend distribution tax credit income costs, charges, expenditure or losses of the Transferee Company, as the case may be;
- 7.2 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be available and stand vested in the Transferee Company;
- 7.3 Upon the Scheme becoming effective, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental

thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax / goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.

- 7.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.

8. CONSIDERATION

- 8.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Transferee Company.
- 8.2 Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act or deed.

9. ACCOUNTING TREATMENT

- 9.1 Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation of the Transferor Company in the books of accounts in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 9.1.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company;
- 9.1.2 The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the Transferor Company, at the carrying amount as appearing in the consolidated financial statements of the Transferee Company;
- 9.1.3 Pursuant to the amalgamation of the Transferor Company with the Transferee Companies, inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled;
- 9.1.4 The value of all investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation;

- 9.1.5 The surplus/deficit, if any arising after taking the effect of clause 9.1.1, 9.1.2 and 9.1.4, after giving the effect of the adjustments referred to in clause 9.1.3, shall be adjusted in 'Capital Restructuring Reserve' in the financial statements of the Transferee Company;
- 9.1.6 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- 9.1.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period;
- 9.1.8 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed, i.e., the control is transferred in accordance with the requirements of Ind AS.

10. DISSOLUTION OF THE TRANSFEROR COMPANY

- 10.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC.

PART III

CAPITAL REORGANIZATION OF THE TRANSFEREE COMPANY

11. CAPITAL REORGANIZATION OF THE TRANSFEREE COMPANY

Immediately after Part II of this Scheme becoming effective and with effect from the Appointed Date:

- 11.1 The debit balance in the Retained Earnings of the Transferee Company (after giving the effect of the accounting treatment as per Clause 9 of Part II of this Scheme) would be offset against Securities Premium (to the extent available), and then against General Reserves of the Transferee Company.
- 11.2 The entire balance amount standing to the credit of General Reserve (post adjustments as stated in Clause 11.1 above) shall be reclassified and credited to Retained Earnings of the Transferee Company.
- 11.3 Such amounts credited to the Retained Earnings of the Transferee Company in accordance with Clause 11.2 above, shall be reclassified as and constitute accumulated profits of the Transferee Company for the previous financial years, arrived at after providing for depreciation and remain undistributed in the manner provided in the Act and Applicable Laws. It is clarified that such amounts shall be available for utilisation by the Transferee Company in relation to any Distribution in the manner set out in Clause 12 below.

- 11.4 The reduction of Securities Premium account and General Reserves shall be in accordance with the provisions of Sections 230 to 232 read with Section 52 of the Act, as the same does not involve either diminution of liability in respect of unpaid share capital of the Transferee Company or payment to any shareholder of any paid up share capital of the Transferee Company and the Tribunal order sanctioning the Scheme shall be deemed to be an order under Sections 230 of the Act confirming such reduction of share capital of the Transferee Company.
- 11.5 Pursuant to the Scheme, there is no outflow of/ payout of funds from the Transferee Company and hence, the interest of the shareholders/ creditors is not adversely affected. For the removal of doubt, it is expressly recorded and clarified that the transfer of amounts standing to the credit of the General Reserves and utilisation of such amounts through each Distribution, shall not in any manner involve distribution of capital reserves or revenue reserves other than the General Reserves and shall be in accordance with the accounting standards prescribed under provisions of Section 133 of the Act.

12. DISTRIBUTION OF SURPLUS FUNDS TO THE SHAREHOLDERS OF THE TRANSFEE COMPANY

- 12.1 Upon the Scheme becoming effective and subsequent to the reclassification of the amounts standing to the credit of the General Reserves and credit thereof to the Retained Earnings pursuant to Clause 11 of the Scheme, the amount so credited shall be paid out to the shareholders of the Transferee Company, from time to time, by the Board of the Transferee Company, at its sole discretion, in such manner, quantum and at such time as it deems fit (each such event constituting a "**Distribution**").
- 12.2 Each Distribution of surplus funds (including the quantum, manner and timing thereof) shall be undertaken in accordance with the provisions of the Act, the Scheme and other Applicable Laws, taking into account all relevant factors including applicable regulatory and fiscal considerations, the nature and quantum of each Distribution and subject to payment or deduction at source of applicable taxes as per Applicable Laws.

13. ACCOUNTING TREATMENT

Upon Part III of the Scheme becoming effective and with effect from Appointed Date, the Transferee Company shall account in its books as follows:

- 13.1 In accordance with the Clause 11.1 above, the debit balance in the Retained Earnings of the Transferee Company (after giving the effect of the accounting treatment as per Clause 9 of Part II) would be offset against Securities Premium (to the extent available), and then against General Reserves of the Transferee Company.
- 13.2 In accordance with the Clause 11.2 above, the entire amount standing to the credit of the General Reserves of the Transferee Company (after adjusting the amount as per clause 13.1 above), shall be reclassified and credited to the Retained Earnings of the Transferee Company.

PART IV

GENERAL TERMS & CONDITIONS

14. COMBINATION OF AUTHORISED SHARE CAPITAL

- 14.1 Upon the Scheme becoming effective, the authorised equity share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC, by the authorised share capital of the Transferor Company amounting to INR 10,000,00,00,000 (Rupees Ten thousand crore only) and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and no further resolution(s)/consent/approval under the applicable provisions of the Act would be required to be separately passed/obtained, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized equity 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 equity share capital to that extent.
- 14.2 Consequentially, Clause V & VI of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 14.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.
- 14.3 It is clarified that the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the shareholders of the Transferee Company to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

15. VALIDITY OF EXISTING RESOLUTIONS, POWER OF ATTORNEYS, ETC.

- 15.1 Upon this Scheme coming into effect, the resolutions/ power of attorneys executed by the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company. Further, if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then such limits shall automatically be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Transferee Company without any further act or deed.
- 15.2 For the avoidance of doubt and without prejudice to the generality of Clause 15.1 above, it is clarified that, upon this Scheme coming into effect, the limits of creation of charge and borrowing of the Transferor Company as may be approved under Sections 180(1)(a) and 180(1)(c) of the Act, as on the date of Scheme coming into effect, shall be added to the limits of creation of charge and borrowing of the Transferee Company and no further consent/approval from the shareholders of the Transferee Company or any other authority shall be required.

16. BUSINESS UNTIL EFFECTIVE DATE

16.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:

16.1.1 The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as the Transferor Company had been doing hitherto; and

16.1.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company may respectively require to carry on the relevant business of the Transferor Company and to give effect to the Scheme.

16.2 With effect from the Appointed Date and until the Effective Date:

16.2.1 The Transferor Company shall carry on and be deemed to have carried on its businesses and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company; and

16.2.2 The Transferor Company shall carry on its business and activities with due diligence and business prudence and shall not, without the prior written consent of the Transferee Company, charge, mortgage, encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.

16.3 All profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

17. APPLICATIONS/PETITIONS TO THE TRIBUNAL

17.1 The Parties shall make joint applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

18. MODIFICATION OR AMENDMENTS TO THIS SCHEME

18.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

18.2 For the purposes of giving effect to this Scheme, the Board may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.

19. CONDITIONS PRECEDENT

19.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

19.1.1 the Transferee Company having obtained no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LoDR;

19.1.2 the Transferor Company having obtained approval/ permission letter from the National Stock Exchange of India Limited, as per Regulation 59 of the SEBI LoDR;

19.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act for approving the Scheme, being obtained by the Parties;

19.1.4 approval of the Scheme by the requisite majority of each class of shareholders of the Parties and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act, the SEBI Circular and as may be directed by the Tribunal;

19.1.5 the Transferee Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Company through e-voting, as applicable;

19.1.6 the certified copies of the order of Tribunal approving the Scheme being filed with the RoC by the Parties as per the Tribunal Order; and

19.1.7 the requisite consent, approval or permission of the Appropriate Authority or any other Person, which by Applicable Law or contract/(s) may be necessary for the amalgamation of the Transferor Company with the Transferee Company.

19.2 Without prejudice to Clause 19.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 19.1 above, the entire Scheme shall be made effective simultaneously in the order as contemplated below:

19.2.1 Part I, Part II and Part IV of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 19.1 above; and

19.2.2 Part III of the Scheme shall be made effective immediately after Part II of the Scheme is made effective.

20. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

20.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

20.2 In the event of withdrawal of the Scheme under Clause 20.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

20.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed amongst the Parties, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their shareholders or creditors or employees or any other Person in terms of this

Scheme. In such an event, each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

21. COSTS AND EXPENSES

The Transferee Company shall bear the costs, charges and expenses (including stamp duty, if any), in connection with this Scheme, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.