ANNEXURE - 2

SCHEME OF ARRANGEMENT

BETWEEN

ADANI POWER LIMITED ... *Transferor Company*

AND

ADANI POWER (MUNDRA) LIMITED ... *Transferee Company*

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 read with Sections 13, 52, 61 and 66 of the Act (*as defined hereinafter*) and other relevant provisions of the Act for the transfer and vesting of the Mundra Power Generation Undertaking (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) to the Transferee Company (*as defined hereinafter*) with effect from the Appointed Date (*as defined hereinafter*), as a going concern on a Slump Exchange (*as defined hereinafter*) basis; reduction of securities premium account of the Transferor Company; increase in the authorised share capital of the Transferee Company; and for matters consequential, incidental, supplemental and/or otherwise integrally connected therewith.

PART I- GENERAL

1. INTRODUCTION

1.1. Adani Power Limited (the **"Transferor Company"**) is a company incorporated on 22nd day of August 1996 with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956 in the name of Adani Power Limited with Corporate Identification Number L40100GJ1996PLC030533. Its name was changed to (a) Adani Power Private Limited on 3rd day of June 2002; and (b) Adani Power Limited on 12th day of April 2007. The Transferor Company is a listed public limited company having its registered office at "Shikhar", Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

1.2. The Transferor Company is a part of Adani Group with various business interests. The brief description of the major activities being carried out by the Transferor Company along with its subsidiaries are as under:

(a) The Transferor Company is engaged in the business of generating power and for the said purpose has set-up and commissioned 4,620 MW thermal power plant (comprising of 9

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For, ADANI POWER LIMITED
Company Secretary

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units, i.e. 4 units of 330 MW each and 5 units of 660 MW each) in the multi product Special Economic Zone, at Village Tunda and Siracha, Taluka Mundra, District Kutch, Gujarat, being developed by Adani Ports and Special Economic Zone Limited. Pursuant to the approval granted by Government of India, Ministry of Commerce & Industry, Department of Commerce, the Transferor Company is a Co-Developer in the said multi product Special Economic Zone for setting up of generation, transmission, distribution of power and related infrastructure facilities on an area of 293.8810 hectares. For specified end use of the 6 units out of the aforesaid 9 units, the Government of India has allocated Jitpur coal block located in the State of Jharkhand to the Transferor Company. The aforesaid business activities are hereinafter referred to as **"Mundra Power Generation Business"**;

(b) The Transferor Company is also engaged in generation of solar power pursuant to commissioning of 40 MW Solar Power Project at Village Bitta-Naliya, District Kutch, Gujarat;

(c) The Transferor Company holds 100% of the paid-up equity share capital of Adani Power Maharashtra Limited, which has set-up and commissioned 3,300 MW thermal power plant at Tiroda, Maharashtra;

(d) The Transferor Company holds 100% of the paid-up equity share capital of Adani Power Rajasthan Limited, which has set-up and commissioned 1,320 MW thermal power plant at Kawai, Rajasthan;

(e) The Transferor Company holds 100% of the paid-up equity share capital of Udupi Power Corporation Limited, which has set-up and commissioned 1,200 MW thermal power plant at Yellur, District Udupi, Karnataka.

(f) The Transferor Company holds 100% of the paid-up equity share capital of Adani Power (Jharkhand) Limited, which is setting up 1,600 MW thermal power plant at District Podaiyahaat - Godda, Jharkhand.

1.3. Adani Power (Mundra) Limited (the **"Transferee Company"**) is a company incorporated on 16th Day of February, 2015 with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 2013 in the name of Adani Power (Karnataka) Limited with Corporate Identification Number U40300GJ2015PLC082295. The name of Adani Power (Karnataka) Limited was changed to Adani Power (Mundra) Limited with effect from 27th day of April 2017. The Transferee Company is an unlisted public limited company, having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad- 380 009, Gujarat. The Transferor Company along with its wholly owned subsidiary, Adani Power (Jharkhand) Limited, holds 100% of the paid-up equity share capital of the Transferee Company (the Transferor Company and Adani Power (Jharkhand) Limited hold 99% and 1%, respectively, in the paid-up equity share capital of the Transferee Company).

1.4. The Transferee Company has been incorporated with an object to, inter alia, carry on the business of generation, distribution and supply of and to generally deal in electricity through itself and its subsidiaries/associates. Presently, no business is being carried out by the Transferee Company.

1.5. Rationale for restructuring:

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(a) The Transferor Company was originally envisaged to be a power generating company. However, with the growth opportunities in the form of new power projects as well as acquisitions, it no longer retains the original nature. The characteristics of risk, growth, funding requirements and cash flows involved with the Transferor Company's distinct activities, i.e. investments and power generation are quite distinct. There are also differences in which these two activities are required to be organized and managed. The Transferor Company proposes to separate the power generation from investments by effecting transfer and vesting of the Mundra Power Generating Business as a going concern, on Slump Exchange basis, to the Transferee Company in order to enhance the focus provided to the distinct activities.

(b) The transfer and vesting of the Mundra Power Generating Business into the Transferee Company will create a clean platform and allow the Transferor Company to source its funding more efficiently for investing in capacity expansion of its subsidiaries and/or acquisition of assets.

(c) Separation of the Mundra Power Generating Business into the Transferee Company will put at par with the other operating subsidiaries of the Transferor Company, with specific strategic focus as well as specific financial arrangements.

(d) Transfer and vesting of the Mundra Power Generating Business to the Transferee Company will allow induction of capital/strategic investor into the Mundra Power Generating Business.

1.6. This Scheme is divided into the following parts:

(i) **Part I**, which deals with the introduction, definitions, date of taking effect and share capital;

(ii) **Part II**, which deals with the transfer and vesting of the Mundra Power Generating Undertaking; and

(iii) **Part III**, which deals with general terms and conditions applicable to the Scheme.

2. DEFINITIONS

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

"Act" or **"the Act"** means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified;

"Appointed Date" means 31st March 2017;

"Board" or **"Board of Directors"** in relation to the Companies means the board of directors of such company and, unless it be repugnant to the context, includes a duly authorised committee of directors;

"Companies" shall mean the Transferor Company and the Transferee Company;

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"Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 24 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date;

"Employee Benefit Funds" shall have the meaning set forth in Clause 9.2;

"Encumbrance" or **"Encumber"** shall mean any: (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by the third person; (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law; (iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any person; and/or (iv) any adverse claim as to title, possession or use;

"**Governmental Authority**" shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of Law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, or any stock exchange of India or any other country;

"**Law**" shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

"LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Mundra Power Generating Employees" shall mean all the employees of the Transferor Company employed in the Mundra Power Generating Undertaking;

"Mundra Power Generating Liabilities" shall have the meaning set forth in Clause 7.1;

"Mundra Power Generating Undertaking" means all the businesses, undertakings, activities, operations, properties, liabilities and reserves and surplus pertaining to the Mundra Power Generating Business, on a going concern basis, and shall mean and include, without limitation:

(a) 4,620 MW thermal power plant set-up and commissioned on an area of 293.8810 hectares in the multi product Special Economic Zone at Village Tunda and Siracha, Taluka Mundra, District Kutch, Gujarat;

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(b) letter of approvals granting the status as Co-Developer to the Transferor Company for setting up of generation, transmission, distribution of power and related infrastructure facilities on an area of 293.8810 hectares in the multi product Special Economic Zone at Mundra, District Kutch, Gujarat including the approvals for the authorised operations granted by the Government of India, Ministry of Commerce & Industry, Department of Commerce to the Transferor Company;

(c) Jitpur coal block located in the State of Jharkhand, allocated by the Government of India.

(d) all immovable properties i.e. land together with the buildings and structures standing thereon (whether, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, guest house, warehouses, workshops, sheds, stores, storages including coal storage, cooling stations, ash dykes, fly ash bagging facility, silo, DG room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for any use of premises, share of any joint assets, etc., which immovable properties are currently in use for the purpose of and in relation to the Mundra Power Generating Business and all documents (including panchnamas, declarations, receipts, etc.,) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

(e) all assets, as are movable in nature pertaining to and in relation to the Mundra Power Generating Business and Jitpur Coal block, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, boilers, turbines, coal handling equipments, dumpers, excavators, shovel, surface miners, cranes, capital work in progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished goods, supplies, packaging items, actionable claims, current assets, earnest monies and receivables, sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit.

(f) all permits, licenses (including factory license), permissions, right of way, approvals, clearances, consents, benefits, registrations including import registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by Pollution Control Board, environmental clearance and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Mundra Power Generating Business or in connection therewith), tax deferrals, tax credits (including any credits arising from advance tax, other income tax credits, withholding tax credits, minimum alternate tax credits, CENVAT credits, goods and services tax credits, other indirect tax credits and other tax receivables), other claims under tax laws, privileges, incentives (including incentives in respect of income tax, sales tax, value added tax, service tax, excise duty, customs duties and goods and services tax), benefits, tax holidays, tax refunds (including those pending with any tax authorities), advantages,

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benefits and all other rights, privileges, powers and facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the Mundra Power Generating Business;

(g) all contracts, agreements including power purchase agreements, coal linkages agreements, fuel supply agreements, Coal Mine Development and Production Agreement as amended from time to time, consultancy agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letters of intent, arrangements, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Mundra Power Generating Business;

(h) all trade marks, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical know how, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Mundra Power Generating Business;

(i) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company pertaining to or in connection with or relating to the Transferor Company in respect of the Mundra Power Generating Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and pertaining to the Mundra Power Generating Business;

(j) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), applications (including hardware, software, source codes, parameterization and scripts), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, brochures, pamphlets, quotations, sales and advertising materials, product registrations, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Mundra Power Generating Business;

(k) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Transferor Company pertaining to the Mundra Power Generating Business and/or arising out of and/or relatable to the Mundra Power Generating Business;

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(l) all employees of the Transferor Company employed/engaged in the Mundra Power Generating Business as on the Effective Date; and

(m) all legal or other proceedings of whatsoever nature that pertain to the Mundra Power Generating Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Mundra Power Generating Business or whether it arises out of the activities or operations of the Mundra Power Generating Business, the same shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Transferee Company.

"NCLT" means the National Company Law Tribunal, Bench, at Ahmedabad;

"Remaining Business" shall mean all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those comprised in the Mundra Power Generating Undertaking;

"Scheme" or **"the Scheme"** or **"this Scheme"** shall mean this scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;

"SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

"SEBI Circular" means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017 and the circular no. CFD/DIL3/CIR/2017/26 dated 23rd day of March 2017, each issued by SEBI, including any modifications thereto;

"Slump Exchange" means the transfer and vesting of the Mundra Power Generating Undertaking of the Transferor Company to the Transferee Company on a going concern basis for a lump sum consideration, to be exchanged by way of issuance of equity shares of the Transferee Company, without values being assigned to the individual assets and liabilities.

"Stock Exchanges" shall mean National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), collectively;

"Transferee Company" shall have the meaning set forth in Clause 1.3;

"Transferor Company" shall have the meaning set forth in Clause 1.1.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

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4. SHARE CAPITAL

4.1 The authorised, issued, subscribed and paid up share capital of the Transferor Company as at 31st day of May 2017 was as under:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
450,00,00,000 Equity Shares of Rs. 10 each	4500,00,00,000
50,00,00,000 Preference Shares of Rs. 10 each	500,00,00,000
TOTAL	**5000,00,00,000**
Issued, Subscribed and Paid-Up Share Capital	
385,69,38,941 fully paid up equity shares of Rs. 10 each	3856,93,89,410
TOTAL	**3856,93,89,410**

4.2 The authorised, issued, subscribed and paid up share capital of the Transferee Company as at 31st day of May 2017 was as under:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000
TOTAL	**5,00,000**
Issued, Subscribed and Paid-Up Share Capital	
50,000 fully paid up equity shares of Rs. 10 each	5,00,000
TOTAL	**5,00,000**

PART II –TRANSFER AND VESTING OF THE MUNDRA POWER GENERATING UNDERTAKING

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SECTION 1 – TRANSFER AND VESTING OF THE MUNDRA POWER GENERATING UNDERTAKING

5. Transfer of Assets

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Mundra Power Generating Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Mundra Power Generating Undertaking) shall, subject to the provisions of this Clause 5 in relation to the mode of transfer and vesting and pursuant to Section 232(4) of the Act and without any further act or deed, be transferred to and vested in the Transferee Company or be deemed to have been transferred to and vested in the Transferee Company as a going concern, on Slump Exchange basis, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

5.2. In respect of such of the assets of the Mundra Power Generating Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Transferor Company, upon the coming into effect of this Scheme, and shall become the property of the Transferee Company as an integral part of the Mundra Power Generating Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

5.3. In respect of movables other than those dealt with in Clause 5.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority, quasi-governmental authority, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

5.4. In respect of such of the assets belonging to the Mundra Power Generating Undertaking other than those referred to in Clauses 5.2 and 5.3 above, the same shall, as more particularly provided in Clause 5.1 above, without any further act, instrument or deed, be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of the Scheme, the Transferee Company shall be entitled to exercise all the rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the title to, or interest in the immovable properties which shall be made and duly recorded by the appropriate authority(ies) in favour of the Transferee Company pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and

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make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date and until the owned properties, leasehold properties and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected, in the record of the appropriate authority, in favour of the Transferee Company, the Transferee Company is deemed to be authorised to carry on the business in the name and style of the Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

5.5. All assets, rights, title, interest and investments of the Transferor Company in relation to the Mundra Power Generating Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

5.6. Without prejudice to the generality of the foregoing, upon the effectiveness of this Scheme, the Transferee Company will be entitled to all the intellectual property rights of the Transferor Company in relation to the Mundra Power Generating Undertaking. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.

5.7. Any assets acquired by the Transferor Company after the Appointed Date but prior to the Effective Date pertaining to the Mundra Power Generating Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

5.8. For the avoidance of doubt, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/licensed properties in relation to the Mundra Power Generating Undertaking shall, pursuant to Section 232 (4) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed.

5.9. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in relation to or in connection with the Mundra Power Generating Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to or in connection with the Mundra Power Generating Undertaking of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Mundra Power Generating Undertaking to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

5.10. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Transferor Company, in relation to or in connection with the Mundra Power Generating Undertaking, has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank account of the

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Transferor Company, in relation to or in connection with the Mundra Power Generating Undertaking, in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which is in the name of the Transferor Company, in relation to or in connection with the Mundra Power Generating Undertaking, 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. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company, in relation to or in connection with the Mundra Power Generating Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company, in relation to or in connection with the Mundra Power Generating Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which is in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of this Scheme.

5.11. Any determination of the value of an asset or liability of the Mundra Power Generating Undertaking for the sole purpose of payment of stamp duty, registration fees or other similar taxes, if any, shall not be regarded as assignment of values to individual asset or liability.

6. Transfer of contracts, deeds, etc.

6.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme including Clause 7, all contracts, deeds, bonds, undertakings including bond cum legal undertaking, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Mundra Power Generating Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which is subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Mundra Power Generating Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

6.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all approvals, consents, benefits, registrations, entitlements, credits, permissions, licenses, certificates, no objection certificates, exemptions, concessions, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Mundra Power Generating

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Undertaking shall stand transferred to 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 thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.

6.4. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, undertakings, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Mundra Power Generating Undertaking which the Transferor Company own or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, insofar as it is permissible so to do, till such time as the transfer is effected.

7. Transfer of Liabilities

7.1. Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Mundra Power Generating Undertaking) of the Transferor Company as on the Appointed Date and relatable to the Mundra Power Generating Undertaking ("**Mundra Power Generating Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Transferee Company which shall meet, discharge and satisfy the same.

7.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company has been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

7.3. Upon the coming into effect of this Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Transferor Company for the operations of the Mundra Power Generating Undertaking with effect from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company.

7.4. In so far as the existing Encumbrances in respect of the Mundra Power Generating Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Mundra Power Generating Undertaking which has been Encumbered in respect of the Mundra Power Generating Liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in the Mundra Power Generating Undertaking which are being transferred to the Transferee Company pursuant to this Scheme

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have not been Encumbered in respect of the Mundra Power Generating Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

7.5. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business is concerned, subject to Clause 7.4, the Encumbrances over such assets relating to the Mundra Power Generating Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Mundra Power Generating Undertaking is concerned, the Encumbrances over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such liabilities.

7.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the registrar of companies to give formal effect to the above provisions, if required.

7.7. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Mundra Power Generating Liabilities, which have been transferred to it in terms of this Scheme, and the Transferor Company shall not have any obligations in respect of such Mundra Power Generating Liabilities.

7.8. It is expressly provided that subject to Clause 22 and save as mentioned in this Clause 7, no other term or condition of the liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

7.9. The provisions of this Clause 7 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

8. Legal, taxation and other proceedings

8.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Transferor Company and relating to the Mundra Power Generating Undertaking, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Transferee Company after the Effective Date. The Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Transferee Company. The Transferee Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company.

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8.2. If proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 8.1 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

8.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 8.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Companies shall make relevant applications in that behalf.

9. Employees

9.1. Upon the coming into effect of this Scheme, the Mundra Power Generating Employees in relation to the Mundra Power Generating Undertaking (the "**Transferred Employees**") shall become the employees of the Transferee Company with effect from the Effective Date, and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are employed by the Transferor Company in the Mundra Power Generating Undertaking and without any interruption of, or break in, service as a result of the transfer of the Mundra Power Generating Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

9.2. In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company *inter alia* for its employees (including employees of the Mundra Power Generating Undertaking) are concerned (collectively referred to as the "**Employee Benefit Funds**"), such proportion of the investments made in the Employee Benefit Funds and liabilities which are referable to the Transferred Employees shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Employee Benefit Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Mundra Power Generating Undertaking or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute in respect of the Transferred Employees to the Employee Benefit Funds or discharge such liabilities of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Employee Benefit Funds, investments, contributions and liabilities pertaining to the Transferred Employees shall be transferred to the funds created by the Transferee Company.

9.3. In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees being transferred to the Transferee Company, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

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9.4. In so far as the existing benefits or funds created by the Transferor Company for the employees of the Remaining Business are concerned, the same shall continue and the Transferor Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held *inter alia* for the benefit of the employees of the Remaining Business and the Transferee Company shall have no liability in respect thereof.

SECTION 2 – CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

10. The Transferor Company, with effect from the Appointed Date and up to and including the Effective Date:

(i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Mundra Power Generating Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Mundra Power Generating Undertaking for and on account of, and in trust for, the Transferee Company;

(ii) all profits and income accruing to the Transferor Company from the Mundra Power Generating Undertaking, and losses and expenditure incurred by it (including taxes), relating to the Mundra Power Generating Undertaking for the period from the Appointed Date based on the accounts of the Transferor Company shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company, except those specifically forming part of the Remaining Business; and

(iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Mundra Power Generating Undertaking exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Mundra Power Generating Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company.

11. The Transferor Company undertakes that it shall preserve and carry on the business of the Mundra Power Generating Undertaking with business prudence.

The transfer and vesting of the assets, liabilities and obligations of the Mundra Power Generating Undertaking and the continuance of the proceedings by or against the Transferee Company under this Scheme shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that, subject to the provisions of this Section 2, the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

SECTION 3 –REMAINING BUSINESS

12. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or lenders.

13. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company after the Effective Date, which shall keep the Transferee Company fully indemnified in that behalf.

14. If proceedings are taken against the Transferee Company in respect of the matters referred to in Clause 13 above, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.

15. Up to and including the Effective Date:

(i) the Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

(ii) all profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company; and

(iii) all assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

SECTION 4 – CONSIDERATION BY THE TRANSFEREE COMPANY

16. Consideration

16.1. Upon the coming into effect of this Scheme and upon transfer and vesting of the Mundra Power Generating Undertaking in the Transferee Company as a going concern on a Slump Exchange basis, in accordance with the terms of the Scheme and pursuant to the provisions of Section 230-232 and other relevant provisions of the Act and in exchange for which, the Transferee Company shall issue 10,60,00,000 (Ten Crores Sixty Lakhs) fully paid up equity shares of the face value of Rs. 10/- (Rupees Ten only) each to the Transferor Company.

16.2. The equity shares to be issued and allotted by the Transferee Company in terms of Clause 16.1 above shall be subject to the provisions of the Memorandum and Articles of Association

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of the Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company.

16.3. The equity shares issued pursuant to Clause 17.1 above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company.

16.4. The issue and allotment of equity shares by the Transferee Company to the Transferor Company as provided in Clause 16.1 of this Scheme is an integral part thereof, and shall be deemed to have been carried out pursuant to the provisions of the Scheme as if the procedure laid down under section 62 of the Act and any other applicable provisions of the Act were duly complied with and will not require any further act or deed by the Transferee Company.

SECTION 5 –REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEROR COMPANY

17.1 Upon the effectiveness of this Scheme, the Securities Premium Account (forming part of reserves and surplus) of the Transferor Company pertaining to the Mundra Power Generating Undertaking shall stand transferred to the Transferee Company and the Securities Premium Account in the books of the Transferor Company shall stand reduced by the amount so transferred without any further act or deed on the part of the Transferor Company. The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 read with Section 66 of the Act and any other applicable provisions of the Act without any further act or deed on the part of the Transferor Company and without any approval or acknowledgement of any third party. The order of the NCLT sanctioning the Scheme shall be deemed to also be the order passed by the NCLT under Section 52 read with Section 66 of the Act for the purpose of confirming such reduction.

17.2 It is expressly clarified that the consent of the shareholders and the creditors of the Transferor Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the Securities Premium Account of the Transferor Company and no further resolution or action under Section 52 read with Section 66 of the Act and any other applicable provisions of the Act would be required to be separately passed or taken.

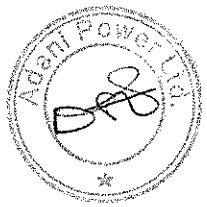
SECTION 6 – ACCOUNTING TREATMENT

18. Accounting treatment in the books of the Transferor Company

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

18.1. The Transferor Company shall de-recognize from its books, the book value of assets, liabilities and reserves and surplus pertaining to the Mundra Power Generating Undertaking, transferred to the Transferee Company including the rights, interests and obligations of the Transferor Company in such assets, liabilities and reserves and surplus under the Scheme.

18.2. The difference between the consideration payable by the Transferee Company in terms of Clause 16 of the Scheme and the net assets transferred to the Transferee Company shall be



adjusted in the Capital Reserve in the books of the Transferor Company. For the purpose of this Clause, net assets shall mean difference between the carrying value of the assets pertaining to the Mundra Power Generating Undertaking being transferred to the Transferee Company and the aggregate of carrying value of liabilities and reserves and surplus pertaining to the Mundra Power Generating Undertaking being transferred to the Transferee Company.

19. Accounting treatment in the books of the Transferee Company

19.1. The Transferee Company shall account for the transfer and vesting of the Mundra Power Generating Undertaking in its books of account as per the "Pooling of Interest Method" prescribed under Indian Accounting Standard 103 – "Business Combinations" notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.

19.2. All the assets, liabilities and reserves and surplus of the Transferor Company pertaining to Mundra Power Generating Undertaking shall stand transferred to, and the same shall be recorded by, the Transferee Company at their respective carrying amount and in the same form as appearing in the books of the account of the Transferor Company.

19.3. The amount of inter-company balances, transactions or investments, if any, between the Transferor Company pertaining to the Mundra Power Generating Undertaking and the Transferee Company, appearing in the books of accounts of the Transferor Company and the Transferee Company, shall stand cancelled without any further act or deed.

19.4. The Transferee Company shall credit to the Share Capital account in its books of account, the aggregate face value of the equity shares issued and allotted to the Transferor Company as per Clause 16.1 of the Scheme.

19.5. In compliance with the Indian Accounting Standards (Ind AS), the difference between the consideration payable by the Transferee Company in terms of Clause 16.1 of the Scheme and net assets recorded in the books of the Transferee Company shall be adjusted in Capital Reserve in the books of the Transferee Company. For the purpose of this Clause, net assets shall mean difference between the carrying value of the assets pertaining to the Mundra Power Generating Undertaking being transferred to the Transferee Company and aggregate of the carrying value of liabilities and reserves and surplus pertaining to the Mundra Power Generating Undertaking being transferred to the Transferee Company.

PART III – GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II of this Scheme.

20. Increase in authorised share capital of the Transferee Company

20.1. Upon the coming into effect of this Scheme, the Authorised Share Capital of the Transferee Company shall, without any further act or deed be automatically increased from Rs. 5,00,000/- (Rupees Five Lacs Only) to Rs. 3500,00,00,000/- (Rupees Three Thousand Five Hundred Crores Only). Consequently, clause V of the Memorandum of Association of the Transferee Company (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

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"The Authorised Share Capital of the Company is Rs. 3500,00,00,000/- (Rupees Three Thousand Five Hundred Crores Only) divided into 350,00,00,000 (Three Hundred and Fifty Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

20.2. Upon the coming into effect of this Scheme, the Transferee Company shall file necessary form of notice of increase of Authorised Share Capital with the Registrar of Companies, Gujarat and shall pay necessary fees/duties as may be required to be paid in accordance with Law.

21. Applications

(i) The Companies shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230-232 of the Act.

(ii) The Transferee Company shall be entitled, pending the effectiveness of this Scheme, to apply to any Governmental Authority, if required, under any Law for such consents and approvals which the Transferee Company may require to carry on the business transferred to it pursuant to this Scheme.

22. Modifications to the Scheme

22.1. The Companies (by their respective Board of Directors), may jointly and as mutually agreed in writing:

(i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which NCLT may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to any change in regulatory or compliance requirements being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

(ii) to give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under Law);

(iii) in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time; and

(iv) to determine whether any asset, liability, employee, legal or other proceedings pertains to the Mundra Power Generating Undertaking, or not, on the basis of any evidence that they may deem relevant for this purpose.

22.2. Any modification to the Scheme by the Transferor Company and/or the Transferee Company, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

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23. Scheme as an integral whole and Severability

(i) The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.

(ii) If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies in writing, affect the validity or implementation of the other parts and/or provisions of this Scheme.

24. Scheme conditional on

The coming into effect of this Scheme is conditional upon and subject to:

(i) obtaining observation letter or no-objection letter from the Stock Exchanges by the Transferor Company in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

(ii) this Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies as required under the Act;

(iii) the Scheme being approved by the majority of the public shareholders of the Transferor Company (by way of voting through postal ballot and e-voting) as required under the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

(iv) the NCLT having accorded its sanction to the Scheme;

(v) the certified copies of the orders of the NCLT approving this Scheme being filed with the jurisdictional registrar of companies;

(vi) such approvals and sanctions including sanction of any Governmental Authority as may be required by Law in respect of the Scheme being obtained; and

(vii) approval for transfer of letter of approvals granting the status as Co-Developer to the Transferor Company for setting up of generation, transmission, distribution of power and related infrastructure facilities on an area of 293.8810 hectares in the multi product Special Economic Zone at Mundra, District Kutch, Gujarat including the transfer of approvals for the authorised operations to the transferee company from the appropriate authority.

25. Effect of non-receipt of approvals and matters relating to revocation/withdrawal of the Scheme

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25.1. In the event of any of the sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the NCLT, and/or the order or orders not being passed as aforesaid on or before 31st day of March 2018 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and the Companies shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

25.2. The Transferor Company and the Transferee Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by any appropriate authority/person is unacceptable to any of them or (ii) they are of the view that coming into effect of this Scheme could have adverse implications on the respective Companies.

25.3. In the event of revocation/withdrawal under Clauses 25.1 and 25.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable Law and in such case, the Companies shall bear its own costs, unless otherwise mutually agreed.

26. Taxes

26.1. The Transferee Company will be the successor of the Transferor Company vis-à-vis the Mundra Power Generating Undertaking. Hence, it will be deemed that the benefits of any tax credits, whether, central, state, or local, availed vis-à-vis the Mundra Power Generating Undertaking and the obligations, if any, for the payment of taxes on any assets of the Mundra Power Generating Undertaking shall be deemed to have been availed by the Transferee Company, or as the case may be, deemed to be the obligation of the Transferee Company.

26.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables / payables by the Transferor Company relating to the Mundra Power Generating Undertaking, including all or any refunds / credits / claims relating thereto, shall be treated as the assets / liabilities or refunds / credits / claims, as the case may be, of the Transferee Company.

26.3. Upon the coming into effect of this Scheme, the Transferee Company and the Transferor Company shall file/revise their income tax returns, TDS certificates, TDS returns, and other statutory returns, if required, and shall have the right to claim refunds, credit of tax deducted at source, credit of foreign taxes paid/ withheld etc., if any (except as specifically provided in relation to the Remaining Business), as may be required consequent to implementation of this Scheme. Such returns shall be revised and filed with effect from Appointed Date and any tax including Minimum Alternate Tax shall be computed accordingly.

27. Costs

Subject to Clause 25 above, all costs, charges, levies and expenses (including, but not limited to, stamp duty, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of this Scheme shall be borne as mutually agreed by the Board of Directors of the Transferor Company and the Transferee Company.

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