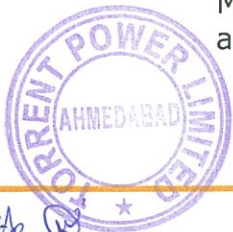


**Salient features of the Composite Scheme of Amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited (Effective Date 1<sup>st</sup> October 2015):**

The salient features of the Composite Scheme of Amalgamation ("Scheme"), inter alia, include the following:-

- A. The Scheme provides for amalgamation of Torrent Energy Limited (TEL or Transferor Company 1) and Torrent Cables Limited (TCL or Transferor Company 2) with Torrent Power Limited (TPL or Transferee Company) under the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 and Rules made thereunder, and any statutory modification or re-enactment thereof for the time being in force, SEBI regulations and other applicable laws.
- B. The Appointed Date for the purposes of the Scheme shall be 1<sup>st</sup> April, 2014.
- C. In view of similar business of TEL and TPL and the complementary business relationship between TCL on one hand and TEL and TPL on the other hand, it is proposed to consolidate the activities of the TEL, TCL and TPL by way of amalgamation of TEL and TCL with TPL.
- D. The composite scheme of amalgamation is expected to result in various benefits to the Transferor Companies and the Transferee Company, their respective shareholders and creditors and will be in long term interest of shareholders, customers, and other stakeholders. Some key benefits are as under:
  - a. Enhanced shareholders' value;
  - b. Synergies of operations, inter alia, from consolidated fuel and spares procurement, optimization of logistics costs and more refined power generation / distribution models;
  - c. Integration of business which will facilitate inter transfer of resources and optimum utilization of assets;
  - d. Strengthening of financial position with wider capital base and increased leverage capacity of the merged entity;
  - e. Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
  - f. Addressing the emerging challenges due to enhanced competitive scenario

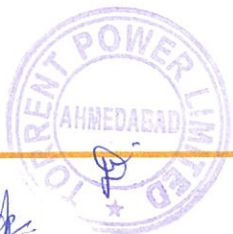
Moreover, it would lead to enhanced reputation of the brand "Torrent" as a reliable and serious player in all spheres in the power sector in India.



- E. The Scheme shall have legal effect and force from the Appointed Date but shall be operative from the Effective Date.
- F. Upon the Scheme being effective and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertakings (as defined in the Scheme) of the Transferor Companies shall be transferred to and vested in the Transferee Company, on and from the Appointed Date, without any further act, instrument or deed.
- G. All contracts to which the Transferor Companies are a party to on or before the Effective Date shall be in full force and effect and instead of the Transferor Companies, the Transferee Company shall be treated as party to such contracts.
- H. All inter-se contracts, deeds and other instruments of whatsoever nature entered into between the Transferor Companies or between either any or both the Transferor Companies and the Transferee Company shall be treated as cancelled and shall cease to operate.
- I. All incentives, exemption and benefits, subsidies, grants, special status and other benefits or privileges enjoyed by the Transferor Companies in respect of Income Tax, Excise, Customs, VAT, Sales tax Act, Service tax etc., or granted by any Appropriate Authority, or availed are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company with effect from Appointed Date.
- J. All employees, workmen and staff of the Transferor Companies shall become the employees, workmen and staff of the Transferee Company without any interruption of service and on the same terms and conditions on which they are engaged by the Transferor Companies.

**K. Consideration:**

- As per para no. 7.1 of the Scheme, upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Transferee Company pursuant to this Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of Transferor Company 2 whose name is recorded in the register of members of the Transferor Company 2 on the Record Date in the following ratio ("Share Exchange Ratio"): 19 (Nineteen) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 20 (Twenty) equity



shares of face value of Rs.10/- each fully paid-up held in Transferor Company 2.

- For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company 2 who, on the Record date do not hold equity shares in the Transferor Company 2 in multiple of 20 (Twenty) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company 2 on the Record Date, bear to the Share Exchange Ratio. It is further clarified that any fraction arising thereon shall be dealt with as per clause 7.5 of the Scheme.
  - Since the entire share capital of the Transferor Company 1 is held by the Transferee Company, it is the wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company 1 shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares against these shares as the Transferee Company is the only shareholder of the said Transferor Company.
  - No fractional shares shall be issued by Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Company 2 may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Transferee Company) as may be nominated by the Board of Directors of Transferee Company as trustee(s) for sale thereof, in open market through SEBI registered share broker at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.
- L. On the Scheme becoming operative or effective, each of the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act and no further procedure shall be required to be followed under the Act.

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