

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**RELIANCE INFRASTRUCTURE LIMITED**

**AND**

**RELIANCE ELECTRIC GENERATION AND SUPPLY PRIVATE LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**PREAMBLE**

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

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

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

**Certified True Copy**

For Reliance Electric Generation & Supply Pvt. Ltd.



**Director / Authorised Signatory**

**Certified True Copy  
For Reliance Infrastructure Limited**



**Ramesh Shenoy**

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

### RATIONALE

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



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

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

#### **PARTS OF THE SCHEME**

The Scheme is divided into the following sections:

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

#### **SECTION 1**

#### **DEFINITIONS AND SHARE CAPITAL**

##### **1.1. DEFINITIONS**



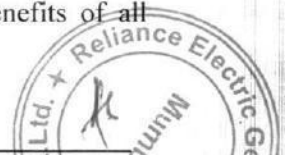
In this Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1.1. **"Act"** or **"the Act"** means the Companies Act, 1956, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013, the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government;
- 1.1.2. **"Appointed Date"** means 1<sup>st</sup> April, 2016 or such other date as may be decided by the High Court;
- 1.1.3. **"Board"** means the Board of Directors or in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such Company, and shall include a committee duly constituted and authorised thereby for the purpose of matters pertaining to the Scheme and/or any other consequential or incidental matter in relation thereto;
- 1.1.4. **"Capital Reserve"** means a reserve, not being a free reserve and not available for declaring dividend; however, available for issue of bonus shares;
- 1.1.5. **"Court"** or **"High Court"** means the Hon'ble High Court of Judicature at Bombay under the Companies Act, 1956 or such other Tribunal (i.e.) the National Company Law Tribunal ("NCLT") & the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013;
- 1.1.6. **"Effective Date" for each Section of the Scheme** means the date of resolution by the Board of Directors of the Transferor Company, resolving that a particular Section of the Scheme has become effective in terms of Clause 7.3.1. of this Scheme where such resolution follows the filing of the certified copies of the order sanctioning this Scheme of Arrangement, passed by the High Court or such other competent authority, as may be applicable, with the Registrar of Companies, by the Transferor Company and by the Transferee Company. All references in any Section of this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date relating to the Section;





- 1.1.7. **“Free Reserves”** means uncommitted reserves, not being capital reserves, available without limitation for all purposes including declaration of dividends and bonus shares;
- 1.1.8. **“Goa Power Station Division ”** means the power plant situated at Goa of the Transferor Company on a going concern basis along with all related assets liabilities, employees as follows:
- a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to use the land on which the Goa Power Station Division is located), tangible or intangible, including all land, capital work in progress, building, plant & machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Goa Power Station Division;
  - b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Goa Power Station Division of the Transferor Company:
    - a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax, works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever;
    - b. inventories, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all



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

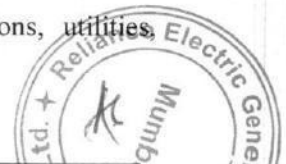
*Explanation:* Whether any particular asset or liability should be included as asset or liability of the Goa Power Station Division or otherwise shall be decided



mutually by the Directors or any committee thereof of the Transferor Company and the Transferee Company;

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

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



- electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Mumbai Power Generation, Transmission and Distribution business of the Transferor Company;
- c. all trademarks, trade names, copyrights, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom, whether registered, unregistered or pending registration, if any, pertaining to or relating to the Mumbai Power Generation, Transmission and Distribution business;
  - d. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Transferor Company;
  - e. all books, records, files, papers, computer programs, engineering and process information, all product and service pricing, drawings & designs, manuals, production methodologies, generation, distribution and transmission plans, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, regulatory submissions and filings and other records whether in physical form or electronic form or in any other form;
- c) all debts, borrowings, debentures, provisions and liabilities including interest accrued thereon, whether present and future, whether secured and unsecured and the specific contingent liabilities pertaining to or relating to the Mumbai Power Generation, Transmission and Distribution business;
  - d) Debenture Redemption Reserve, Revaluation Reserve, Contingencies Reserve Fund, Development Reserve Account No1, Development Reserve Account No 2, Debt Redemption Reserve, Rural Electrification Scheme Reserve, Reserve to Augment Production Facilities, Reserve for Power Project, Development Reserve Account no 3, Service Line Contribution pertaining to the Mumbai Power Division.all employees of the Transferor Company substantially engaged in the Mumbai Power Generation, Transmission and Distribution business as determined by the Board of Directors of the Transferor Company;

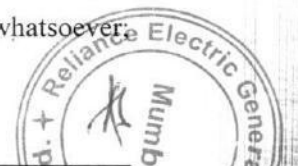


- e) all legal, tax, regulatory, quasi-judicial, administrative proceedings, suits, appeals, applications or other proceedings of whatsoever nature initiated by or against the Transferor Company in connection with the Mumbai Power Generation, Transmission and Distribution business;

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

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

- a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to use the land on which the Samalkot Power Station Division is located), tangible or intangible, including all land, capital work in progress, building, plant & machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Samalkot Power Station Division;
- b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Samalkot Power Station Division of the Transferor Company:
- a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax, works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever.



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

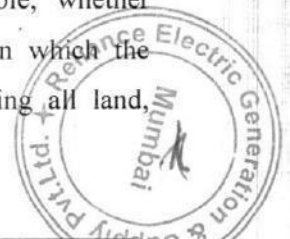




or against the Transferor Company in connection with the Samalkot Power Station Division;

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

- 1.1.11. **“Transferred Division”** and **“Transferred Divisions”** means as per the context all or one of the Mumbai Power Division, Goa Power Station Division, and Samalkot Power Station Division and Windmill Division of the Transferor Company;
- 1.1.12. **“Transferor Company”** or **“RInfra”** means Reliance Infrastructure Limited, a company incorporated under the Indian Companies Act, 1913, and having its registered office at H Block, 1<sup>st</sup> floor, DhirubhaiAmbani Knowledge City, Navi Mumbai-400710 ;;
- 1.1.13. **“Transferee Company”** or **“REGSPL”** means Reliance Electric Generation and Supply Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at H Block, 1<sup>st</sup> floor, DhirubhaiAmbani Knowledge City, Navi Mumbai-400710;
- 1.1.14. **“Remaining Business of RInfra”** means all the undertakings, businesses, units, divisions, activities, investments and operations (including but not limited to Engineering, Procurement and Construction (EPC) business) and their respective assets and liabilities including employees of the Transferor Company other than those forming part of Transferred Divisions pursuant to this Scheme;
- 1.1.15. **“Registrar of Companies”** means the Registrar of Companies, Mumbai;
- 1.1.16. **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“Scheme of Arrangement”** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Judicature at Bombay or this Scheme with such modification(s), if any made, as per Clause 7.2 of the Scheme;
- 1.1.17. **“Windmill Division”** means the wind farm situated at Karnataka of the Transferor Company on a going concern basis along with all related assets, liabilities, employees as follows:
- a) all assets wherever situated, whether movable or immovable, whether leasehold or freehold (including the right to use the land on which the Windmill Division is located), tangible or intangible, including all land,



capital work in progress, building, plant & machinery, equipment, vehicles, furniture, fixtures, office equipments, computer installations, electrical appliances, accessories, investments including all rights, title, interest, claims, covenants, undertakings of the Transferor Company pertaining to the Windmill Division;

b) without prejudice to the generality of the Clause (a) above, the assets shall also include the following which relate to the Windmill Division of the Transferor Company:

a. all the rights and licenses, all assignments and grants thereof, all permits, licenses, registrations, regulatory approvals, all municipal approvals, permission for establishing towers or receiving stations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), or grants, entitlements, allotments, recommendations, clearances, tenancies, offices, taxes, goodwill, tax credits (including, but not limited to, credits in respect of income tax and service tax, tax deducted at source, sales tax, advance tax, value added tax, excise duty, custom duty, service tax, works contract tax), privileges and benefits of all contracts, agreements, tenders, bids, performance statements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever;

b. inventories, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, inventory, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Windmill Division of the Transferor Company;

c. all trademarks, trade names, copyrights, service marks, brand names, logos, patents and other intellectual property rights of whatsoever nature and the goodwill arising therefrom, whether registered, unregistered or pending registration, if any, pertaining to or relatable to the Windmill Division;



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

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

All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.



## 1.2. SHARE CAPITAL

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

Share Capital	Amount in Rs
<u>Authorized Share Capital</u>	
45,00,60,000 Equity Shares of Rs. 10/- each	450,06,00,000
80,00,000 Equity Shares of Rs. 10/- each with differential rights	8,00,00,000
155,00,00,000 Redeemable Preference Shares of Rs 10/- each	1550,00,00,000
4,20,00,000 Unclassified Shares of Rs 10/- each	42,00,00,000
<b>TOTAL</b>	<b>2050,06,00,000</b>
<u>Issued Share Capital</u>	
26,53,92,065 Equity Shares of Rs. 10/- each fully paid up	265,39,20,650
<u>Subscribed and Fully Paid-up Share Capital</u>	
26,29,90,000 Equity Shares of Rs. 10/- each fully paid up	262,99,00,000
<b>Add:</b> 3,54,479 Forfeited Shares-Amount originally paid up	35,44,790
<b>TOTAL</b>	<b>263,34,44,790</b>

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

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

Share Capital	Amount in Rs
<u>Authorized Share Capital</u>	



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

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

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

**1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

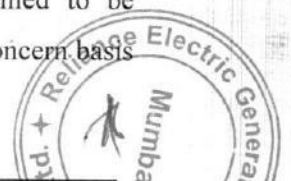
Each Section of the Scheme, set out herein in its present form or with any modifications(s) in accordance with Clause 7.2 of the Scheme shall be effective from the Appointed Date but operative from the Effective Date.

**SECTION 2A**

**2.1 TRANSFER AND VESTING OF GOA POWER STATION DIVISION OF THE TRANSFEROR COMPANY INTO THE TRANSFeree COMPANY**

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

- a) With effect from the Appointed Date, the whole of the undertaking and properties of the Goa Power Station Division shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on going concern basis.



so as to vest in the Transferee Company all rights, title and interest pertaining to the Goa Power Station Division.

- b) With effect from the Appointed Date and upon the Scheme becoming effective, all the immovable properties of the Goa Power Station Division, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party.
- c) In respect of such of the assets and properties forming part of the Assets pertaining to the Goa Power Station Division as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and / or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- d) In respect of assets other than those dealt with in Clause (c) above and forming part of the Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Goa Power Station Division, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.





e) With effect from the Appointed Date, all debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to Goa Power Station Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

## 2.2 CONSIDERATION

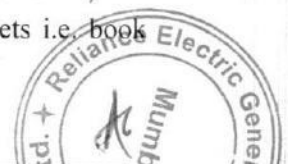
Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Goa Power Station Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lump sum cash consideration of Rs109 crores (Rupees One Hundred and Nine Crores) to the Transferor Company.

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

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

2.3.2 The Transferor Company shall transfer the revaluation reserve pertaining to the Goa Power Station Division, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.

2.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book



values of assets as reduced by the liabilities pertaining to the Goa Power Station Division over the value of the lumpsum Consideration receivable by the Transferor Company.

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

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

2.4.2 The deficit or excess, if any, remaining after recording the aforesaid entries over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

**SECTION 2B**

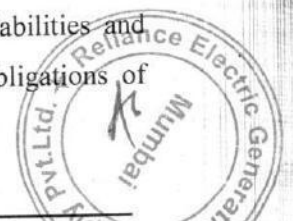
**3.1 TRANSFER AND VESTING OF MUMBAI POWER DIVISION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY**

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

- a) With effect from the Appointed Date, the whole of the undertaking and properties of the Mumbai Power Division shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company on going concern basis so as to vest in the Transferee Company all rights, title and interest pertaining to the Mumbai Power Division.



- b) With effect from the Appointed Date and upon the Scheme becoming effective, all the immovable properties of the Mumbai Power Division, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party.
- c) In respect of such of the assets and properties forming part of the Assets pertaining to the Mumbai Power Division as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and / or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- d) In respect of assets other than those dealt with in Clause(c) above and forming part of the Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Mumbai Power Division, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.
- e) With effect from the Appointed Date, all reserves, debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of



every kind, nature and description of the Transferor Company pertaining to Mumbai Power Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the reserves, debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such reserves, debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

- f) The Transferee Company shall issue its debentures in lieu of the debentures in the Transferor Company on the same terms as that of the existing debentures in the Transferor Company subject however that the period of redemption of the debentures issued by the Transferee Company shall not extend beyond the date on which the existing debentures of the Transferor Company are redeemable.

### 3.2 CONSIDERATION

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Mumbai Power Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lump sum cash consideration of Rs5,575 crores (Rupees Five Thousand Five Hundred and Seventy Five Crores) to the Transferor Company.

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

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



3.3.2 The Transferor Company shall transfer the reserves as mentioned in clause 1.1.9(d) transferred as part of the Mumbai Power Division pursuant to the Scheme, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.

3.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the Mumbai Power Division over the value of the lumpsum Consideration receivable by the Transferor Company.

#### 3.4 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

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

3.4.2 The Transferee Company shall record the reserves as mentioned in clause 1.1.9(d) at the amounts appearing in the books of Transferor Company as on the Appointed Date, transferred as part of the Mumbai Power Division pursuant to the Scheme.

3.4.3 The deficit or excess, if any, remaining after recording the aforesaid entries specified in clause 3.4.1 and 3.4.2 above over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

#### SECTION 2C



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

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

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





the SamalkotPower Station Division, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.

- e) With effect from the Appointed Date, all debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to SamalkotPower Station Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

#### 4.2 CONSIDERATION

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the SamalkotPower Station Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lump sum cash consideration of Rs563



crores(Rupees Five Hundred and Sixty Three Crores) to the Transferor Company.

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

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

4.3.2 The Transferor Company shall transfer the revaluation reserve pertaining to the SamalkotPower Station Division, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.

4.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the SamalkotPower Station Division over the value of the lumpsum Consideration receivable by the Transferor Company.

4.4 **ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

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

4.4.2 The deficit or excess, if any, remaining after recording the aforesaid entries over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

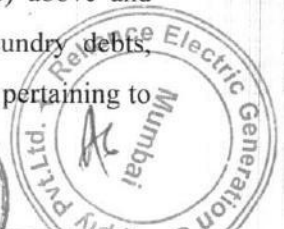
**SECTION 2D**



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

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

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



the Windmill Division, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.

- e) With effect from the Appointed Date, all debts, liabilities and accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to Windmill Division under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

## 5.2 CONSIDERATION

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Windmill Division in the Transferee Company on a going concern basis pursuant to provisions of this Scheme and applicable law, the Transferee Company shall pay a lump sum cash consideration of Rs35.50 crores (Rupees Thirty Five Crores and Fifty Lakhs) to the Transferor Company



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

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

5.3.2 The Transferor Company shall transfer the revaluation reserve pertaining to the Samalkot Power Station Division, at the amount appearing as on the Appointed Date, to the General Reserves of the Transferor Company.

5.3.3 The statement of the profit and loss account of the Transferor Company shall be debited/credited with the difference between the value of net assets i.e. book values of assets as reduced by the liabilities pertaining to the Windmill Division over the value of the lumpsum Consideration receivable by the Transferor Company.

5.4 **ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

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

5.4.2 The deficit or excess, if any, remaining after recording the aforesaid entries over the value of the lumpsum Consideration payable to the Transferor Company shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

**SECTION 3**

**GENERAL CLAUSES, TERMS AND CONDITIONS**



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

6.1.1 With effect from the Appointed Date, all the statutory licenses, permissions, approvals, consents held by the Transferor Company pertaining to the Transferred Divisions without any further act or deed shall be deemed to be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Licenses shall endorse where necessary, and record the Transferee Company on such Licenses so as to empower and facilitate the approval and vesting of the Transferred Divisions of the Transferor Company in the Transferee Company and continuation of operations pertaining to the Transferred Divisions of the Transferor Company in the Transferee Company without any hindrance, and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company. The benefit of all Licenses, statutory and regulatory, including tax registrations, permissions or approvals or consents required to carry on the operations of the Transferred Divisions shall without any other order to this effect, vest into and become available to the Transferee Company pursuant to the sanction of this Scheme.

6.1.2 In so far as the immovable properties pertaining to the Transferred Divisions held by the Transferor Company is concerned, parties shall register the true copy of the order of the High Court approving the Scheme or if so required or advised conveyance deed(s) entered into by the Transferor Company and Transferee Company for the purpose of transferring the immovable properties, as the case may be, with the offices of the relevant sub-registrar of assurance or similar registering authority. All the rights of the Transferor Company in such immovable properties of the Transferred Divisions shall on the Scheme becoming effective stand transferred to the Transferee Company and where required such authorities shall make necessary mutation entries and changes in





the land or revenue or other applicable records to reflect the name of the Transferee Company as owner of the immovable properties.

6.1.3 The Transferor Company in relation to the Transferred Divisions may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Transferred Divisions shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits, deductions, exemptions under the income tax, excise, sales tax, service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Transferred Divisions, to the extent statutorily available, shall be claimed by the Transferee Company.

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

## 6.2 REMAINING BUSINESS OF THE TRANSFEROR COMPANY

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

6.2.2 All legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be initiated



in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Transferor Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferor Company in respect of the Remaining Business of the Transferor Company) shall be continued and enforced by or against the Transferor Company.

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

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

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

### **6.4 LEGAL PROCEEDINGS**

- 6.4.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date and relating to the Transferred Divisions, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee



Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

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

#### 6.5 CONTRACTS, DEEDS, ETC.

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



writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

## 6.6 SAVING OF CONCLUDED TRANSACTIONS

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

## 6.7 STAFF, WORKMEN & EMPLOYEES

6.7.1 Upon the coming into effect of this Scheme, all employees of the Transferor Company engaged in or in relation to the Transferred Divisions of the Transferor Company and who are in such employment as on the Effective Date shall become the employees of the Transferee Company and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Transferred Divisions.

6.7.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the employees related to the Transferred Divisions (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees related to the Transferred Divisions being transferred to the



Transferee Company, in terms of Clause 6.7.1 above shall be transferred to the Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees related to respective Transferred Divisions or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company do not have their own funds in respect of any of the above, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of the Transferor Company, until such time that the Transferee Company create their own fund, at which time the Funds and the investments and contributions pertaining to the employees related to Transferred Divisions shall be transferred to the funds created by the Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of the Transferor Company and the Transferee Company may decide to continue to make the said contributions to the Funds of the Transferor Company.

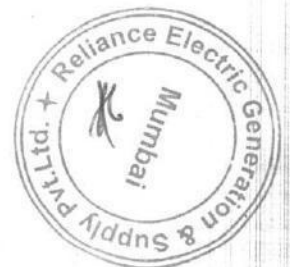
#### **6.8 SECURITY CHARGE AGAINST LOANS**

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

#### **SECTION 4**

#### **OTHER TERMS AND CONDITIONS**

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



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

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

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

## **7.3 CONDITIONALITY OF THE SCHEME**

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

- a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and the Transferee Company as may be directed





by the High Court of Judicature at Bombay or any other competent authority, as may be applicable.

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

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

7.3.3 The non – receipt of any of the aforesaid approvals for a particular asset or liability forming part of any of the Transferred Divisions getting transferred pursuant to this Scheme, shall not affect the effectiveness of the said Section of the Scheme, if the Board of Directors of the Transferor Company and the



Transferee Company so decide. If permitted by law, the asset pending transfer shall be held by the Transferor Company in trust for and on behalf of the Transferee Company. In the event of non receipt of approval of any lender / creditor for the transfer of any liability, then at the option of the Board of Directors of the Transferee Company, it may issue a security / recognize a liability in favour of the Transferor Company on the same terms. The transfer of such asset or liability, shall become effective with effect from the Appointed Date as and when the said requisite approvals are received or aforesaid liability being recognized / security being issued and the provisions of the Scheme shall apply appropriately to the said transfer/ issue / recognition.

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

#### 7.4 REPEALS AND SAVINGS

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



to acts done by the Transferee Company and the Transferor Company and as per direction or order of the Hon'ble High Court sanctioning the Scheme.

**7.5 COSTS, CHARGES & EXPENSES**

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



**SSPA & CO.**

*Chartered Accountants*

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V. P. Road, Andheri (W),

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## **REPORT ON VALUATION OF POWER GENERATION BUSINESS OF RELIANCE INFRASTRUCTURE LIMITED**

**1 INTRODUCTION**

**1.1 RELIANCE INFRASTRUCTURE LIMITED**

1.1.1 Reliance Infrastructure Limited (hereinafter referred to as "R-Infra" or the "Company") was incorporated under the Indian Companies Act, 1913 on October 01, 1929. The registered office of the Company is located at H-Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710.

1.1.2 R-Infra is a leading utility company having presence across the entire value chain of power businesses i.e. generation, transmission, distribution and trading of power. R-Infra also provides Engineering, Procurement and Construction (EPC) services for developing power and road projects.

1.1.3 The Company is also engaged in the Defence business through its wholly owned subsidiary Reliance Defence Systems Private Limited and its investment in Reliance Defence and Engineering Limited.

1.1.4 The Company also operates the Mumbai Metro through its company Mumbai Metro One Private Limited.

1.1.5 The shares of the Company are listed on BSE Limited and The National Stock Exchange of India Limited.

**1.2 RELIANCE ELECTRIC GENERATION AND SUPPLY PRIVATE LIMITED**

1.2.1 Reliance Electric Generation and Supply Private Limited (hereinafter referred to as "REGSPL") is a wholly owned subsidiary of R-Infra. REGSPL was formed and/or constituted on September 18, 2008 under the Companies Act, 1956 under the name "Daffodil Advisors Private Limited." The name was later changed to "Tulip Realtech Private Limited" on January 12, 2009. The name was further changed to REGSPL on March 12, 2016.



**Certified True Copy**  
For Reliance Infrastructure Limited



REGSPL is involved in the object of entering into the business of generation and supply of electricity and related activities.

1.3 **POWER GENERATION BUSINESS**

1.3.1 Power Generation Business (hereinafter referred to as the "PG Business") consists of four sub divisions i.e.

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

1.4 **GTD BUSINESS**

GTD Business is engaged in value chain of power business i.e. generation, transmission, distribution of electricity. The power generated is being transmitted and distributed in the suburbs of Mumbai.

- **Mumbai Generation Business**

The Dahanu Thermal Power Station (DTPS) operates the 2 x 250 MW power plant and continues to maintain its numero uno position among the power stations in the country. The power station has a distinction of achieving a Plant Load Factor (PLF) of greater than 100 per cent consecutively for seven years and overall nine times.

- **Mumbai Power Transmission**

The Mumbai Power Transmission division is operating eight 220 kV Extra High Voltage (EHV) substations with total 3,000 MVA transformation capacity and around 540 circuit kms of 220kV lines. Five out of the eight, 220 kV EHV substations are new technology vertically designed, multi-storied and compact Gas Insulated Switch gear (GIS) based EHV sub-stations. The transmission network is connected at nine points with the state grid further strengthening Mumbai power system.

- **Mumbai Distribution Business**

"Reliance Energy", the Energy Distribution division of the Company and has been in the field of electricity distribution for over 84 years and has achieved the distinction of consistently operating its distribution network at 99.98 per cent reliability. The number of customers using the Company's network at the end of the year 2014-15



was 29.4 lacs as against 29.1 lacs in the previous year. In order to meet the rising demand for power, network augmentation is undertaken on a continuous basis. The Power Transformers installed capacity increased to 3,287 MVA and Distribution Transformers increased to 4,688 MVA. The Company added 125 new sub-stations and has 6,113 sub-stations till date. The Company has all Electronic meters in consumer premises which have higher accuracy level compared to the earlier existing Electro-Mechanical meters which enables identifying potential misuse.

**1.5 SAMALKOT BUSINESS**

1.5.1 The Samalkot Power Station operates the 220 MW combined cycle power plant at Samalkot in Andhra Pradesh. The 220 MW plant uses natural gas, an environment friendly fuel, as the primary fuel and naphtha/high speed diesel as the secondary fuel.

1.5.2 The station is certified with ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and SA8000 standards.

**1.6 GOA BUSINESS**

1.6.1 The Goa Power Station is non-operational from April 19, 2014. Post August 13, 2014, i.e. after the expiry of Power Purchase Agreement (PPA) with the Government of Goa (GoG), the R-Infra customers have become Declared Connected Consumers of GoG as per letter issued by the Chief Engineer, Electricity Department, GoG. Accordingly, the individual Power Supply Agreements (PSAs) with these consumers have also been terminated.

1.6.2 Further, with effect from August 14, 2014, GoG power is being supplied to the Declared Connected Consumers of GoG through R-Infra network. The above arrangement will continue till the R-Infra network is taken over by GoG.

**1.7 WIND FARM BUSINESS**

1.7.1 The Wind Farm project operates 36 windmills with aggregate generation capacity of 9.39 MW at Chitradurga in Karnataka. The performance is consistently monitored through Supervisory Control and Data Acquisition System (SCADA) at the wind farm.

1.7.2 The plant generated 18.5 MUs along with plant availability of 98.5 per cent during FY15.

**2 PURPOSE OF VALUATION**

2.1 We have been given to understand from the Management of R-Infra (hereinafter referred to as the "Management"), that they are contemplating transfer of PG Business as a going concern to Reliance Electric Generation and Supply Private Limited, a wholly owned



subsidiary of R-Infra pursuant to the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956.

2.2 We have been therefore requested by the Management to carry out fair valuation of PG Business of R-Infra which would include fair value of the following:

- GTD Business – valuation carried out by SSPA & Co. ('SSPA')
- Samalkot Business, Goa Business and Wind Farm Business – valuation of Tangible Assets carried out by M/s Kanti Karamsey & Co. (Government Registered Valuers) and value of Net Current Assets as provided by the Management of the Company.

2.3 In this context, SSPA & Co. ('SSPA') has carried out a fair valuation of the PG Business based on the approach set out herein and the valuation conclusions are detailed in this report.

### 3 METHODOLOGY OF VALUATION

There are various methods adopted for valuation of business. Certain methods are based on asset value of an entity while certain other methods are based on the earnings potential of the company. Each method proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the methods to be adopted for a particular valuation exercise must be judiciously chosen. It must be noted that for valuation on a 'Going Concern' basis, earnings value is given higher importance than the asset valuation.

#### 3.1 UNDERLYING ASSET APPROACH

The "Underlying Asset" approach represents the value with reference to historical cost of assets owned by the Business and the attached liabilities. Such value generally represents the support value in case of profit making business and thus, has limited relevance in the valuation of the Business of a going concern.

In the present case, the Business is intended to be valued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Underlying Asset approach is not considered for the present valuation exercise.

#### 3.2 INCOME APPROACH

Under the "Income" approach, the Business has been valued using Discounted Cash Flow (DCF) method.



The Discounted Cash Flow (DCF) Method values the business of a Business by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the returns expected by the investors of both debt and equity, weighted for their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the business.

#### 4 BASIS OF VALUATION

4.1 For the purpose of the valuation, we have relied upon the following information:

- a) Management certified Estimated Balance Sheet of the GTD Business as on March 31, 2016.
- b) Projected Income Statement and Balance Sheet of the GTD Business for financial years (FY) 2016-17 to 2023-24, as provided by the Management.
- c) Details of fair market value of Tangible Assets of Samalkot Business, Goa Business and Wind Farm Business based on the executive summary report of M/s Kanti Karamsey & Co. (Government Registered Valuers) dated March 10, 2016.
- d) Details of Current Assets and Current Liabilities of Samalkot Business, Goa Business and Wind Farm Business as provided by the Management.
- e) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook of the business, expected growth rate and other relevant information relating to future expected profitability, etc.
- f) Such other information and explanations as we have required and which have been provided by the Management.

#### 5 VALUATION OF GTD BUSINESS AS PER DISCOUNTED CASH FLOW METHOD

5.1 Valuation under DCF method is based on the projections of the Business for FY 2016-17 to 2023-24 ('explicit period') as provided to us by the Management.

5.2 For the explicit period, free cash flows from the business have been arrived at as follows:

- Operating Earnings before tax ('EBT') as per the projections have been considered.



- Interest on loans and Depreciation on fixed assets has been added to the EBT to arrive at the Earnings before Interest, Tax, Depreciation and Amortization (EBITDA).
- Fund requirements for projected capital expenditure and incremental working capital have been reduced from the cash earnings of the respective years.
- Estimated tax liability has been reduced to arrive at the free cash flows from the business.
- The cash flows of each year are then discounted at the WACC. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt.
- After the explicit period, the business will continue to generate cash. In DCF Method, therefore, perpetuity value is also considered to arrive at the business value.
- Cash flows for perpetuity have been arrived at after making appropriate adjustments for corporate taxes, estimated capital expenditure and incremental working capital requirements.
- The discounted perpetuity value is added to the discounted cash flows for the explicit period to arrive at the Enterprise Value.
- Adjustments have been made for debt proposed to be transferred and cash & cash equivalents from the Enterprise Value to arrive at the Equity Value of the GTD Business.

5.3 On the basis of the foregoing, the equity value of the GTD Business as per Discounted Cash Flow Method works out to **INR 5,575 Crores** (rounded off).

## 6 VALUATION OF SAMALKOT BUSINESS, GOA BUSINESS AND WIND FARM BUSINESS

6.1 Valuation of Samalkot Business, Goa Business and Wind Farm Business is based on the Executive Summary Report of Tangible Assets of Samalkot Business, Goa Business & Wind Farm Business issued by M/s Kanti Karamsey & Co. (Government Registered Valuers) dated March 10, 2016 and Net Current Assets as provided by the Management, is as follows:

- Samalkot Business: **INR 563 crores.**
- Goa Business: **INR 109 crores.**
- Wind Farm Business: **INR 35.50 crores.**



7 **CONCLUSION**

7.1 The fair value of the PG Business is arrived at as follows:

(INR crores)

Sr. No.	Business	Amount	Amount	Reference
1	<b>GTD Business (Equity Value)</b>		<b>5,575.00</b>	Refer para 5.3
2	<b>Samalkot Business</b>			
	Tangible Assets	555.00		Refer para 6.1
	Net Current Assets	8.00	<b>563.00</b>	As provided by the Management
3	<b>Goa Business</b>			
	Tangible Assets	132.00		Refer para 6.1
	Net Current Assets	(23.00)	<b>109.00</b>	As provided by the Management
4	<b>Wind Farm Business</b>			
	Tangible Assets	32.00		Refer para 6.1
	Net Current Assets	3.50	<b>35.50</b>	As provided by the Management
	<b>TOTAL EQUITY VALUE OF PG BUSINESS (1+2+3+4)</b>		<b>6,282.50</b>	

8 **LIMITATIONS/DISCLAIMERS**

8.1 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

8.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA & Co has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.

8.3 Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.



- 8.4 The draft of present report was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous and the assumptions used are reasonable.
- 8.5 No investigation on the Business's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 8.6 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company / Management through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- 8.7 Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 8.8 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Business and any other matter, which may have an impact on our opinion, on the fair value of the Business including any significant changes that have taken place or are likely to take place



in the financial position of the Business. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- 8.9 Any person/party intending to provide finance/invest in the business of the Business shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 8.10 The decision to carry out the transaction lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the transaction.
- 8.11 Our Report is meant for the purpose mentioned in Para 2 only and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 8.12 SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.



*SSPA & Co.*

**SSPA & Co.**  
**Chartered Accountants**  
**Firm Registration Number: 128851W**



Place: Mumbai  
Date: March 16, 2016



Private and Confidential  
**KEYNOTE**

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

The Board of Directors,

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

Dear Sirs,

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


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

Company Profile:

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

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

**Certified True Copy  
For Reliance Infrastructure Limited**

  
**Ramesh Shenoy  
Company Secretary**

Page 1 of 4

**Keynote Corporate Services Limited**

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



# KEYNOTE

## Rationale of the Report:

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

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

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

## Sources of Information:

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

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

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

## Our Recommendation:

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

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

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



## KEYNOTE

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

### Exclusions and Limitations:

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

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

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

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

### Keynote Corporate Services Limited

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CIN-L67120MH1993PLC072407



## KEYNOTE

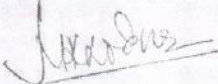
accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

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

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

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

For KEYNOTE CORPORATE SERVICES LTD



Nipun Lodha  
Executive Vice President and Head Corporate Finance  
SEBI Registration No. INM000003606  
(Merchant Banker)

### Keynote Corporate Services Limited

**REPORT OF THE AUDIT COMMITTEE OF RELIANCE INFRASTRUCTURE LIMITED  
FOR RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN  
RELIANCE INFRASTRUCTURE LIMITED AND RELIANCE ELECTRIC GENERATION  
AND SUPPLY PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND  
CREDITORS AT ITS MEETING HELD ON MARCH 16, 2016**

**Members Present:**

Shri S S Kohli (in the Chair)  
Shri K Ravikumar  
Shri V R Galkar  
Ms Ryna Karani  
Shri Shiv Prabhat

**In attendance:**

Shri Lalit Jalan, Chief Executive Officer  
Shri Madhukar Moolwaney, Chief Financial Officer

**Company Secretarial:**

Shri Ramesh Shenoy, Company Secretary  
Shri Abhijit Banerjee, Vice President  
Shri Aashay Khandwala, Vice President

**Background:**

A meeting of the Audit Committee of Reliance Infrastructure Limited ('the Transferor Company' or 'the Company' or 'RInfra') was held on March 16, 2016 to consider and recommend the proposed transfer and vesting of entire Mumbai generation, transmission and distribution business, Samalkot Power Station, Goa Power Station and Windmill business on a going concern basis of the Company to Reliance Electric Generation and Supply Private Limited ('REGSPL' or Transferee Company'), a wholly owned subsidiary of the Company to be implemented in terms of a Scheme of Arrangement between the Company and REGSPL and their respective shareholders and creditors pursuant to the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013, as may be applicable ("the Scheme") w.e.f. Appointed Date of April 1, 2016.

In terms of Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India ('Circular'), a report from the Audit Committee of the Listed Company recommending the draft Scheme of Arrangement under the Companies Act, 1956 taking into consideration, inter alia, the Valuation Report and the Fairness Opinion is required. This report of the Audit Committee is made in order to comply with the requirements of the Circular.

This report is made by the Audit Committee after perusing *inter alia* the following necessary documents ('Documents'):

- a. Draft Scheme of Arrangement between Reliance Infrastructure Limited and Reliance Electric Generation and Supply Private Limited and their respective shareholders and creditors;
- b. Valuation Report dated March 16, 2016 issued by M/s. SSPA & Co;
- c. Fairness Opinion dated March 16, 2016, issued by Keynote Corporate Services Limited;

*A*  
Certified True Copy  
For Reliance Infrastructure Limited



**Proposed Scheme:**

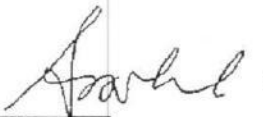
Salient features of the proposed Scheme are as follows:

- a. The Scheme provides for Arrangement between the Company and REGSPL with an Appointed Date of April 1, 2016;
- b. Upon coming into effect of the Scheme and with effect from the Appointed Date, all properties, assets and liabilities, licenses, approvals and manpower, etc. which are directly and exclusively relatable to the Mumbai generation, transmission and distribution business, Samalkot Power Station, Goa Power Station and Windmill business (as specifically provided for in the Scheme) shall stand transferred to and vested in and / or be deemed to be transferred to and vested in REGSPL on a going concern basis for aggregate lumpsum cash consideration of Rs. 6,282.50 crore pursuant to the relevant provisions of the Act and in accordance with this Scheme.
- c. The accounting treatment to be followed for the Scheme will be in compliance with the Accounting Standards under section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles.
- d. The Scheme would be effective from the date of resolution by the Board of Directors of the Transferor Company, resolving that a particular Section of the Scheme has become effective in terms of Clause 7.3.1. of this Scheme where such resolution follows the filing of the certified copies of the order sanctioning this Scheme of Arrangement, passed by the High Court or such other competent authority, as may be applicable, with the Registrar of Companies, by the Transferor Company and by the Transferee Company

**Recommendation of the Audit Committee:**

Having considered the Documents, the valuation report and fairness opinion, the Audit Committee do hereby unanimously recommend the draft scheme for favorable consideration by the board of directors of the Company, BSE Limited, National Stock Exchange of India Limited and the Securities and Exchange Board of India.

For and on behalf of Audit Committee of the Board of  
Reliance Infrastructure Limited

  
Chairman of the Meeting



Date: March 16, 2016  
Place: Mumbai



## Shareholding Pattern Pre Scheme of Arrangement

### The Transferor Company – Reliance Infrastructure Limited

#### Pre Scheme of Arrangement Shareholding Pattern as on December 31, 2015

Refer attached Exhibit -1

#### Post Scheme of Arrangement Shareholding Pattern

We hereby undertake and confirm that there will be no change in the shareholding pattern of the Transferor Company pursuant to the proposed Scheme (post effective).

For Reliance Infrastructure Limited



Ramesh Shenoy  
Company Secretary  
Place: Mumbai



Format of Holding of Specified securities

1. Name of Listed Entity : **RELIANCE INFRASTRUCTURE LIMITED**
2. Scrip Code/Name of Scrip/Class of Security : **BSE : 500390 NSE : RINFRA**
3. Share Holding Pattern Filed under: **Reg. 31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c)**
  - a. if under 31(1)(b) then indicate the report for quarter ending December 31, 2015
  - b. if under 31(1)(c) then indicate date of allotment/extinguishment

4. Declaration : The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	YES*	NO*
a Whether the Listed Entity has issued any partly paid up shares		NO
b Whether the Listed Entity has issued any Convertible Securities or Warrants?		NO
c Whether the Listed Entity has any shares against which depository receipts are issued?	YES	
d Whether the Listed Entity has any shares in locked-in?	NO	
e Whether any shares held by promoters are pledge or otherwise encumbered?	YES	

\*if the Listed Entity selects the option 'NO' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

- 5 The tabular format for disclosure of holding of specified securities is as follows:



Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of Underlying Depository Receipts	Total Nos. of Shares Held	Shareholding as a % of total no. of shares (Calculated as per SCRR 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Class X	Class Y	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI) = (VII) + (X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
(A)	Promoter & Promoter Group	21	12717036	0	0	12717036	49.83	0	0	0	0	49.83	0	0	0	0	12717036
(B)	Public	1134717	127578007	0	0	127578007	49.99	0	0	0	0	49.99	0	0	0	0	127578007
(C)	Non Promoter-Non Public	2	7784957	0	0	7784957	NA	0	0	0	0	NA	0	0	0	0	7784957
(C2)	Shares held by Employee Trusts	1	450000	0	0	450000	0.18	0	0	0	0	0.18	0	0	0	0	450000
	<b>Total:</b>	<b>1134741</b>	<b>262990000</b>	<b>0</b>	<b>0</b>	<b>262990000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>258380339</b>





Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held	Shareholding as a % of total no. of shares (Calculated as per SCRR 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									Class X	Class Y			Total	(X)	(XII) + (X3) As a % of (A+B+C2)	No. (a)	
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv+v+vi)	(viii)	Class X	Class Y	Total	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)
(1)	Indian																
(a)	Individuals/Hindu undivided family																
1	Anil D. Ambani		3	139437	0	0	139437	0.05	139437	0	0.05	0	0	0	0	0	139437
2	Jai Anshul A. Ambani		1	7	0	0	7	0.00	7	0	0.00	0	0	0	0	0	7
3	Jai Anmol A. Ambani		2	125231	0	0	125231	0.05	125231	0	0.05	0	0	0	0	0	125231
4	Smt. Koli D. Ambani		3	274937	0	0	274937	0.11	274937	0	0.11	0	0	0	0	0	274937
5	Tina A. Ambani		2	123812	0	0	123812	0.05	123812	0	0.05	0	0	0	0	0	123812
(b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
(d)	Any Other		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
1	Reliance Big Private Limited		2	19500000	0	0	19500000	7.64	19500000	0	7.64	0	0	0	15000000	79.49	19500000
2	Reliance Innoventures Private Limited		1	864675	0	0	864675	0.34	864675	0	0.34	0	0	0	864675	100.00	864675
3	Reliance Project Ventures And Management Private Limited		7	106148937	0	0	106148937	41.59	106148937	0	41.59	0	0	0	52000000	48.59	106148937
(2)	Foreign		21	127177036	0	0	127177036	49.83	127177036	0	49.83	0	0	0	68364675	53.76	127177036
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
(b)	Government		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
(e)	Any Other		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
	Sub-Total (A12)		0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A12)(1)+(A12)(2)		21	127177036	0	0	127177036	49.83	127177036	0	49.83	0	0	0	68364675	53.76	127177036

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - NA

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The term "Incumbance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing shareholding pattern of the Public shareholder

Category	PAN	No. of Shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held	Shareholding as a % of total no. of shares per SCRR (Calculated as of (A+B+C))	Number of Voting Rights			No. of Shares Underlying convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a % of (A+B+C2))	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Class X	Class Y	Total			No. (a)	As a % of total Shares held (b)	No. (p)	As a % of total Shares	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv+v)	(viii)	(ix)			(x)	(xi) = (x) as a % of (A+B+C2)	(xii)	(xiii)	(xiv)		
(1)																	
(a)	Institutions																
(b)	Mutual Funds	157	995010	0	0	995010	0.39	995010	0.38	0	0.39	0	0.00	NA	NA	995010	
(c)	Venture Capital Funds	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(d)	Alternate Investment Funds	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(e)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(f)	Foreign Portfolio Investors	472	47940829	0	0	47940829	18.79	47940829	18.23	0	18.79	0	0.00	NA	NA	47940829	
1	HSBC BANK (MAURITIUS) LIMITED		5136308	0	0	5136308	2.01	5136308	1.95	0	2.01	0	0.00	NA	NA	5136308	
2	BRANDES INSTITUTIONAL EQUITY TRUST		4206316	0	0	4206316	1.63	4206316	1.60	0	1.63	0	0.00	NA	NA	4206316	
3	BRANDES INVESTMENT TRUST-BRANDES INTERNATIONAL SMALL CAP EQUITY FUND		4164040	0	0	4164040	1.63	4164040	1.58	0	1.63	0	0.00	NA	NA	4164040	
4	BRANDES EMERGING MARKETS FUND		4138696	0	0	4138696	1.62	4138696	1.57	0	1.62	0	0.00	NA	NA	4138696	
(f)	Financial Institutions/Banks	304	1099857	0	0	1099857	0.43	1099857	0.42	0	0.43	0	0.00	NA	NA	1099857	
(g)	Insurance Companies	31	43093794	0	0	43093794	16.89	43093794	16.39	0	16.89	0	0.00	NA	NA	43093794	
(g)	LIFE INSURANCE CORPORATION OF INDIA		31842538	0	0	31842538	12.48	31842538	12.11	0	12.48	0	0.00	NA	NA	31842538	
	THE NEW INDIA ASSURANCE COMPANY LIMITED		3854136	0	0	3854136	1.51	3854136	1.47	0	1.51	0	0.00	NA	NA	3854136	
	THE ORIENTAL INSURANCE COMPANY LIMITED		3271129	0	0	3271129	1.28	3271129	1.24	0	1.28	0	0.00	NA	NA	3271129	
(b)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(f)	Any Other		0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
	OVERSEAS CORPORATE BODIES	25	9543	0	0	9543	0.00	9543	0.00	0	0.00	0	0.00	NA	NA	0	
	Sub Total (B1)	989	93139033	0	0	93139033	36.50	93139033	35.42	0	36.50	0	0.00	NA	NA	93071226	
(2)	Central Government/State Government(s)/President of India	81	131317	0	0	131317	0.05	131317	0.05	0	0.05	0	0.00	NA	NA	69360	
	Sub Total (B2)	81	131317	0	0	131317	0.05	131317	0.05	0	0.05	0	0.00	NA	NA	69360	
(3)	Non-institutions																
(a)	Individual shareholders holding nominal share capital up to Rs.2 lakhs	1115879	27485597	0	0	27485597	10.77	27485597	10.45	0	10.77	0	0.00	NA	NA	23373169	
	ii Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	9	238835	0	0	238835	0.09	238835	0.09	0	0.09	0	0.00	NA	NA	202200	
(b)	NBFCs Registered with RBI	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(d)	Overseas Depositories (Holding Dbs) (Balancing figure)	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
(e)	Any Other																
	TRUSTS	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0	
	NON RESIDENT INDIANS	12829	1410265	0	0	1410265	0.55	1410265	0.54	0	0.55	0	0.00	NA	NA	1169813	
	CLEARING MEMBERS	566	1672665	0	0	1672665	0.66	1672665	0.64	0	0.66	0	0.00	NA	NA	1672665	
	BODIES CORPORATES	4364	3500295	0	0	3500295	1.37	3500295	1.33	0	1.37	0	0.00	NA	NA	3402718	
	Sub Total (B3)	1133647	34307657	0	0	34307657	13.44	34307657	13.05	0	13.44	0	0.00	NA	NA	29826565	
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	1134717	127578007	0	0	127578007	49.99	127578007	48.51	0	49.99	0	0.00	NA	NA	112969951	





Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder

Category	Category & Name of the Shareholder	PAN	No. of Share-holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of Shares Underlying Depository Receipts	Total No. of Shares Held	Shareholding as a % of total no. of shares (Calculated as per SCRR 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form
									No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)		
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv+v+v)	(viii)	(ix)	(x)	(xi) = (vii) + (x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)		
(1)	Custodian/DR Holder THE BANK OF NEW YORK MELLON	AAACCD4898E	2	7784957	0	0	7784957	3.05	0	7784957	2.96	3.05	0	0.00	0	7784252
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014) RELANCE ADA GROUP TRUSTEES PRIVATE LIMITED		1	450000	0	0	450000	0.18	0	450000	0.17	0.18	0	0.00	0	450000
	Total Non-Promoter-Non Public Shareholding (C) = (C1)+(C)(2)		3	8234957	0	0	8234957	3.23	0	8234957	3.13	3.23	0	0	0	8234252

Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders more than 1% of total number of shares





**Reliance Electric Generation and Supply Private Limited  
Private Limited**Reg Off: H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

CIN: U74999MH2008PTC18687

Shareholding Pattern Pre Scheme of Arrangement  
The Transferee Company – Reliance Electric Generation and Supply Private Limited

Pre Scheme of Arrangement Shareholding Pattern as on March 17, 2016

Sr. No	Name of shareholder	No. Of equity shares of Rs. 10/- each	Shareholding in %
1.	Reliance Infrastructure Limited	49,999	99.99%
2.	Prachi Potnis jointly with Reliance Infrastructure Limited	1	0.01%
	Total	50,000	100%

**Post Scheme of Arrangement Shareholding Pattern**

We hereby undertake and confirm that there will be no change in the shareholding pattern of the Transferee Company pursuant to the proposed Scheme (post effective) as no issue of shares by the Transferee Company are envisaged under the proposed Scheme

For Reliance Electric Generation and Supply Private Limited

Abhijit Banerjee  
Authorised Signatory

Place: Mumbai



The financial details of Reliance Infrastructure Limited for the previous 3 years as per the audited statement of Accounts along with the latest half year statement of Accounts:

Name of the Company: **Reliance Infrastructure Limited**


(Rs. in Crores)

Particulars	Financial for the period	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	30 <sup>th</sup> September, 2015	2014-15	2013-14	2012-13
Equity Paid up Capital	263.03	263.03	262.58	263.03
Reserves and surplus	21641.72	20,924.37	21,029.79	19,972.62
Carry forward losses	Nil	NIL	NIL	NIL
Net Worth	21,904.75	21,187.40	21,292.37	20,235.65
Miscellaneous Expenditure	Nil	NIL	NIL	NIL
Secured Loans	12,556.32	12,686.78	11,539.37	8,139.18
Unsecured Loans	4,247.24	4,126.96	3,302.20	3,311.87
Fixed Assets	7,701.74	7,701.74	6,509.07	7,349.48
Income from Operations	5,229.66	10,535.56	11,356.93	14,322.03
Total Income	6,153.66	12,098.21	12,581.45	15,404.85
Total Expenditure	5,234.27	10,580.15	10,784.51	13,261.62
Profit before Tax	919.39	1,518.06	1,796.94	2,143.23
Profit after Tax	715.39	1,533.39	1,587.94	1,999.52
Cash profit	957.89	1,826.12	1,923.26	2,558.39
EPS	27.20	58.31	60.38	76.03
Book value	832.91	805.64	809.63	769.45

Note 1 : Total Expenditure includes Exceptional Items

Note 2 : Cash profit is Profit after Tax (+) Depreciation (+) Deferred Tax

For Reliance Infrastructure Limited

  
 Ramesh Shenoy  
 Company Secretary  
 Place: Mumbai



# Reliance Electric Generation and Supply Private Limited Private Limited

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

CIN: U74999MH2008PTC18687

The financial details of for the previous 3 years as per the audited statement of Accounts along with the latest financial statements as on 31<sup>st</sup> December, 2015:


Name of the Company: **Reliance Electric Generation and Supply Private Limited**

(Amounts in Rs.)

Particulars	Financial for the period	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	31 <sup>st</sup> December, 2015	2014-15	2013-14	2012-13
Equity Paid up Capital	5,00,000	5,00,000	5,00,000	1,00,000
Reserves and surplus	(502,405)	(4,98,058)	(2,03,912)	(1,54,193)
Carry forward losses	(4,347)	(4,98,058)	(2,03,912)	(1,54,193)
Net Worth	(2405)	1,942	2,96,088	(54,193)
Miscellaneous Expenditure	NIL	NIL	NIL	NIL
Secured Loans	NIL	NIL	NIL	NIL
Unsecured Loans	NIL	NIL	NIL	NIL
Fixed Assets	NIL	NIL	NIL	NIL
Income from Operations	NIL	NIL	NIL	1,05,000
Total Income	NIL	NIL	NIL	1,05,000
Total Expenditure	4,347	2,94,826	49,719	1,85,104
Profit before Tax	(4,347)	(2,94,826)	(49,719)	(80,104)
Profit after Tax	(4,347)	(2,94,146)	(49,719)	(80,104)
Cash profit	(4,347)	(2,94,146)	(49,719)	(80,104)
EPS	(0.09)	(5.88)	(4.19)	(8.01)
Book value	(0.048)	0.04	5.92	(5.42)

Note 1: Reserve and surplus and carry forward losses represents debit balance in the Profit and Loss Account

For Reliance Electric Generation and Supply Private Limited



Abhijit Banerjee  
Authorised Signatories

Place Mumbai



# RELIANCE

January 14, 2016

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400 001  
Fax No.: 2272 2037/39/41/61/3121/3719  
BSE Scrip Code: 500390

Reliance Infrastructure Limited  
Devidas Lane, Off SVP Road  
Near Devidas Telephone Exchange  
Borivali (W)  
Mumbai 400 103.  
CIN: L99999MH1929PLC001530

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

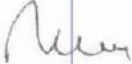
National Stock Exchange of India Limited  
Exchange Plaza, C/1, Block G  
Bandra - Kurla Complex, Bandra (East)  
Mumbai 400 051  
Fax No.: 2659 8237 / 38  
NSE Symbol: RELINFRA

Dear Sirs,

**Sub: Compliance Report on Corporate Governance for the quarter ended December 31, 2015**

Pursuant to Clause 27(2) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 entered into with the Stock Exchanges, we submit herewith Compliance Report on Corporate Governance for the quarter ended December 31, 2015.


Yours faithfully  
For Reliance Infrastructure Limited

  
Ramesh Shenoy  
Company Secretary

Encl: As above



**Certified True Copy  
For Reliance Infrastructure Limited**

  
Ramesh Shenoy  
Company Secretary



# RELIANCE

ANNEXURE I

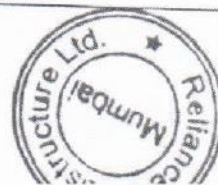
**Format to be submitted by listed entity on quarterly basis**

1. Name of Listed Entity : Reliance Infrastructure Limited
2. Quarter ending : December 31, 2015

I. Composition of Board of Directors								
Title (Mr. / Ms.)	Name of the Director	PAN <sup>s</sup> & DIN	Category (Chairperson/ Executive/ Non- Executive/ Independent /Nominee) <sup>s</sup>	Date of Appointment in the current term/ cessation	Tenure*	No. of Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity
Mr	Anil D Ambani	00004878 AADPA3703D	Chairman	18/01/2003	-	4	1	Nil
Mr	Sateesh Seth	00004631 AAEPS8573L	Non- Executive	24/11/2000	-	2	1	Nil
Mr	Dr V K Chaturvedi	01802454 ADLPC1656L	Non- Executive	21/04/2012	-	2	1	Nil
Mr	S S Kohli	00169907 AAWPK6879P	Independent	14/02/2012	More than 3 years (Original date of appointment 14/2/2012)	10	9	3
Mr	K Ravikumar	00119753 AAAPR2769P	Independent	14/08/2012	More than 3 years (Original date of appointment 14/8/2012)	1	2	2
Ms	Ryna Karani	00116930 AMTPK3684P	Independent	20/09/2014	More than one year (Original date of appointment 20/09/2014)	1	1	Nil
Mr	V R Galkar	00009177 ACKPG6701G	Independent	20/09/2014	More than one year (Original date of appointment 20/09/2014)	2	3	1
Mr	Shiv Prabhat	07319520 AFVPP0603A	Non- Executive	04/11/2015		1	1	Nil

\* PAN number of any director would not be displayed on the website of Stock Exchange

<sup>s</sup> Category of directors means executive/non-executive/independent/Nominee. If a director fits into more than one category write all categories separating them with hyphen



# RELIANCE

\* to be filled only for Independent Director. Tenure would mean total period from which Independent director is serving on Board of directors of the listed entity in continuity without any cooling off period.

## II. Composition of Committees

Name of Committee	Name of Committee members	Category (Chairperson/Executive/Non-Executive/independent/Nominee) <sup>5</sup>
1. Audit Committee	S S Kohli K Ravikumar V R Galkar Ryna Karani Shiv Prabhat	Chairman/Independent Independent Independent Independent Non- Executive
2. Nomination & Remuneration Committee	V R Galkar S S Kohli Shiv Prabhat	Chairman/Independent Independent Non- Executive
3. Risk Management Committee(if applicable)	V R Galkar S S Kohli K Ravikumar Ryna Karani Shiv Prabhat	Chairman/Independent Independent Independent Independent Non- Executive
4. Stakeholders Relationship Committee'	K Ravikumar Dr V K Chaturvedi V R Galkar	Chairman/Independent Non-Executive Independent

<sup>5</sup> Category of directors means executive/non-executive/independent/Nominee. If a director fits into more than one category write all categories separating them with hyphen

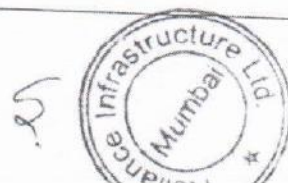
## III. Meeting of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Maximum gap between any two consecutive (in number of days)
12.08.2015	04.11.2015 16.11.2015	82 days

## IV. Meeting of Committees

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings in number of days*
(i) <u>Audit Committee:</u> November 3, 2015	Yes	August 11, 2015	83 Days
(ii) <u>Nomination and Remuneration Committee:</u> November 3, 2015	Yes	August 11, 2015	
(iii) <u>Risk Management Committee:</u> November 3, 2015	Yes	August 11, 2015	
(iv) <u>Stakeholders Relationship Committee:</u> November 3, 2015	Yes	August 11, 2015	

\* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional





# RELIANCE

## V. Related Party Transactions

Subject	Compliance status (Yes/No/NA) refer note below
Whether prior approval of audit committee obtained	Yes
Whether shareholder approval obtained for material RPT	NA
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	Yes


### Note

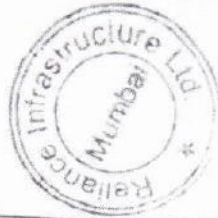
- In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
- If status is "No" details of non-compliance may be given here.

## VI. Affirmations

- The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
- The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015
  - Audit Committee
  - Nomination & remuneration committee
  - Stakeholders relationship committee
  - Risk management committee (applicable to the top 100 listed entities)
- The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
- The meetings of the board of directors, and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
- This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here:

For Reliance Infrastructure Limited

  
Ramesh Shenoy  
Company Secretary



To,  
The Board of Directors,  
Reliance Infrastructure Limited,  
H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Koparkhairane,  
Navi Mumbai, Mumbai – 400 710

**Sub: Certificate on accounting treatment in the Draft Scheme of Arrangement in accordance with Sub-Para 5(a) of Paragraph I (A) of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015**

We, Pathak H. D. & Associates, Chartered Accountants (Firm Registration No. 107783W) are one of the joint statutory auditors of **Reliance Infrastructure Limited**, (hereinafter referred to as “the Company”), have examined the proposed accounting treatment, specified in clause 2.3, 3.3, 4.3, 5.3 of the Draft Scheme of Arrangement between Reliance Infrastructure Limited and Reliance Electric Generation and Supply Private Limited, and their respective shareholders and creditors in terms of the provisions of Section 391 to 394 of the Companies Act, 1956 as amended and corresponding provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

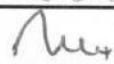
Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.



**Head Office:** 814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: + 91 22 3022 8508 Fax: + 91 22 3022 8509.  
URL: [www.phd.ind.in](http://www.phd.ind.in)

**Branches:** Ahmedabad | Bengaluru

Certified True Copy  
For Reliance Infrastructure Limited

  
Ramesh Shenoy  
Company Secretary

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# Pathak H.D. & Associates

Chartered Accountants

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

For Pathak H. D. & Associates  
Chartered Accountants  
Firm Registration No. 107783W



Vishal D. Shah  
Partner  
Membership No. 119303

Place: Mumbai  
Date: March 16, 2016

