From: Jaladhi Shukla
Sent: 21 November 2017 04:48 PM
To: 'Nikhil Jain (LISCO)'; Ekta Shah (LISCO); Divya Poojari (LISCO)
Cc: 'abhishekd@sebi.gov.in'; Nitin Pujari
Subject: Observation Letter - Scheme of Arrangement
Importance: High

Dear Sir / Madam,

We refer to the letters dated 20th day of November 2017 (under reference no. NSE/LIST/13622) and dated 20th day of November 2017 (under reference no. DCS/AMAL/SD/R37/984/2017-18) addressed by National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), respectively.

NSE, by its aforesaid letter, has instructed us to incorporate certain provisions as stipulated in paragraph 4 of the said letter. In light of the aforesaid, please note that we have incorporated the said provisions including certain consequential changes in the Scheme. The Scheme with the aforesaid changes is attached for your record.

Please further note that we shall be filing the Scheme with the Hon'ble National Company Law Tribunal, Bench at Ahmedabad reflecting the aforesaid changes.

Best regards,
Jaladhi Shukla

From: Ekta Shah (LISCO) [mailto:EShah@nse.co.in]
Sent: 20 November 2017 06:57 PM
To: Jaladhi Shukla
Cc: Nikhil Jain (LISCO); Divya Poojari (LISCO)
Subject: Observation Letter - Scheme of Arrangement

Dear Sir,

Please find attached the Observation Letter pertaining to the Scheme of Arrangement.

Warm regards
Ekta Shah

Assistant Manager – Listing Compliance
National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051
Contact: 022-26598100, 23345; 022- 26598459 ; email id: EShah@nse.co.in
www.nseindia.com

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SCHEME OF ARRANGEMENT

AMONG

ADANI ENTERPRISES LIMITED

AND

ADANI GREEN ENERGY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(*UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013*)

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 of the Act, together with Sections 13, 61, 62, 66 and other applicable provisions of the Act (*as defined hereinafter*) for demerger of the Renewable Power Undertaking (*as defined hereinafter*) of AEL (*as defined hereinafter*) and transfer of the same to AGEL (*as defined hereinafter*) which includes issuance of equity shares by AGEL to the equity shareholders of AEL; reduction of paid-up equity share capital of AGEL, pursuant to cancellation of equity shares held by AEL in AGEL; increase in the authorised share capital of AGEL; and for matters consequential, supplemental and/or otherwise integrally connected therewith.

A. INTRODUCTION

(a) AEL was incorporated on 2nd day of March 1993 as Adani Exports Limited, a public company with the Registrar of Companies, Gujarat under the provisions of the Companies Act, 1956 with Corporate Identification Number L51100GJ1993PLC019067. Subsequently, its name was changed to Adani Enterprises Limited on 10th day of August 2006. The registered office of AEL is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The equity shares of AEL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The secured redeemable non-convertible debentures issued by AEL are listed on the Wholesale Debt Market segment of BSE.

(b) AEL is a global integrated infrastructure conglomerate with significant business interests in resources (coal mining and trading), logistics, city gas distribution, energy (power generation) and agri business. The brief description of the major businesses being carried out by AEL alongwith its subsidiaries, joint venture companies and its associates is as under:

i. AEL is one of the largest coal trader importing thermal coal from Indonesia and South Africa and supplying the same to various customers in India;

ii. AEL is a Mine Developer and Operator in India. Currently, AEL under a long term contract has developed and is operating coal mine in the Parsa East-Kente Basan Mine in Chhattisgarh. AEL through its subsidiaries also carries on coal mining operations in Bunyu Island, Indonesia and in Queensland, Australia;

iii. AEL carries on edible oil refining business under the brand "Fortune" amongst other brands through its 50:50 joint venture company, namely, Adani Wilmar Limited;

iv. Further, AEL, through its subsidiary, Adani Agri Fresh Limited carries on the business of developing integrated storage, handling and transportation infrastructure for horticulture products. Adani Agri Logistics Limited, a wholly owned subsidiary of AEL, carries on the business of bulk handling, storage and transportation (distribution) of food grains, providing an end-to-end bulk supply chain solution to Food Corporation of India and various state governments;

v. AEL through its subsidiary, Adani Gas Limited ('Adani Gas') supplies Piped Natural Gas to household, commercial and industrial consumers and Compressed Natural Gas ('CNG') for use in automobiles. As on 31st day of March 2017, Adani Gas has set up a gas distribution network of approximately 360 kms of steel pipeline and approximately 5000 kms of polyethylene pipeline including 70 CNG stations spread across Ahmedabad and Vadodara in Gujarat; Faridabad in Haryana and Khurja in Uttar Pradesh;

vi. AEL through its subsidiary, Adani Bunkering Private Limited ('ABPL'), is providing bunkering services (Fuel Oil and Marine Gas Oil) to various ocean going vessels in India. Presently, ABPL has physical bunkering facilities at Mundra, Hazira and Goa with capabilities of supplying bunker fuel to the vessels calling at any port in Gujarat and Goa. ABPL is also supplying duty paid bunkers at other locations on back to back basis through oil public sector undertakings;

vii. AEL through its subsidiary, Mundra Solar PV Limited, has set up a manufacturing facility to produce silicon ingots / wafers, silicon solar cells, modules and support manufacturing facilities that includes Ethylene Vinyl Acetate (EVA), back sheets, glass, junction box and solar cell and string interconnect ribbon; and

viii. AEL holds 47.19% of the paid-up equity share capital of AGEL, which is engaged in the business of development of renewable power projects and generation of renewable power. AEL holds 100% of the paid-up equity share capital of Prayatna Developers Private Limited ('PDPL'). AEL also holds the entire different series of the unsecured compulsory convertible debentures issued and allotted by PDPL from time to time. PDPL has set up and commissioned in aggregate 220 mega-watts ('MW') solar power projects in the States of Punjab, Andhra Pradesh, Uttar Pradesh and Rajasthan. AEL also carries on trading and supply of solar and wind energy equipments. The aforesaid businesses of development of renewable power projects, generation of renewable power and trading and supply of solar and wind energy equipments carried out by AEL, either itself or through its associate or wholly owned subsidiary are hereinafter referred to as **"Renewable Power Business"**.

(c) AGEL was incorporated on 23rd day of January 2015 as Adani Green Energy Limited, a public company with the Registrar of Companies, Gujarat under the provisions of the Act with Corporate Identification Number U40106GJ2015PLC082007. The registered office of AGEL is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.

(d) The brief description of the businesses being carried out by AGEL along with its subsidiaries are as under:

i. AGEL has set up 12 MW wind power project in the State of Madhya Pradesh;

ii. AGEL, through its subsidiaries, namely, Adani Green Energy (Tamilnadu) Limited, Ramnad Solar Power Limited, Ramnad Renewable Energy Limited, Kamuthi Solar Power Limited and Kamuthi Renewable Energy Limited, respectively, has commissioned 648 MW solar plant in the State of Tamilnadu;

iii. AGEL, through its subsidiary, namely, Parampujya Solar Energy Private Limited has commissioned 160 MW solar plant in the State of Telangana, Chhattisgarh and Karnataka and is in the process of setting up of 190 MW solar plant in the State of Karnataka, 50 MW solar plant in the State of Telengana and 20 MW solar plant in the State of Maharashtra;

iv. AGEL, through its subsidiary, namely, Wardha Solar (Maharashtra) Private Limited is in the process of setting up 350 MW solar plant in the State of Karnataka;

v. AGEL, through its subsidiary, namely, Gaya Solar (Bihar) Private Limited is in the process of setting up 50 MW solar plant in the State of Jharkhand;

vi. AGEL, through its subsidiary, namely, Adani Green Energy (UP) Limited is in the process of setting up of 240 MW solar plant in the State of Karnataka and 50 MW solar plant in the State of Uttar Pradesh;

vii. AGEL, through its subsidiary, namely, Adani Wind Energy (Gujarat) Private Limited, has also set up 48 MW wind power project in the State of Gujarat; and

viii. AGEL, through its subsidiary, namely, Adani Green Energy (MP) Limited, is in the process of setting up of 50 MW wind power project in the State of Gujarat.

(e) This Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act, for the transfer by way of a demerger of the Renewable Power Undertaking of AEL to AGEL, and the consequent issue of equity shares by AGEL to the shareholders of AEL ("**Demerger**") in accordance with the relevant provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961.

B. RATIONALE FOR THE SCHEME

(i) Each of the varied businesses being carried on by AEL either by itself or through its subsidiaries or through associate companies including Renewable Power Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Renewable Power Business is separate and distinct from other businesses being carried out by AEL. The Renewable Power Business and the other businesses of AEL are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Renewable Power Business and other businesses of AEL are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Renewable Power Undertaking by way of demerger and transfer the same to AGEL.

(ii) The segregation would enable greater/enhanced focus of the management in the Renewable Power Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.

(iii) It is believed that the proposed demerger will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.

(iv) The demerger will also provide scope for independent collaboration and expansion.

C. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **Part A** deals with definitions, interpretation and share capital;

2. **Part B** deals with demerger of the Renewable Power Undertaking of AEL and its vesting in AGEL in accordance with Sections 230 to 232 of the Act;

3. **Part C** deals with Remaining Business of AEL;

4. **Part D** deals with general terms and conditions that would be applicable to the Scheme.

D. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME-TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, including as a result of an amendment of Law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961, or a corresponding provision of any amended or newly enacted Law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification(s) will, however, not affect the other provisions of the Scheme.

PART A

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

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

1.2 **"AEL"** means Adani Enterprises Limited, a public company incorporated with limited liability under the provisions of the Companies Act, 1956 with its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.

1.3 **"AGEL"** means Adani Green Energy Limited, a public company incorporated with limited liability under the provisions of the Act with its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India.

1.4 **"Appointed Date"** means 1st day of April 2018.

1.5 **"Board of Directors"** in relation to each of the Companies, as the case may be, means the board of directors of such company and, unless it be repugnant to the context, includes a duly authorised committee of directors.

1.6 **"Companies"** shall mean AEL and AGEL.

1.7 **"CENVAT"** means central value added tax.

1.8 **"Demerger"** shall have the meaning set forth in Clause A (e) of the Introduction.

1.9 **"Effective Date"** shall mean the last of the dates on which the conditions and matters referred to in Clause 19 hereof occur or have been fulfilled or waived and references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

1.10 **"Employee Benefit Funds"** shall have the meaning set forth in Clause 8.2.

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

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

1.13 **"Law"** shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by,

or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question.

1.14 **"LODR"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.15 **"NCLT"** means the National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction in relation to AEL and AGEL.

1.16 **"PDPL"** means Prayatna Developers Private Limited, a company incorporated with limited liability under the provisions of the Act with its registered office at 7th Floor, Wing B, Sambhaav House, Judges Bungalow Road, Bodakdev, Ahmedabad – 380 015, Gujarat, India.

1.17 **"Record Date"** means the date to be fixed by the Board of Directors of AEL for the purpose of determining the equity shareholders of AEL to whom shares of AGEL shall be allotted pursuant to Demerger under this Scheme.

1.18 **"Remaining Business"** means all the undertakings, businesses, activities, operations, assets and liabilities of AEL other than those comprised in the Renewable Power Undertaking.

1.19 **"Renewable Power Employees"** shall mean all the employees of AEL employed in the Renewable Power Undertaking as on the Effective Date.

1.20 **"Renewable Power Liabilities"** shall have the meaning set forth in Clause 6.1.

1.21 **"Renewable Power Undertaking"** means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Renewable Power Business (which includes (i) AEL's strategic investments in AGEL and PDPL, respectively; (ii) AEL's subscription to the entire different series of the unsecured compulsory convertible debentures issued by PDPL from time to time; and (iii) the business related to trading and supply of solar and wind energy equipments carried out by AEL), including specifically the following:

(a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Renewable Power Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

(b) all assets, as are movable in nature pertaining to and in relation to the Renewable Power Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Governmental Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

(c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Renewable Power Business;

(d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes

of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Renewable Power Business;

(e) all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Renewable Power Business;

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

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

(h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of AEL pertaining to the Renewable Power Business and/or arising out of and/or relatable to the Renewable Power Business including:

i. the debts, liabilities, duties and obligations of AEL which arises out of the activities or operations of the Renewable Power Business;

ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Renewable Power Business;

iii. in cases other than those referred to in Sub-Clause i. or Sub-Clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of AEL, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of AEL immediately prior to the Effective Date;

(i) all employees of AEL employed/engaged in the Renewable Power Business as on the Effective Date; and

(j) all legal or other proceedings of whatsoever nature that pertain to the Renewable Power Business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Renewable Power Business or whether it arises out of the activities or operations of the Renewable Power Business,

the same shall be decided by mutual agreement between Board of Directors of AEL and AGEL.

1.22 **"RoC"** means the Registrar of Companies, Gujarat.

1.23 **"Scheme"** means this scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof.

1.24 **"SEBI"** means the Securities and Exchange Board of India.

1.25 **"SEBI Circular"** means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017, the circular no. CFD/DIL3/CIR/2017/26 dated 23rd day of March 2017 and the circular no. CFD/DIL3/CIR/2017/105 dated 21st day of September 2017, each issued by SEBI.

1.26 **"Stock Exchanges"** means the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), collectively.

2. INTERPRETATION

In this Scheme, unless the context otherwise requires:

2.1 words denoting singular shall include plural and vice versa and references to any gender includes the other gender;

2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

2.3 references to the word "include" or "including" shall be construed without limitation;

2.4 references to Clauses are to the Clauses to this Scheme;

2.5 references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme;

2.6 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;

2.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

2.8 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;

2.9 references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality); and

2.10 where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any forgoing words.

3. SHARE CAPITAL

3.1 The share capital of AEL as on 30th day of September 2017 was as under:

Share Capital	**Amount in Rupees**
Authorized Share Capital	
485,92,00,000 Equity Shares of Re. 1/- each	485,92,00,000
45,00,000 Preference Shares of Rs. 10/- each	4,50,00,000
	490,42,00,000

Share Capital	Amount in Rupees
TOTAL	
Issued, Subscribed and Paid-Up Share Capital 109,98,10,083 Equity Shares of Re. 1/- each fully paid-up	109,98,10,083
TOTAL	**109,98,10,083**

3.2 The share capital of AGEL as on 30th day of September 2017 was as under:

Share Capital	Amount in Rupees
Authorized Share Capital 150,00,00,000 Equity Shares of Rs. 10/- each	1500,00,00,000
TOTAL	**1500,00,00,000**
Issued, Subscribed and Paid-Up Share Capital 137,67,47,807 Equity Shares of Rs. 10/- each fully paid up	1376,74,78,070
TOTAL	**1376,74,78,070**

PART B

DEMERGER OF THE RENEWABLE POWER UNDERTAKING OF AEL AND ITS VESTING IN AGEL

4. Transfer of Assets

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Renewable Power Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Renewable Power Undertaking) shall, subject to the provisions of this Clause 4 in relation to the mode of transfer and vesting and pursuant to Sections 230 to 232 of the Act and without any further act or deed, be demerged from AEL and be transferred to and vested in and be deemed to have been demerged from AEL and transferred to and vested in AGEL as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of AGEL, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

4.2 In respect of such of the assets of the Renewable Power Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by AEL, upon the coming into effect of this Scheme, and shall become the property of AGEL as an integral part of the Renewable Power Undertaking with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

4.3 In respect of movables other than those dealt with in Clause 4.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority, quasi- governmental authority, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in AGEL without any notice or other intimation to the debtors (although AGEL may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in AGEL).

4.4 In respect of such of the assets belonging to the Renewable Power Undertaking other than those referred to in Clause 4.2 and 4.3 above, the same shall, as more particularly provided in Clause 4.1 above, without any further act, instrument or deed, be demerged from AEL and transferred to and vested in and/or be deemed to be demerged from AEL and transferred to and vested in AGEL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of the Scheme, AGEL shall be entitled to exercise all the rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the title to, or interest in the immovable properties which shall be made and duly recorded by the appropriate authority(ies) in favour of AGEL pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by AEL and/or AGEL. It is clarified that AGEL shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

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

4.5 All assets, rights, title, interest and investments of AEL in relation to the Renewable Power Undertaking shall also, without any further act, instrument or deed stand

transferred to and vested in and be deemed to have been transferred to and vested in AGEL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

4.6 Without prejudice to the generality of the foregoing, upon the effectiveness of this Scheme, AGEL will be entitled to all the intellectual property rights of AEL in relation to the Renewable Power Undertaking. AGEL may take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of AGEL.

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

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

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

4.10 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of AEL, in relation to or in connection with the Renewable Power Undertaking, has been replaced with that of AGEL, AGEL shall be entitled to operate the bank account of AEL, in relation to or in connection with the Renewable Power Undertaking, in the name of AEL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which is in the name of AEL, in relation to or in connection with the Renewable Power Undertaking, after the Effective Date shall be accepted by the bankers of AGEL and credited to the account of AGEL, if presented by AGEL. AGEL shall be allowed to maintain bank accounts in the name of AEL for such time as may be determined to be necessary by AGEL for presentation and deposition of cheques and pay orders that have been issued in the name of AEL, in relation to or in connection with the Renewable Power Undertaking. It is hereby expressly clarified that any legal proceedings by or against AEL, in relation to or in connection with the Renewable Power Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which is in the name of AEL shall be instituted, or as the case may be, continued by or against AGEL after the coming into effect of this Scheme.

5. Transfer of contracts, deeds, etc.

5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme including Clause 6, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Renewable Power Undertaking, to which AEL is a party or to the benefit of which AEL may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of AGEL and may be enforced as fully and effectually as if, instead of AEL, AGEL had been a party or beneficiary or obligee thereto.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Renewable Power Undertaking occurs by virtue of this Scheme itself, AGEL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which AEL is a

party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. AGEL shall be deemed to be authorised to execute any such writings on behalf of AEL and to carry out or perform all such formalities or compliances referred to above on the part of AEL to be carried out or performed.

5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of AEL in relation to the Renewable Power Undertaking shall stand transferred to AGEL as if the same were originally given by, issued to or executed in favour of AGEL, and AGEL shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to AGEL. AGEL shall make applications to any Governmental Authority as may be necessary in this behalf.

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

6. Transfer of Liabilities

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

(i) the liabilities which arise out of the activities or operations of the Renewable Power Undertaking;

(ii) the specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Renewable Power Undertaking; and

(iii) in cases other than those referred to in Clause 6.1(i) or Clause 6.1(ii) above, so much of the amounts of general or multipurpose borrowings, if any, of AEL, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of AEL immediately prior to the Effective Date.

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

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

6.4 In so far as the existing Encumbrances in respect of the Renewable Power Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Renewable Power Undertaking which have been Encumbered in respect of the

Renewable Power Liabilities as transferred to AGEL pursuant to this Scheme. Provided that if any of the assets comprised in the Renewable Power Undertaking which are being transferred to AGEL pursuant to this Scheme have not been Encumbered in respect of the Renewable Power Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

6.5 For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, subject to Clause 6.4, the Encumbrances over such assets relating to the Renewable Power Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Renewable Power Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with AEL), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such liabilities.

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

6.7 Upon the coming into effect of this Scheme, AGEL alone shall be liable to perform all obligations in respect of the Renewable Power Liabilities, which have been transferred to it in terms of this Scheme, and AEL shall not have any obligations in respect of such Renewable Power Liabilities.

6.8 It is expressly provided that, save as mentioned in this Clause 6, no other term or condition of the liabilities transferred to AGEL as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

6.9 The provisions of this Clause 6 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

7. Legal, taxation and other proceedings

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

7.2 If proceedings are taken against AEL in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of AGEL and at the cost of AGEL, and the latter shall reimburse and indemnify AEL against all liabilities and obligations incurred by AEL in respect thereof.

7.3 AGEL undertakes to have all legal or other proceedings initiated by or against AEL referred to in Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against AGEL to the exclusion of AEL. Each of the Companies shall make relevant applications in that behalf.

8. Employees

8.1 Upon the coming into effect of this Scheme, the Renewable Power Employees in relation to the Renewable Power Undertaking (the "**Transferred Employees**") shall become the employees of AGEL with effect from the Effective Date, and, subject to the provisions

hereof, on terms and conditions not less favourable than those on which they are employed by AEL in the Renewable Power Undertaking and without any interruption of, or break in, service as a result of the transfer of the Renewable Power Undertaking. AGEL agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with AEL shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

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

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

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

9. Conduct of business by AEL until the Effective Date

9.1 With effect from the date of approval of this Scheme by the respective Board of Directors of AEL and AGEL, AEL undertakes to carry on the business and activities of the Renewable Power Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of AGEL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Renewable Power Undertaking or part thereof.

9.2 With effect from the date of approval of this Scheme by the respective Board of Directors of AEL and AGEL, AEL shall notify AGEL in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 9.

10. Consideration

10.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Renewable Power Undertaking into AGEL pursuant to the provisions of this Scheme, AGEL shall, without any further act or deed, issue and allot to each shareholder of AEL, whose name is recorded in the register of members and records of the depositories as members of AEL, on the Record Date, 761 (Seven Hundred & Sixty One) equity shares of Rs. 10/- (Rupees Ten Only) each of AGEL credited as fully paid-up for every 1000 (One Thousand) equity shares of Re. 1/- (Rupee One Only) each held by such shareholder in AEL ("**New Equity Shares**"). The ratio in which equity shares of AGEL are to be issued and allotted to the shareholders of AEL is referred to as the "**Share Entitlement Ratio**". It is clarified that no cash consideration shall be paid by AGEL to AEL or its shareholders.

10.2 The New Equity Shares to be issued and allotted as provided in Clause 10.1 above shall be subject to the provisions of the Memorandum and Articles of Association of AGEL and shall rank *pari-passu* in all respects with the then existing equity shares of AGEL

after the Record Date including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

10.3 In case any shareholder's shareholding in AEL is such that such shareholder becomes entitled to a fraction of an equity share of AGEL, AGEL shall not issue fractional share certificates to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a trustee nominated by the Board of Directors of AGEL in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to AGEL, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon AGEL shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of AEL in proportion to their respective fractional entitlements.

10.4 The New Equity Shares to be issued pursuant to Clause 10.1 above shall be issued in dematerialized form by AGEL, unless otherwise notified in writing by the shareholders of AEL to AGEL on or before such date as may be determined by the Board of Directors of AEL. In the event that such notice has not been received by AGEL in respect of any of the shareholders of AEL, the New Equity Shares shall be issued to such shareholders in dematerialized form provided that the shareholders of AGEL shall be required to have an account with a depository participant and shall be required to provide details thereon and such other confirmations as may be required. In the event that AGEL has received notice from any shareholder that the New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/hers/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of AGEL, then AGEL shall issue New Equity Shares in physical form to such shareholder or shareholders.

10.5 The New Equity Shares issued and/or allotted pursuant to Clause 10.1, in respect of such of the equity shares of AEL which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by AGEL.

10.6 The New Equity Shares issued pursuant to Clause 10.1, which AGEL is unable to allot due to applicable Laws (including, without limitation, the non receipt of approvals of Governmental Authority as required under applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by AGEL and shall be dealt with in the manner as may be permissible under the applicable Law and deemed fit by the Board of Directors of AGEL including to enable allotment and sale of such New Equity Shares to a trustee as mentioned in Clause 10.3 above and thereafter make distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of AEL, in proportion to their entitlements as per the process specified in Clause 10.3 above. If the above cannot be effected for any reason, AGEL shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under applicable Laws. AGEL and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

10.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of AEL, the Board of Directors of AEL shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in AEL as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by AGEL. The Board of Directors of AEL shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in AGEL on account of difficulties faced in the transition period.

10.8 The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.

10.9 AGEL shall, if and to the extent required to, apply for and obtain any approvals from the Governmental Authorities including Reserve Bank of India, for the issue and allotment of New Equity Shares by AGEL to the non-resident equity shareholders of AEL.

10.10 The equity shares issued by AGEL shall be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and in compliance with the applicable regulations and the SEBI Circular. AGEL shall make all requisite applications and shall otherwise

comply with the provisions of the SEBI Circular and applicable Law and take all steps to procure the listing of the equity shares issued by it.

10.11 The New Equity Shares issued by AGEL shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges.

10.12 There shall be no change in the shareholding pattern or control in AGEL between the Record Date and the listing of the equity shares on the Stock Exchanges.

10.13 In terms of the SEBI Circular, AGEL undertakes that it shall increase the public shareholding to at least 25% (twenty five per cent.) within a period of 1 (one) year from the date of listing of the New Equity Shares on the Stock Exchanges.

11. Reduction of share capital of AGEL

11.1 Simultaneously, with the issue and allotment of the New Equity Shares by AGEL to the shareholders of AEL in terms of Clause 10 of the Scheme, the equity shares issued by AGEL to AEL shall stand cancelled, without any further act, instrument or deed. Such cancellation of the share capital of AGEL shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act. The order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act shall be necessary.

12. Authorised share capital of AGEL

12.1 As an integral part of the Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of AGEL shall automatically stand increased, without any further act, instrument or deed on the part of AGEL, such that upon the effectiveness of the Scheme the authorised share capital of AGEL shall be Rs. 16,00,00,00,000/- (Rupees Sixteen Hundred Crores only), without any further act or deed. Consequently, Clause V of the Memorandum of Association of AGEL shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 16,00,00,00,000/- (Rupees Sixteen Hundred Crores only) divided into 1,60,00,00,000 (One Hundred and Sixty Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each."

12.2 It is clarified that the approval of the shareholders of AGEL to the Scheme shall be deemed to be their consent/approval also to the consequential alteration of the Memorandum of Association of AGEL and AGEL shall not be required to seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of AGEL as required under Sections 13 and 61 of the Act.

12.3 Upon the coming into effect of this Scheme, AGEL shall file the requisite forms with the RoC for alteration of its authorised share capital and shall pay necessary fees as may be required to be paid in accordance with Law.

13. Accounting treatment in the books of AEL

13.1 Upon the coming into effect of this Scheme, the investment held by AEL in AGEL shall stand cancelled.

13.2 AEL shall account for the transfer and vesting of the Renewable Power Undertaking in its books of account as per the applicable Accounting Standards notified under Section 133 of the Act read with relevant rules issued thereunder after considering the adjustment provided under clause 13.1 of the Scheme.

13.3 The difference being the excess of the book value of the assets over the book value of liabilities pertaining to the Renewable Power Undertaking and demerged from AEL pursuant to this Scheme shall be first adjusted against the Capital Reserve of AEL and balance if any shall be adjusted against the other reserves of AEL.

14. Accounting treatment in the books of AGEL

14.1 Upon the coming into effect of this Scheme, the existing shareholding of AEL in AGEL shall stand cancelled. Upon cancellation, AGEL shall debit to its Equity Share Capital

Account, the aggregate face value of the existing equity shares held by AEL in AGEL which stands cancelled hereof.

14.2 AGEL shall account for the transfer and vesting of the Renewable Power Undertaking in its books of account as per the “Pooling of Interest Method” prescribed under Indian Accounting Standard 103 – “Business Combinations” notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act after considering the adjustment provided under clause 14.1 of the Scheme.

PART C

REMAINING BUSINESS OF AEL

15. Remaining Business

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

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

15.3 If proceedings are taken against AGEL in respect of the matters referred to in Clause 15.2 above, it shall defend the same in accordance with the advice of AEL and at the cost of AEL, and the latter shall reimburse and indemnify AGEL against all liabilities and obligations incurred by AGEL in respect thereof.

15.4 Up to and including the Effective Date:

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

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

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

PART D

GENERAL TERMS AND CONDITIONS

16. Applications

16.1 The Companies shall make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

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

17. Modifications to the Scheme

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

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

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

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

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

17.2 Any modification to the Scheme by AEL and/or AGEL, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

18. Scheme as an integral whole and Severability

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

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

19. Scheme conditional on

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

(i) AEL having received observation letter/no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;

(ii) this Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies in accordance with the Act;

(iii) the Appointed Date having ensued;

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

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

(vi) the certified copies of the orders of the NCLT approving this Scheme being filed with the RoC; and

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

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

20.1 In the event of any of the sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the NCLT, and/or the order or orders not being passed as aforesaid on or before 30th day of September 2018 or within such further period or periods as may be agreed upon between AEL and AGEL through their respective Board of Directors, the Scheme shall become null and void and the Companies shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

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

20.3 In the event of revocation/withdrawal under Clauses 20.1 and 20.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se AEL and AGEL or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable Law and in such case, the Companies shall bear its own costs, unless otherwise mutually agreed.

21. Taxes

21.1 AGEL will be the successor of the AEL vis-à-vis the Renewable Power Undertaking. Hence, it will be deemed that the benefits of any tax credits, whether, central, state, or local, availed vis-à-vis the Renewable Power Undertaking and the obligations, if any, for the payment of taxes on any assets of the Renewable Power Undertaking shall be deemed to have been availed by AGEL, or as the case may be, deemed to be the obligation of AGEL.

21.2 With effect from the Appointed Date and upon the coming into effect of this Scheme, all taxes, duties, cess, receivables / payables by AEL relating to the Renewable Power

Undertaking, including all or any refunds / credits / claims relating thereto, shall be treated as the assets / liabilities or refunds / credits / claims, as the case may be, of AGEL.

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

22. Costs

Subject to Clause 20 above, all costs, charges, levies and expenses (including, but not limited to, stamp duty, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of this Scheme shall be borne as mutually agreed by the Board of Directors of AEL and AGEL.

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