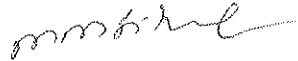


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SCHEME OF ARRANGEMENT
BETWEEN
JAIPRAKASH POWER VENTURES LIMITED
TRANSFEROR COMPANY
AND
BINA POWER SUPPLY LIMITED
TRANSFeree COMPANY
AND
THEIR SHAREHOLDERS AND CREDITORS

CERTIFIED TRUE COPY
For JAIPRAKASH POWER VENTURES LTD.



(M. M. SIBBAL)
Vice President & Company Secretary

PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- (i) Part I - which deals with the introduction, rationale and benefits of this Scheme;
- (ii) Part II - which deals with the definitions used in this Scheme;
- (iii) Part III – which deals with the share capital of the Transferor and Transferee Companies;
- (iv) Part IV – which deals with the transfer of the Transferred Undertaking to Transferee Company and matters incidental thereto;
- (v) Part V– which deals with the business (other than Transferred Undertaking) of the Transferor Company;
- (vi) Part VI– which deals with the accounting and tax treatment; and
- (vii) Part VII – which deals with the general terms and conditions that would be applicable to the Scheme.

The Schedule referred to in this Scheme form part of the Scheme.



INTRODUCTION, RATIONALE AND BENEFITS

1.1 INTRODUCTION:

- (a) Jaiprakash Power Ventures Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at at Jaypee Nigrie Super Thermal Power Plant, Nigrie, Tehsil Sarai, District Singrauli, Madhya Pradesh ("**Transferor Company**"). The Transferor Company is engaged, *inter alia*, in the business of owning and operating power generation plants in India. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.
- (b) Bina Power Supply Limited is a public limited company incorporated under the Companies Act, 1956, having its registered office at Rajiv Nagar, Post Box and P.O. Agasod, Tehsil & P.O. - Bina - 470113, Madhya Pradesh ("**Transferee Company**"). The Transferee Company is a subsidiary of the Transferor Company in which Transferor Company holds 99% of the issued, subscribed and paid-up equity share capital. Its shares are not listed on any stock exchange.
- (c) The Scheme provides for transfer of the Transferred Undertaking of the Transferor Company to and vesting thereof in the Transferee Company, in accordance with the terms of this Scheme and pursuant to the provisions of sections 391 and 394 of the Companies Act, 1956 and other relevant provisions of the Act.

1.2 RATIONALE AND BENEFITS:

The transfer of the Transferred Undertaking of the Transferor Company to the Transferee Company pursuant to this Scheme shall, *inter alia*, result in the following benefits:

- (i) In case of the Transferor Company helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo as well as help in taking further steps for enhancing shareholder value of the Transferor Company.
- (ii) In case of the Transferee Company:
- a. the acquisition will enable the Transferee Company to carry on the businesses for which it has been incorporated and enable independent evaluation of the Transferred Undertaking; and
 - b. the businesses of the Transferred Undertaking can be carried out more conveniently with greater focus and attention.



DEFINITIONS

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

- (a) “**Act**” means the Companies Act, 1956 and/or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified –

- (i) that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified.
- (ii) that several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the “**Act of 1956**” and Companies Act, 2013 has been referred to as the “**Act of 2013**” wherever specific sections have been referred to hereinafter in this Scheme.
- (b) “**Appointed Date**” shall be the Effective Date as defined hereinafter in the Scheme;
- (c) “**Applicable Law**” means any statute, rule, regulation, ordinance, judgment, order, decree, by-law, consent or approval, resolution, directive, guideline, policy, decision, determination, interpretation or adjudication made or enacted by a governmental authority, court or tribunal and having the force of law;
- (d) “**Bina PPA**” means collectively: (i) the power purchase agreement dated January 5, 2011 between Madhya Pradesh Power Trading Company Limited, Bina Power Supply Limited, Madhya Pradesh Poorva Kshetra Vidyut Vitaran Nigam Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Nigam Limited and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Nigam Limited as amended by first addendum dated July 30, 2013 between MP Power Management Company Limited, Transferor Company, Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited for purchase of 65% power from Phase I on regulated tariff basis and purchase of 37% power from Phase II on regulated tariff basis; and (ii) the power purchase agreement dated July 20, 2011 between Government of Madhya Pradesh and Bina Power Supply Limited for purchase of 5% power from business of the Transferred Undertaking on variable charge basis;



- (e) **“Board” or “Board of Directors”** means the board of directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- (f) **“Court” or “High Court”** means the High Court of Madhya Pradesh at Jabalpur having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act;
- (g) **“Effective Date” or “coming into effect of this Scheme” or “effectiveness of this Scheme”, or “Scheme becoming effective”** or the like expressions used in the Scheme shall be a reference to the later of the date on which:
- (i) the certified copy of the order passed by the High Court under Section 394 of the Act of 1956 sanctioning the Scheme is filed with the Registrar of Companies, Madhya Pradesh;
 - (ii) conditions referred to in Clause 7.3 are satisfied; and
 - (iii) the following consents have been obtained for the Transferred Undertaking or, waived in accordance with Clause 7.4(g):
 1. Consent of Chief Inspector of factories/ other competent authority for transfer of factories license;
 2. Consent of Controller of Explosives/ other competent authority under Explosives Rules, 2008 for storage of compressed gas in cylinders; and
 3. Consent of licensing authority under the Petroleum Rules, 2002 for ‘Use, Import, Storage and Transportation’ license of petroleum for (i) diesel, and (ii) HFO and LDO, in relation to the Transferred Undertaking.
- (h) **“Encumbrance”** means any claim, mortgage, pledge, charge (fixed or floating), hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, way leave, easement, any provisional or executorial attachment and any other right or interest of any third party, restriction on use (other than statutory rights or terms of the leases), or any other security interest of any kind whatsoever, or any agreement to create any of the foregoing;
- (i) **“Equity Shares”** means equity shares of Rs. 250,00,00,000 (Rupees Two Hundred Fifty crore only), comprising of 25,00,00,000 (Twenty Fifty crore) fully paid up equity shares of the Transferee Company with face value of Rs. 10/- which constitutes 100% (one hundred percent) of the equity shares of the Transferee Company as would be issued at par to the Transferor Company upon the coming into effect of the Scheme and the term **“Equity Shares”**



shall be construed accordingly;

- (j) **“Excluded Liabilities”** means (i) Taxes in relation to prior schemes of arrangement under the Companies Act, 1956, of the Transferor Company, and (ii) any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Effective Date;
- (k) **“Intellectual Property Rights”** means any and all forms of intellectual property including without limitation, trademarks, patents, service marks, logos, trade names, copyrights, designs, software codes etc.;
- (l) **“JAL”** means Jaiprakash Associates Limited (*formerly known as Jaiprakash Industries Limited*), a company registered in India and having its registered office at Sector 128, Noida, Uttar Pradesh;
- (m) **“NCD”** means non convertible debentures of Rs. 500,00,00,000 (Rupees Five Hundred crore only), comprising of 5,00,00,000 (Five crore) fully paid up non convertible debentures with face value of Rs. 100/- each as would be issued at par by the Transferee Company to the Transferor Company, and which shall:
- (i) have a coupon rate of 12.5% (twelve and a half percent) per annum, payable annually on March 31st every year; and
- (ii) be redeemed at the end of 10 years from the date of issue.
- (n) **“Permitted Asset Encumbrances”** means:
- (i) Encumbrances in favour of Project Lenders and any lenders who are not Project Lenders; and
- (ii) Encumbrances arising out of pending litigations and claims which form part of the Transferred Undertaking.
- (o) **“Project Lenders”** collectively means the lenders relating to the Transferred Undertaking and a Project Lender means any one of them;
- (p) **“Project Locations”** means the District Sagar in the State of Madhya Pradesh including the villages Sirchopi, Hinnod, Jodh, Bamouridurjan and Kamaukheri near Bina;
- (q) **“Remaining Business Liabilities”** means all liabilities, obligations and commitments of the Transferor Company that do not form part of the Transferred Undertaking. It is clarified that the Excluded Liabilities form part of the Remaining Business Liabilities;
- (r) **“Scheme”, “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Transferor and the Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed



by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Transferee and the Transferor Companies;

- (s) **“Taxation”** (including with correlative meaning, the terms **Tax** and **Taxes**) means (a) any and all taxes, assessments, cess, levy, duties, impositions, liabilities and other governmental charges imposed by any governmental authority, including taxes on income, profits, service, book profits, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, capital gains, distribution taxes, excise, stamp duty, registration fees, taxes on entry of goods and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; and (b) any liability for the payment of any amounts of the type described in clause (a);
- (t) **“Transferred Undertaking”** shall have the meaning ascribed to it under *Schedule I*;
- 2.2 All terms and words which are 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 including any statutory modifications, amendments or re-enactment thereof, for the time being in force;
- 2.3 In this Scheme, unless the context requires otherwise words denoting persons include individuals/natural persons, bodies corporate and unincorporated associations of persons.



PART – III

SHARE CAPITAL

- 3.1 The present authorized, issued, subscribed and paid up share capital of the Transferor Company is as under:

Authorized Capital	Amount (Rs.)
Comprising 705,00,00,000 equity shares of Rs. 10 each	7050,00,00,000
Comprising 30,00,00,000 preference shares of Rs. 100 each	3000,00,00,000
Issued, Subscribed and Paid-Up Capital	Amount (Rs.)
Comprising 293,80,03,084 equity shares of Rs. 10 each	2938,00,30,840

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

- 3.2 The present authorized, issued, subscribed and paid up share capital of the Transferee Company is as under:

Authorized Capital	Amount (Rs.)
Comprising 50,000 equity shares of Rs. 10 each	5,00,000
Issued, Subscribed and Paid-Up Capital	Amount (Rs.)
Comprising 50,000 equity shares of Rs. 10 each	5,00,000

The shares of Transferee Company are not listed on any stock exchange.

- 3.4 It is clarified that the right of the Transferor Company to alter its authorized, issued, subscribed or paid up capital share capital during the pendency of this Scheme or at any time thereafter is not affected by this Scheme.



**TRANSFER AND VESTING OF TRANSFERRED UNDERTAKING TO/ IN
TRANSFeree COMPANY****4.1 VESTING OF TRANSFERRED UNDERTAKING**

- (a) With effect from the Appointed Date, the Transferred Undertaking in its entirety shall, pursuant to Sections 391 to 394 of the Act of 1956 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a "going concern" basis as set out hereinafter in the Scheme, free from all Encumbrances except Permitted Asset Encumbrances.
- (b) If for any reason any part of the Transferred Undertaking does not get vested in the Transferee Company when the Scheme becomes effective, the Transferor Company and the Transferee Company shall forthwith take all necessary steps, and execute all necessary documents, to ensure the vesting of such part of the Transferred Undertaking to the Transferee Company without any further consideration but at the cost and expense of the Transferee Company. The Transferor Company and the Transferee Company agree that pending vesting of such part of Transferred Undertaking to the Transferee Company, the Transferor Company shall hold such part of Transferred Undertaking in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same.
- (c) For avoidance of doubt, all the assets and liabilities which form part of the Transferred Undertaking shall be vested in the Transferee Company and the Remaining Business Liabilities shall continue to vest in the Transferor Company.
- (d) With effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Law or to be carried out or performed in relation to or as a consequence of the vesting of the Transferred Undertaking with it.

4.2 ASSETS:

Without prejudice to the generality of Clause 4.1, with effect from the Appointed Date, the assets and properties forming part of the Transferred Undertaking shall be transferred into the Transferee Company by the Transferor Company and shall stand vested in the Transferee Company in the following manner:

- (a) All assets and properties of the Transferred Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the assets and properties of the Transferee Company and title



to the property will be deemed to have been vested accordingly without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. Such transfer of movable properties shall be free from all Encumbrances except Permitted Asset Encumbrances.

- (b) All immovable properties (including land together with the buildings and structures standing thereon) of the Transferred Undertaking, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 and 394 of the Act of 1956. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties. Such transfer of immovable properties of the Transferred Undertaking shall be free from all Encumbrances except Permitted Asset Encumbrances.
- (c) The assets and properties relating to Transferred Undertaking other than those dealt with in Clause 4.2(a) and (b), including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., 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 Act of 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 to do so, 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 to and vested in the Transferee Company.
- (d) Without prejudice to the aforestated and Clause 4.4, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferred Undertaking with any party to any contract or agreements to which Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide all the necessary assistance but all costs and expenses for execution of such documents shall be borne by the Transferee Company.
- (e) The resolutions, including resolutions passed under Section 293(1)(d) of the Act of 1956 or section 180(1)(c) of the Act of 2013, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, and which pertain to the business of the Transferred Undertaking, shall, mutatis mutandis, continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then all the said limits shall be added to the existing limits of the



Transferee Company and the same shall constitute the aggregate of the said limits in the Transferee Company.

- (f) Any Encumbrance over the assets forming part of the Transferred Undertaking, to the extent such Encumbrance is not a Permitted Asset Encumbrance, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for the Remaining Business Liabilities.
- (g) Any Encumbrance over the assets of the Transferor Company to the extent they relate to the liabilities pertaining to and forming part of the Transferred Undertaking, shall, without any further act, instrument or deed, be released and shall no longer be available as a security for such liabilities.
- (h) The Transferor Company and the Transferee Company shall, if and when so required, execute such documents/instruments or do all such acts and deeds including filing of necessary particulars and/or modification of charge with the Registrar of Companies, Madhya Pradesh to give formal effect to the above Clauses, at the cost and expense of the Transferee Company.
- (i) If any payment is received by the Transferor Company from the debtors in respect of the Transferred Undertaking after the Effective Date, the Transferor Company shall pay the same to the Transferee Company within 7 (seven) days of receipt of such payment.

4.3 LIABILITIES:

Without prejudice to the generality of Clause 4.1 and with effect from the Appointed Date, the following liabilities and obligations forming part of the Transferred Undertaking shall stand transferred to and vested in the Transferee Company in the following manner:

- (a) all such liabilities and obligations pertaining to the Transferred Undertaking which have been incurred, accrued or arisen before the Appointed Date, whether known or unknown and whether provided for or not in the books of account of the Transferor Company, or which may accrue or arise or become known after the Appointed Date, shall become the liabilities and obligations of the Transferee Company pursuant to the provisions of sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed and further that 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 liabilities and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company alone shall be liable to perform all obligations in respect of such liabilities and the Transferor Company will not have any obligations in respect of such liabilities.
- (b) all the Remaining Business Liabilities, whether provided for or not in the books of account of the Transferor Company, shall continue to remain the liabilities and obligations of the Transferor Company and the Transferor



Company shall remain liable to meet, discharge, satisfy and fulfill the same to the exclusion of the Transferee Company.

- (c) it is expressly provided that, save as mentioned in this Clause, no other terms or conditions of the liabilities and obligations pertaining to and forming part of the Transferred Undertaking is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (d) without prejudice to any specific arrangement between the Transferor Company and the Transferee Company and subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme 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.

4.4 **CONTRACTS, DEEDS, ETC.:**

With effect from the Appointed Date,

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, of whatsoever nature pertaining to and forming part of the Transferred Undertaking and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee. For avoidance of doubt, with effect from the Appointed Date, the Transferor Company shall have no rights, liabilities or obligations under or in respect of such contracts, deeds, bonds, agreements, memorandum of understanding etc.
- (b) The Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company.
- (c) It is clarified that even after the Effective Date, the Transferor Company, with prior consent of the Transferee Company, shall be entitled to realize all monies and to complete and enforce all pending contracts etc. in respect of the Transferred Undertaking, in trust and at the cost and expense of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company in respect of such pending contracts etc. stand fully devolved in favour of the Transferee Company.

4.5 **LEGAL PROCEEDINGS:**



With effect from the Appointed Date.

- (a) any suit, appeal or other proceedings (whether pending in any court or before any statutory or judicial or quasi-judicial authority or tribunal) including proceedings relating to Taxation, pertaining to and forming part of the Transferred Undertaking, of whatsoever nature, by or against the Transferor Company is pending as on the Effective Date, the same shall not abate, or be discontinued or in any way be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not come into effect, pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed. The Transferee Company shall get itself substituted in all such proceedings in place of the Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
- (b) All subsequent legal and other proceedings pertaining to any matters concerning the Transferred Undertaking, after the Effective Date, shall be initiated by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Transferor Company indemnified and harmless, if the Transferor Company is made to bear any such costs, expenses and consequences.

4.6 EMPLOYEES:

Upon the Scheme becoming effective,

- (a) Pursuant to the provisions of Sections 391 and 394 of the Act of 1956 and without any further act, instrument or deed, all the employees engaged in or in relation to the business activities and operations of the Transferred Undertaking who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date.
- (b) The Transferee Company shall continue to abide by any agreements / settlements (if any) entered into by the Transferor Company in respect of Transferred Undertaking with any Union/ representatives of the employees.
- (c) The balances standing in the accounts of employees of the Transferred Undertaking who are transferred to the Transferee Company in terms of this Scheme, in Provident Fund, Superannuation / Pension Fund, ESI or other such funds and investments relatable thereto as on the Effective Date, shall be transferred to the necessary funds, schemes or trusts to be created by the



Transferee Company or to funds, schemes or trusts under the relevant statute, as required by the Transferee Company, and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

- (d) If any question arises as to whether an employee is engaged in or in relation to the business activities and operations of the Transferred Undertaking, the same shall be decided by mutual agreement between the Boards of the Transferor Company and the Transferee Company.
- (e) The Transferee Company agrees that the service of all the employees transferred to the Transferee Company as above up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company up to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.7 LICENSES AND PERMISSIONS:

Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Transferred Undertaking or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act of 1956 and without any further act or deed by the Transferor Company and/or the Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Transferee Company to continue to carry on the operations of the Transferred Undertaking without any interruption, difficulty or disadvantage and in the same manner and with the same privileges and benefits as were being enjoyed by the Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Transferred Undertaking as well as the Remaining Business of the Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Transferor Company or the Transferee Company so as to appropriately apply to or govern the operations of the Transferred Undertaking and the Remaining Business of the Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Transferred



Undertaking as well as the Remaining Business of the Transferor Company without any interruption, difficulty or disadvantage. The Transferee Company and/or the Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.8 TRANSFER OF AUTHORISED CAPITAL:

- (a) Upon coming into effect of the Scheme, Rs. 250,00,00,000 (Rupees Two Hundred Fifty Crore Only) shall stand transferred from the authorized capital of the Transferor Company and get combined with the authorized capital of the Transferee Company. Accordingly Clause V of the Memorandum of Association of the Transferee Company shall automatically stand amended so as to read as under -

"V. The Authorised Share Capital of the Company is Rs. 250,05,00,000 (Rupees Two Hundred Fifty Crore Five Lacs only) divided into 25,00,50,000 (Twenty Five Crore and Fifty Thousand) equity shares of Rs. 10/- (INR ten only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or the provisions of the Companies Act, 2013 as applicable."

- (b) It is clarified that the resolution approving the Scheme shall be deemed to be resolution under Section 61 and other applicable provisions of the Act of 2013.
- (c) The registration fee applicable under the Act and stamp duty already paid by the Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of sub-clause (a) hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Madhya Pradesh within 30 (thirty) days from the Effective Date.
- (d) The Transferor Company owns coal fired thermal power plant comprising of 500 MW (2x250 MW) operational capacity and 750 MW (3 x 250 MW) capacity in preliminary development stage, located at Bina in the district of Sagar in the state of Madhya Pradesh forming part of the Transferred Undertaking. Under the Bina PPA, the tariff for the power generated is determined by the Madhya Pradesh Electricity Regulatory Commission (MPERC) based on the project cost and other financial parameters approved by the MPERC from time to time. After the Appointed Date, the tariff determination by MPERC shall continue to be based on such approved project cost and parameters. The paid-up equity capital for the purposes of Return on



Equity shall be as per the said approved project cost notwithstanding the change in the equity share capital consequent upon this Scheme becoming effective.

4.9 SLUMP EXCHANGE:

- (a) Upon the coming into effect of the Scheme, the Transferee Company shall assume the liabilities which form part of the Transferred Undertaking and shall issue and allot the following securities to the Transferor Company, in dematerialised form, free from all Encumbrances (other than Permitted Asset Encumbrances), towards transfer and vesting by the Transferor Company of the Transferred Undertaking with the Transferee Company:
- (i) Equity Shares; and
 - (ii) NCD.
- (b) The authorized, issued, subscribed and paid up share capital of the Transferee Company pursuant to issuance of Equity Shares shall be:

Authorized Capital	Amount (Rs.)
Comprising 25,00,50,000 equity shares of Rs. 10 each	250,05,00,000
Issued, Subscribed and Paid-Up Capital	Amount (Rs.)
Comprising 25,00,50,000 equity shares of Rs. 10 each	250,05,00,000

- (c) The Equity Shares and NCD, issued and allotted by the Transferee Company in terms of the Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The Equity Shares shall rank *pari-passu* in all respects with the existing equity shares of the Transferee Company for dividend, voting rights and for all other benefits and in all other respects, with effect from the date of allotment of Equity Shares.

4.10 After the Effective Date and as soon as possible, the Transferor Company shall handover to the Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Transferred Undertaking which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.

4.11 The Scheme provides for acquisition of the Transferred Undertaking on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except as expressly provided in the Scheme.



PART – V

BUSINESSES (OTHER THAN TRANSFERRED UNDERTAKING) OF THE TRANSFEROR COMPANY

- 5.1 The business, other than the Transferred Undertaking of the Transferor Company shall continue to belong to and remain vested in and be continued to be managed by the Transferor Company including in particular assets pertaining thereto and the Remaining Business Liabilities as hitherto.
- 5.2 All legal, Taxation or other proceedings (*including before any statutory or quasi-judicial authority or tribunal*) by or against the Transferor Company under any Applicable Law relating to the liability, obligation or duties of the Transferor Company in respect of the aforesaid remaining business and the Remaining Business Liabilities shall be continued and enforced by or against the Transferor Company only.
- 5.3 In view of transfer of Rs. 250,00,00,000 (Rupees Two Hundred Fifty Crore Only) from the authorised capital of the Transferor Company to Transferee Company as provided in Part IV above, the authorised capital of the Transferor Company shall stand correspondingly reduced by the aforesaid amount and accordingly Clause V of the Memorandum of Association of the Transferor Company shall, on the Appointed Date, stand automatically amended so as to read as under:

“V. The Authorised Share Capital of the Company is Rs. 9800,00,00,000/- (Rupees Nine Thousand Eight Hundred Crore only) divided into 680,00,00,000 (Six Hundred Eighty Crore) equity shares of Rs. 10/- each and 30,00,00,000 (Thirty Crore) Preference Shares of Rs. 100/- each (whether convertible – optionally or compulsorily or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.”

It is clarified that the resolution approving the Scheme shall be deemed to be a resolution under Section 61 and other applicable provisions of the Act of 2013. The Transferor Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Madhya Pradesh within 30 (thirty) days from the Effective Date.



ACCOUNTING AND TAX TREATMENT**6.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:**

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities which cease to be assets and liabilities of the Transferor Company shall be reduced by the Transferor Company at their book values.
- (b) The Transferor Company shall record all the Equity Shares and NCD received pursuant to this Scheme at their respective fair values.
- (c) The difference between the book value of assets of the Transferred Undertaking over the aggregate of (i) the book value of the liabilities of the Transferred Undertaking; and (ii) the fair value of the Equity Shares and NCD received pursuant to this Scheme shall be debited/credited to the capital reserve account of the Transferor Company.

6.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY:

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the face value of the respective Equity Shares and NCD issued by them to the Transferor Company pursuant to this Scheme.
- (b) The Transferee Company shall record the liabilities taken over under the Scheme at the fair value as on the Appointed Date.
- (c) The aggregate face value of Equity Shares, NCD issued by the Transferee Company and the fair value of liabilities taken over by the Transferee Company as above, will be apportioned to the various assets on a fair basis, to the extent of their fair values as determined by competent valuers in accordance with the accounting standards.
- (d) Excess, if any, of the aggregate face value of the Equity Shares, NCD and fair value of liabilities over the aggregate fair value of various assets determined by the valuers will be debited to goodwill.

6.3 TAX TREATMENT:

- (a) Any liabilities on account of income-tax in relation to the Transferor Company pertaining to the period prior to the Appointed Date, including all or any liability/refunds/credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Transferor



Company.

- (b) Further, the Transferor Company and the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company and the Transferee Company for any year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, advance tax credits etc., relating to the Transferred Undertaking for the period on and after the Appointed Date.
- (c) All tax holiday including but not limited to benefit under section 80(IA) of the Income-tax Act, 1961 including its continuing benefits, incentives, exemptions, concessions, carbon credits and other benefits or privileges enjoyed by the Transferor Company in relation to the Transferred Undertaking, granted by any Government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferred Undertaking vest with and be available to the Transferee Company on the same terms and conditions.



PART – VII**GENERAL TERMS AND CONDITIONS****7.1 APPLICATION TO HIGH COURT:**

The Transferee Company and the Transferor Company shall jointly and with all reasonable dispatch, make all applications/ petitions/ affidavits etc. under Sections 391 to 394 of the Act of 1956 and other applicable provisions of the Act to the Court for directions to convene and/or dispense with all or any of the meetings and other directions and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be required, under any law, agreement or otherwise and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

7.2 MODIFICATION OR AMENDMENTS TO THE SCHEME:

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors may make and/or consent to (i) any modifications/ amendments to the Scheme (including but not limited to the terms, conditions and schedules thereof) or (ii) any conditions or limitations that the High Court or any other regulatory authority may deem fit to direct or impose; or (iii) amendments which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or the creditors of any of the Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The Transferor Company and the Transferee Company by their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of “Transferred Undertaking”.
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representatives of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

7.3 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:



- (a) The consents by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme;
- (b) In relation to the Scheme, obtaining the Observation letter or No-objection letter issued by the Stock Exchanges in compliance with Section 11, 37 and 94 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and the circulars issued by SEBI in this regard;
- (c) sanction of the Scheme by the Court in terms of Sections 391 and 394 of the Act of 1956 and other relevant provisions of the Act.

7.4 OTHER TERMS

- (a) Before the Scheme becomes effective, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company shall be at liberty to withdraw from the Scheme, if any condition or alteration imposed by the Court or any other authority is not acceptable to any of them or if any material change in the circumstances takes place. No approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.
- (b) The respective Board of Directors of the Transferor Company and the Transferee Company may empower any committee of directors or any officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- (c) If any part of this Scheme is found invalid or ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Transferor and the Transferee Company that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any of the Transferor Company or Transferee Company, in which case the Board of Directors of the respective companies shall attempt to bring about a modification in the Scheme, as will best preserve for the respective companies, the benefits and obligations of this Scheme, including but not limited to such part or provision. It is made clear that no further approval of the shareholders or the creditors of any of the said companies shall be necessary for giving effect to the provisions contained in this clause.
- (d) In the event of the Scheme failing to take effect by [●] or by such later date as may be mutually agreed upon by the Boards of Directors of the Transferor Company and the Transferee Company, or if any of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. No further



approval of the shareholders or the creditors of any of the said Companies shall be necessary for giving effect to the provisions contained in this clause.

- (e) No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.
- (f) The approval of/ consent to the Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company pursuant to Section 391-394 of the Act of 1956, shall be deemed to be the compliance with all the applicable provisions of the Act and other Applicable Law for all actions to be taken pursuant to the Scheme.
- (g) The Board of Directors of the Transferor Company and the Transferee Company shall have the right to waive any or all of the consents listed under Clause 2.1(g)(iii) hereof.
- (h) With effect from the Appointed Date:
 - (i) The right of the Transferor Company and the Transferee Company to declare and pay dividends, whether interim or final, to their respective shareholders shall remain unaffected.
 - (ii) The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends.
 - (iii) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on the shareholders to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the company concerned and subject, wherever necessary, to the approval of the shareholders of the respective companies.
- (h) A fair valuation of the Transferred Undertaking and of the instruments issued under the Scheme is carried out by M/s. Bansi S. Mehta & Co., Chartered Accountants vide their valuation report dated June 16, 2016 and a fairness opinion thereon has been provided by M/s. Sobhagya Capital Options Ltd. vide their opinion dated June 17, 2016.

7.5 COST, CHARGES AND EXPENSES:

- (a) The Transferor Company and the Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants engaged by it in relation to the negotiations leading up to the transactions contemplated



hereunder and to the preparation, execution and carrying into effect of this Scheme which relate to the transaction contemplated hereunder.

- (b) The Transferor Company and the Transferee Company shall bear the costs relating to the High Court process, including the filing fees and costs of convening meetings.

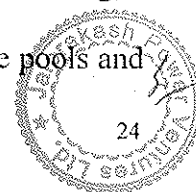


SCHEDULE I

DESCRIPTION OF TRANSFERRED UNDERTAKING

“**Transferred Undertaking**” means the entire business of Bina Thermal Power Station comprising 500 MW (2x250 MW) operational capacity and 750 MW (3 x 250 MW) capacity in preliminary development stage, located at Sirchopi, Hinnod, Jodh, Bamouridurjan and Kamaukheri near Bina in the district of Sagar in the state of Madhya Pradesh on a going concern basis comprising of the following:

- (i) all land owned, leased, used or possessed by the Transferor Company in connection with the Transferred Undertaking in the villages Sirchopi, Hinnod, Jodh, Bamouridurjan and Kamaukheri near Bina Madhya Pradesh;
- (ii) the school named Sardar Patel Uchhtar Madhyamik Vidyalaya run by Jaiprakash Seva Sansthan located at Bina, Dist. Sagar, Madhya Pradesh on the land of the Transferred Undertaking;
- (iii) the Industrial Training Institute (ITI) named Gopala Private Industrial Training Institute run by Jaiprakash Sewa Sansthan located at Bina, Distt. Sagar, Madhya Pradesh on the land of the Transferred Undertaking;
- (iv) all ancillary and support infrastructure, developments, buildings, barrage, raw water pump house along with pipe line, dedicated transmission line and other facilities including the housing colony and occupational health clinic located at Bina, developed and/or used by the Transferor Company in connection with the operation of the said thermal power on the land of the Transferred Undertaking;
- (v) all accounts receivable, notes receivable and other comparable rights together with the collateral security thereof, if any, which pertain to or relate to the Transferred Undertaking and its business;
- (vi) all agreements, suppliers' contracts and commitments, entered into by the Transferor Company, which pertain to or relate to the Transferred Undertaking and its business;
- (vii) all government approvals required for owning and operating the Transferred Undertaking including government approvals which pertain to or relate to the Transferred Undertaking and its business;
- (viii) all funds and other assets of employee benefit funds/schemes, being provident fund, gratuity, leave, salary and bonus, which pertain to the employees employed for the Transferred Undertaking;
- (ix) employees employed for the Transferred Undertaking;
- (x) all financing arrangements which pertain to or relate to the Transferred Undertaking;
- (xi) all insurance policies or agreements for insurance and interests in insurance pools and



- programs of the Transferor Company and related to the Transferred Undertaking and its business;
- (xii) all movable property relating to or comprising the Transferred Undertaking and interest therein, including without limitation, fixtures, furniture, supplies, accessories, materials, equipment, tools, parts, vehicles, machinery, office equipment, generators, computers, telephones, books and records and all other assets and items of tangible personal property including the ones hypothecated, in each case owned by, leased to or used by the Transferor Company and related to the business of the Transferred Undertaking and located at the land of the Transferred Undertaking;
 - (xiii) all books, records, files, papers, engineering and process information, computer programs, software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form which pertain to or relate to the Transferred Undertaking;
 - (xiv) any rights to any bank guarantee, earnest money, security deposits, pre-paid expenses or other amounts deposited with government entities or third party which pertain to or relate to the Transferred Undertaking and its business;
 - (xv) the goodwill of the Transferred Undertaking as a going concern;
 - (xvi) all Intellectual Property Rights relating to the Transferred Undertaking;
 - (xvii) all advances received from its customers which pertain to or relate to the Transferred Undertaking and its business;
 - (xviii) any other assets, property or right of the Transferor Company in respect of the Transferred Undertaking including but not limited to powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, titles, interests, benefit and advantage (including tax benefits and tax holidays including but not limited to section 80IA benefit), grants, subsidies, concessions, deposits, reserves, provisions, advances, receivables, funds, accounts and all other rights, claims and ownership of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the business of the Transferred Undertaking.
 - (xix) Liabilities
 - (a) all liabilities (actual or contingent), obligations and commitments which relate to or are comprised in the Transferred Undertaking;
 - (b) all claims, judgments, proceedings, demands, causes of action, chose-in-action, and rights of recovery which pertain to or relate to the Transferred Undertaking including litigations;

It is clarified that:



- (a) all assets in (xii) above excludes movable property owned by JAL;
- (b) any asset belonging to the Transferred Undertaking but temporarily deployed at other locations shall be brought back to the Transferred Undertaking on or before the Effective Date;
- (c) any asset belonging to JAL/Jaypee Development Corporation Limited, deployed at Transferred Undertaking shall be withdrawn on or before the Effective Date; and
- (d) the Excluded Liabilities do not form part of the Transferred Undertaking.

