

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV**

**CP (CAA)/41/MB-IV/2021
In
CA (CAA)/1130/MB-IV/2020**

*In the matter
Of*

*Sections 230 to 232 and other applicable
provisions of the Companies Act, 2013;*

And

In the matter of

Scheme of Amalgamation

Of

***Af-Taab Investment Company Limited
("the First Transferor Company")***

With

***The Tata Power Company Limited
("the Transferee Company")***

their respective Shareholders.

Af-Taab Investment Company Limited
[CIN: U65990MH1979PLC021037]

... First Petitioner Company /
Transferor Company

The Tata Power Company Limited
[CIN: L28920MH1919PLC000567]

...Second Petitioner Company/
Transferee Company

...Collectively referred to as 'Petitioner Companies'

Order delivered on: 15.03.2022



Coram:

Mr. Rajesh Sharma

Mr. Kishore Vemulapalli

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Applicants

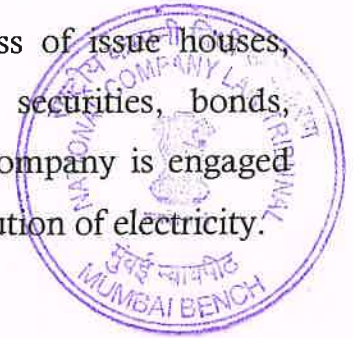
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Mr. Gaurav Joshi, Senior Advocate
a/w Mr. Peshwan Jehangir,
Mr. Mehul Shah, Mr. Haabil
Vahanvaty, Mr. Aman Yagnik,
Mr. Rushabh Gala, Mr. Jamsheed
Dadachanji & Ms. Roselin Sara
Alex i/b Khaitan & Co, Advocates

ORDER

Per: Rajesh Sharma, Member (Technical)

1. The Court is convened through video conferencing today.
2. Heard Learned Counsel for Petitioner Companies. No objector has come before the Tribunal to oppose the Petition and nor has any party controverted any averments made in the Petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act"), to the Scheme of Amalgamation of Af-Taab Investment Company Limited with The Tata Power Company Limited and their respective shareholders ("**Scheme**").
4. The Transferor Company is engaged in the business of issue houses, underwriters and dealers and traders in shares, securities, bonds, debentures and other investments. The Transferee Company is engaged in the business of generation, transmission and distribution of electricity.



5. The registered office of the Petitioner Companies is located in Mumbai, Maharashtra.
6. The learned Counsel for the Petitioner Companies submits that the rationale mentioned in the Scheme is as under:

“The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Company pursuant to amalgamation. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:

- (a) *Streamlining of the corporate structure and consolidation of assets and liabilities of the Transferor Company within the Transferee Company;*
- (b) *Availing easier financial support for the business of the Transferor Company;*
- (c) *More efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;*
- (d) *Enabling opportunities for employees of the Parties (as defined hereinafter) to grow by bringing them in a common pool;*
- (e) *Easier implementation of corporate actions through simplified compliance structure;*
- (f) *Improve management oversight and bring in operational efficiencies;*
- (g) *Cost savings through legal entity rationalisation and consolidation of support functions, business processes, elimination of duplicate expenses, etc.;*
- (h) *Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.*



Thus, the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.”

7. The Learned Counsel for the Petitioner Companies submits that the Company Petition is filed in consonance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Order dated 7th December 2020 passed in the CA (CAA) No. 1130/MB/2020 (“**said Order**”) by this Tribunal.
8. The Learned Counsel for the Petitioner Companies submits that on 3rd September 2021, the Company Petition was heard for admission and the date for hearing and final disposal was fixed as 5th October 2021. The Petitioner Companies were directed to cause publication of the advertisement for final hearing of this matter at least 10 (ten) clear days before the date fixed in ‘*Indian Express*’ in English language and Marathi translation thereof in ‘*Loksatta*’ both having circulation in Mumbai, Maharashtra. The Petitioner Companies caused publication in the said newspapers on 18th September 2021. The Petitioner Companies were also directed to issue notices to various statutory authorities indicating the date of final hearing. The Petitioner Companies also caused the said notices to be issued as directed. The Petitioner Companies have filed a Compliance Report on 30th September 2021 evidencing the publication and service of notices.
9. The Second Petitioner Company was directed to file Consent Affidavits of the remaining secured creditors in due course before the final stage of approval of Scheme. The Learned Counsel for the Petitioner Companies were also directed to place a consolidated chart along with NOCs of Secured Creditors before the Bench at the time of final hearing of the



Petition. The Learned Counsel for the Petitioner Companies submits that post admission of the Petition, the Second Petitioner Company has obtained the consent of an additional secured creditor of the Second Petitioner Company, which has been filed on 4th October 2021. The consolidated chart detailing the consents of 95.70% of the total outstanding secured creditors balance as on 30th November 2020 along with the additional consent received from the secured creditor subsequent to admission of the Petition is contained in the Additional Affidavit filed by the Second Petitioner Company on 4th October 2021. Accordingly, since the Second Petitioner Company has obtained consents of secured creditors amounting to over 95% in value, the requirement to obtain consents of the remaining secured creditors, as stipulated in paragraph 7 of the Order dated 3rd September 2021, is dispensed with.

10. Further, pursuant to order dated 24th December 2021, the Petitioner Companies have filed a Further Joint Additional Affidavit dated 8th February 2022, with respect to details in relation to (i) objections or representations from creditors or Regulatory/Government Agency, if any; (ii) conditions of prior NOC/Consent of secured creditors, if any; and (iii) providing the observation of the Regional Director (“RD”), reply from the Petitioner Companies and the remarks of RD on replies of the Company; in tabular form.
11. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal.
12. The RD has filed its Report dated 7th October 2021 (“**Report**”) praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in Paragraphs IV (a) to (k). The observations of the RD, the reply



of the Petitioner Companies and the response of the RD in its Supplementary Report are set out in tabular format below:

Sr. no.	Observation in Report filed by RD	Reply of Petitioner Companies	Response of the RD in Supplementary Report dated 9 th December 2021 ("Supplementary Report")
(a)	<i>In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.</i>	The Petitioner Companies undertake to pass such accounting entries which are necessary in connection with the Scheme to comply with such accounting standards notified under Section 133 of the Companies Act, 2013 as may be applicable to the Petitioner Companies.	The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.
(b)	<i>As per Definition of the Scheme, "Appointed Date" means opening business hours of 1 April 2020 or such other date as may be approved by the Board of the Parties; "Effective Date" means the day on which last of the conditions specified in Clause 16 of this Scheme are compiled with or otherwise duly waived.</i>	The Petitioner Companies submit that the present Scheme is in compliance with the requirements of circular no. F. No. 7/12/2019/CI-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.	The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.



	<p><i>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements as and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>		
(c)	<p><i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the</i></p>	<p>The Petitioner Companies undertake to the comply with Section 232(3)(i) of the Companies Act, 2013. The fees payable by the Transferee Company on clubbing of authorized share capital of the Transferor Company shall be set off against the fees already paid by the Transferor Company</p>	<p>The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.</p>




	<i>amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.</i>	for its authorized share capital in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013.	
(d)	<p><i>ROC Mumbai report dated 11.03.2021 interalia mention that there is an Inquiry ordered vide MCA letter No. 07/193/2019/CI-II(WR) dated 11.10.2019 against the Transferee Company and is under process and there is a complaint with SRN: J00035458 received from Mr. Jayesh Chunilal Nanvati against Transferee Company through MCA Portal and the same is in progress. Further, the ROC Mumbai report made following observations”</i></p> <p><i>1) The Board Resolution passed on 16/01/2020 attached with the Scheme by applicant Companies is under the Provisions of Section 391-394, thought the Scheme is filled under the Provisions of Section 230-232 of the Companies Act, 2013 as it is prevailing Act.</i></p> <p><i>2) The Transferor & Transferee Company has not</i></p>	<p>The Petitioner Companies submit that the Transferee Company has not received any communication from Ministry of Corporate Affairs or RoC with regard to the Inquiry ordered vide MCA letter No. 07/193/2019/CI-II(WR) dated 11th October 2019 or any complaint with SRN J00035458. The Transferee Company undertakes that as and when any communication is received, it will take necessary actions as per applicable laws.</p> <p>(1) There is no resolution dated 16th January 2020 passed by either of the Petitioner Companies nor is any such resolution attached to the Scheme. It is submitted that the Transferor Company and the Transferee</p>	<p>With reference to observations in paragraph IV (d) (1), the RD has stated that it has not been clarified whether the said resolution has been passed under the Old Companies Act, 1956.</p> <p>The RD has not dealt with any of the other observations in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.</p>



<p><i>filed e-form GNL 1 attaching therewith Scheme & CAA as required within the provisions of the Companies Act, 2013.</i></p> <p><i>3) Interest of the Creditors should be protected. Accordingly, the petitioner Company may be directed to submit clarification regarding the observations made in the ROC report.</i></p>	<p>Company, have passed the board resolutions on 11th August 2020 and 12th August 2020, respectively approving the Scheme. Further, a mere perusal of the same reflects that the same have been passed under Sections 230-232 of the Companies Act 2013 and not under Sections 391-394 of the Companies Act 1956. The Transferor Company and the Transferee Company have filed the aforesaid board resolutions through MGT-14 vide SRN R50303502 dated 18th August 2020 and SRN R51794733 dated 28th August 2020, respectively. Copy of the board resolutions of the Transferor Company and the Transferee Company are enclosed as Exhibit "A" and Exhibit "B" respectively to the Affidavit filed by the Petitioner Companies dated 27th October 2021. Further, copy of the paid challan of form MGT-14 of the</p>	
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		<p>Transferor Company and the Transferee Company are enclosed as Exhibit "C" and Exhibit "D", respectively to the Affidavit filed by the Petitioner Companies dated 27th October 2021.</p> <p>(2) The Transferor Company and the Transferee Company, have filed form GNL 1 vide SRN R75189977 and SRN R75189159 dated 16th December 2020, respectively as required within the provisions of the Companies Act, 2013. It is further submitted that the said form GNL 1 was also annexed to the notice vide acknowledgement dated 21st December 2020 of the Petitioner Companies, issued to the RoC. Copy of the paid challan of form GNL-1 of the Transferor Company and the Transferee Company are enclosed as Exhibit "E" and Exhibit "F",</p>	
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		<p>respectively to the Affidavit filed by the Petitioner Companies dated 27th October 2021.</p> <p>(3) The interest of the creditors of the Petitioner Companies are not adversely affected by the present Scheme and their respective dues will be paid in the normal course of business.</p>	
(e)	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i></p>	<p>The Petitioner Companies submit that the Hon'ble Tribunal was pleased to dispense with the meetings of the shareholders and creditors of the respective Petitioner Companies as set out in the order dated 7th December 2020 ("NCLT Order") passed in the Company Application. Copy of the NCLT Order is enclosed as Exhibit "G" to the Affidavit filed by the Petitioner Companies dated 27th October 2021.</p>	<p>The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.</p>



(f)	<i>Transferor Company is a NBFC registered with RBI; therefore, Petitioner Company may be directed to submit NOC from RBI.</i>	The Petitioner Companies state that the notice was issued by the Transferor Company to Reserve Bank of India ("RBI") and NOC dated 25th September 2020 was received from RBI. Copy of the NOC received from RBI is enclosed as Exhibit "H" to the Affidavit filed by the Petitioner Companies dated 27th October 2021.	The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.
(g)	<i>Transferee Company is registered with NSE and BSE, therefore, Petitioner Company may be directed to submit NOC of NSE and BSE.</i>	Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, NOC of BSE Limited and The National Stock Exchange of India Limited is exempted / not required in accordance with Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The RD has not responded to this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.
(h)	<i>Clause-9.1.5. of Accounting Treatment of Scheme; stated that the surplus/deficit, if</i>	The Petitioner Companies submit that the Transferee Company	The RD has stated as follows: "The Company in reply to



<p><i>any arising after taking effect of clause 9.1.1, 9.1.2 and 9.1.4 after giving the effect of the adjustments referred to in clause 9.1.3, shall be adjusted to 'Capital Restructuring Reserve' in the financial statements of the Transferee Company.</i></p> <p><i>In this regard it is submitted that as per Accounting Standard 14, such surplus if any arising out of the scheme should be credited to the Capital Reserve arising out of amalgamation and deficit if any arising out of the same shall be debited to Goodwill Account of the Transferee Company. Such Capital Reserve, arising out of the amalgamation shall not be considered as free reserve and not available for distribution of dividend.</i></p> <p><i>Therefore, Petitioner Company may be directed to alter the Accounting Treatment clause of the Scheme accordingly.</i></p>	<p>is required to follow Ind AS as per the requirements of Section 133 of Companies Act, 2013 and hence, AS 14 is not applicable to the Transferee Company. Further, as per paragraph 9 of the Scheme, upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation in accordance "Pooling of interest method" of accounting laid down in Appendix C of Ind AS 103.</p> <p>As per Appendix C of Ind AS 103, the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.</p>	<p><i>the observations Para No. IV(h), has stated that the company is the applicant company is following Ind As as per the requirements of Section 133 of the Companies Act, 2013 and hence, AS 14 is not applicable to the Transferee Company and as per Appendix C of Ind As 103, the difference if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes and therefore alteration in the accounting treatment clause is not required."</i></p> 
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		<p>In order to present the reserve separately from the existing Capital reserve of the Transferee Company and to not use it in distribution of dividend the reserve has been named as Capital Restructuring reserve.</p> <p>Hence, the accounting treatment mentioned in the Scheme is in line with the requirement of Ind AS 103 Business Combinations. Copy of the accounting treatment certificate obtained from Statutory auditor of the Transferee Company is enclosed as Exhibit "I" to the Affidavit filed by the Petitioner Companies dated 27th October 2021.</p> <p>Learned Senior Counsel for the Petitioner Companies further undertakes that the Second Petitioner Company will comply with applicable provisions of Ind AS 103 and the capital reserve shall not be used for distribution of dividends.</p>	
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<p>(i)</p>	<p><i>The Petitioner Company states that the Transferee Company shall be in compliance with provisions of Section 2(1B) of the Income Tax Act, 1961. In this regard, the petitioner company shall ensure compliance of all the provisions of Income Tax Act and Rules thereunder.</i></p>	<p>The Petitioner Companies submit that the Transferee Company undertakes to and will comply with the applicable requirements of the Income Tax Act and Rules thereunder.</p>	<p>The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.</p>
<p>(j)</p>	<p><i>As per MCA master data, it is observed that the Transferor Company have not filed its Balance Sheet for the year 2018- 2019 and 2019-2020. Therefore, Petitioner Company may be directed to file Balance Sheet for the year 2018-2019 and 2019-2020 also file application for compounding the offence for the same before the approval of this Scheme.</i></p>	<p>The Petitioner Companies submit that the Transferor Company has filed Balance Sheet for the year 2018-19 and 2019-20 through form AOC-4 (NBFC) vide SRN R35500339 dated 16th March 2020 and R67802611 dated 19th October 2020, respectively. Copy of the paid challan of form AOC-4 of the Transferor Company for the year 2018-19 and 2019-20 is enclosed as Exhibit "J" and Exhibit "K", respectively to the Affidavit filed by the Petitioner Companies dated 27th October 2021.</p>	<p>The RD has not dealt with this observation in its Supplementary Report. Hence it is submitted that the RD has no further objections and has accepted the submissions of the Petitioner Companies.</p>



<p>(k)</p>	<p><i>It is most respectfully submitted that the applicant company has submitted its reply vide letter acknowledgement dated 02.02.2021 and Provided copy the copy of petition admission order vide letter acknowledgement dated 24.09.2021, however it is submitted that in the letter dated 02.02.2021 and 24.09.2021 of the First Petitioner Company, the name, address, membership number of the Person who has signed the letters is not mentioned which is Violation of Rule 7 of the Companies (Registration Offices and Fees) Rules, 2014, therefore, petitioner companies may be directed to submitted application for self-adjudication before respective ROC.”</i></p>	<p>Petitioner Companies submit that in the reply vide letter acknowledgement dated 2nd February 2021 (filed by the Transferee Company) and copy of petition admission order vide letter acknowledgement dated 23rd September 2021 (filed by the respective Petitioner Companies) with the office of the Regional Director, the name, company address and designation of the signatory of the concerned Petitioner Company were mentioned. Further, Petitioner Companies submits that vide their respective letters acknowledgement dated 26th October 2021, the respective Petitioner Companies have also intimated the same to the Regional Director and provided the membership number of the signatories concerned. Copy of the respective letters filed by the Transferor Company and the Transferee</p>	<p>The RD has stated as follows: “The company in reply to the para No. IV(k) to the observations of ROC has not mentioned about the application to be filed before the ROC for filing self-adjudication application before the ROC. The petitioner company to file the same before ROC.”</p>
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		Company, with the office of the Regional Director are enclosed as Exhibit "L" and Exhibit "M", respectively to the Affidavit filed by the Petitioner Companies dated 27th October 2021. The Petitioner Companies submit that if there are any further compliances to be made, the same will be dealt with as per law.	
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13. The RD has not raised any other objections or dealt with any of the responses of the Petitioner Companies other than as set out above. The Counsel for the Petitioner Companies submits that it is apparent that the RD is satisfied with the responses provided.
14. In any case, all enquiries and cases pending against the Transferor Company shall continue with Transferee Company and the Transferee Company will liable to deal with them in due course.
15. Further, the Official Liquidator *vide* his Report dated 12th April 2021 filed with the Hon'ble Tribunal, submits that the affairs of the First Petitioner Company have been conducted in a proper manner. No objections have been raised with respect to the Scheme.
16. From the material on record, the Scheme appears to be fair, reasonable and is not in violation to any provisions of law nor is contrary to public interest/policy.



17. From the material on record, the Scheme annexed as Exhibit A-1 to the Company Petition viz. CP (CAA) No. 41/MB-IV/2021 appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
18. Since all the requisite statutory compliances have been fulfilled, CP (CAA) No. 41/MB-IV/2021 is made absolute in terms of the prayer clauses 33 (a) to 33 (h) of the Company Petition. Hence Ordered.
19. The Scheme is hereby sanctioned, with the Appointed Date fixed as opening business hours of 1 April 2020.
20. In case due to this Scheme of Amalgamation the Authorised Share Capital is required to be increased, the same will be done by the Transferee Company by completing all the formalities including fees to be paid to the Registrar of Companies.
21. The Registrar of this Tribunal shall issue the certified copy of this Order along with the Scheme forthwith. The Petitioner Companies are directed to file a certified copy of this Order along with a copy of the Scheme with the Registrar of Companies concerned, electronically in E-form INC-28 within 30 days from the date of receipt of the Order from the Registry.
22. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, within 30 days from the date of receipt of the certified copy of this Order by the Petitioner Companies.
23. The Transferee Company to lodge a copy of this Order along with the Scheme duly authenticated/certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench,



with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.

24. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
25. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
26. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
27. Ordered Accordingly. Pronounced in open court today. File be consigned to the record.

Sd/-
Kishore Vemulapalli
Member (Judicial)
15.03.2022

Sd/-
Rajesh Sharma
Member (Technical)

Certified True Copy _____
Date of Application 15.03.2022
Number of Pages 19
Fee Paid Rs. 95
Applicant called for collection copy on 31.03.2022
Copy prepared on 31.03.2022
Copy issued on 31.03.2022


Deputy Registrar
National Company Law Tribunal, Mumbai Bench



SCHEME OF AMALGAMATION

OF

AF-TAAB INVESTMENT COMPANY LIMITED

WITH

THE TATA POWER COMPANY LIMITED

AND

AND THEIR RESPECTIVE SHAREHOLDERS

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



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(A) PREAMBLE

This scheme of amalgamation provides for the amalgamation of Af-Taab Investment Company Limited (hereinafter referred to as "Transferor Company") with The Tata Power Company Limited (hereinafter referred to as "Transferee Company") and their shareholders ("Scheme") is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) read with Sections 2(1B) of the Income Tax Act (as defined hereinafter). This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

(B) DESCRIPTION OF COMPANIES

1. The Transferee Company is a public company incorporated under the provisions of the Indian Companies Act, 1913. The Transferee Company *inter alia* is engaged in the business of generation, transmission and distribution of electricity. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. The Transferor Company is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, as a non-banking financial company, not accepting public deposits. The Transferor Company *inter alia* is engaged in the business of issue houses, underwriters and dealers and traders in shares, securities, bonds, debentures and other investments. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

(C) RATIONALE OF THE SCHEME

The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Company pursuant to amalgamation. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:

- (a) Streamlining of the corporate structure and consolidation of assets and liabilities of the Transferor Company within the Transferee Company;
- (b) Availing easier financial support for the business of the Transferor Company;
- (c) More efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;
- (d) Enabling opportunities for employees of the Parties (as defined hereinafter) to grow by bringing them in a common pool;
- (e) Easier implementation of corporate actions through simplified compliance structure;
- (f) Improve management oversight and bring in operational efficiencies;
- (g) Cost savings through legal entity rationalisation and consolidation of support functions, business processes, elimination of duplicate expenses, etc.;
- (h) Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.



Thus, the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, interpretations and share capital of the Parties;
2. **Part II** deals with amalgamation of the Transferor Company with the Transferee Company; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I

**DEFINITIONS, SHARE CAPITAL AND DATE OF
TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

1. DEFINITIONS

- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

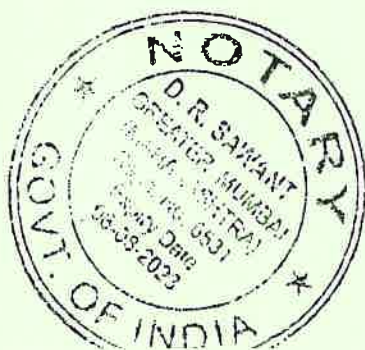
“Act” means the Companies Act, 2013;

“Applicable Law” or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

“Appointed Date” means opening business hours of 1 April 2020 or such other date as may be approved by the Board of the Parties;

“Appropriate Authority” means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;
- (b) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, RBI and the Tribunal; and
- (c) any Stock Exchange.



"Board" in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"Effective Date" means the day on which last of the conditions specified in Clause 16 of this Scheme are complied with or otherwise duly waived.

Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

"Encumbrance" means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;

"Income Tax Act" means the Income-tax Act, 1961;

"INR" means Indian Rupee, the lawful currency of the Republic of India;

"Parties" means collectively the Transferor Company and the Transferee Company and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"RBI" means the Reserve Bank of India;

"RoC" means the relevant jurisdictional Registrar of Companies having jurisdiction over Parties;

"Scheme" or **"this Scheme"** means this scheme of amalgamation as modified from time to time;

"Stock Exchanges" means BSE Limited and the National Stock Exchange of India Limited;

"Tax Laws" means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

"Taxation" or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values,



turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto;

"Transferee Company" means The Tata Power Company Limited, a company incorporated under the provisions of the Indian Companies Act, 1913, having corporate identification number L28920MH1919PLC000567 and its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400001, Maharashtra, India;

"Transferor Company" means Af-Taab Investment Company Limited, a company incorporated under the provisions of the Companies Act, 1956, having corporate identification number U65990MH1979PLC021037 and its registered office at Corporate Centre B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, Maharashtra, India; and

"Tribunal" means the Mumbai bench of the National Company Law Tribunal having jurisdiction over Parties.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;

1.2.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.4 the words "include" and "including" are to be construed without limitation.

2. SHARE CAPITAL

2.1 The share capital structure of the Transferor Company as on 31 July 2020 is as follows:

Particulars	Amount in INR
Authorised share capital	
15,00,000 equity shares of INR 100 each	15,00,00,000
Total	15,00,00,000
Issued, subscribed and paid up share capital	
10,73,000 equity shares of INR 100 each	10,73,00,000
Total	10,73,00,000

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company until the date of approval of the Scheme by the Board of the Transferor Company.

2.2 The share capital structure of the Transferee Company as on 31 July 2020 is as follows:

Particulars	Amount in INR
Authorised share capital	



Particulars	Amount in INR
550,00,00,000 equity shares of INR 1 each	550,00,00,000
2,29,00,00,000 cumulative redeemable preference shares of INR 100 each	229,00,00,000
Total	779,00,00,000
Issued capital	
276,17,00,970 equity shares (including 28,32,060 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a court order and 4,80,40,400 shares of the Applicant Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the scheme of amalgamation sanctioned by the High Court of Judicature, Bombay)	276,17,00,970
Total	276,17,00,970
Subscribed and Paid Up Capital	
270,47,73,510 equity shares fully Paid-up (excluding 28,32,060 not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a court order and 4,80,40,400 shares of the Applicant Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay)	270,47,73,510
Less: Calls in arrears (including Rs. 0.01 crore as on 31 st March 2020) in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited)	4,58,675
Add: 16,52,300 equity shares forfeited - amount paid	6,88,756
Total	270,50,03,591

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company until the date of approval of the Scheme by the Board of the Transferee Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 15 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY

- 4.1 Upon effectiveness of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall stand transferred to and vested in the Transferee Company as a going concern and



accordingly, all assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

4.2 Upon effectiveness of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties of the Transferor Company which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Company, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

4.2.2 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company;

4.2.3 all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;

4.2.4 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts



of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;

- 4.2.5 Unless otherwise agreed to between the Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.
- 4.2.6 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Company, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever;
- 4.2.7 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Company were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed;
- 4.2.8 All contracts where the Transferor Company is a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Transferee Company shall, wherever necessary, enter into and/or execute deeds,



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writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Parties, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/or Transferee Company shall have any obligation or liability against the other party in relation thereto.

- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

5. EMPLOYEES

- 5.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, all employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, all employees of the Transferor Company on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any Persons in relation to the employees of the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.
- 5.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company.

6. LEGAL PROCEEDINGS

- 6.1 Upon the coming into effect of this Scheme, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.



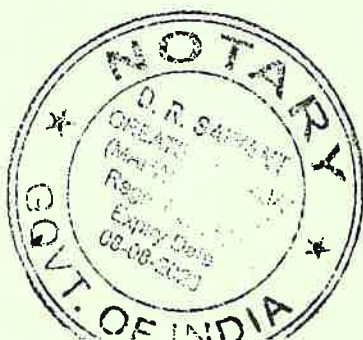
7. TAXES/ DUTIES/ CESS

Upon the effectiveness of the Scheme and with effect from Appointed Date, by operation of law pursuant to the order of the Tribunal:

- 7.1 All the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & foreign tax credits), tax losses, minimum alternate tax credit, dividend distribution tax credit income costs, charges, expenditure or losses of the Transferee Company, as the case may be;
- 7.2 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be available and stand vested in the Transferee Company;
- 7.3 Upon the Scheme becoming effective, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax / goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.
- 7.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.

8. CONSIDERATION

- 8.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Transferee Company.
- 8.2 Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act or deed.



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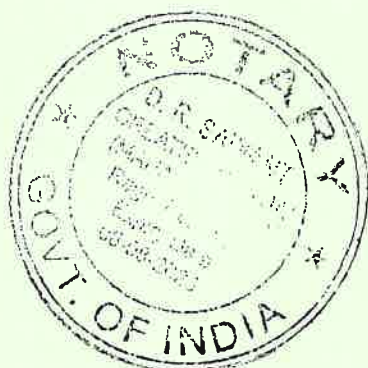


9. ACCOUNTING TREATMENT

- 9.1 Upon the Scheme coming into effect, the Transferee Company shall account for the for the amalgamation of the Transferor Company in the books of accounts in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 9.1.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company;
- 9.1.2 The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the Transferor Company, at the carrying amount as appearing in the consolidated financial statements of the Transferee Company;
- 9.1.3 Pursuant to the amalgamation of the Transferor Company with the Transferee Companies, inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled;
- 9.1.4 The value of all investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation;
- 9.1.5 The surplus/deficit, if any arising after taking the effect of clause 9.1.1, 9.1.2 and 9.1.4, after giving the effect of the adjustments referred to in clause 9.1.3, shall be adjusted in 'Capital Restructuring Reserve' in the financial statements of the Transferee Company;
- 9.1.6 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- 9.1.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period;
- 9.2 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed, i.e., the control is transferred in accordance with the requirements of Ind AS.

10. DISSOLUTION OF THE TRANSFEROR COMPANY

- 10.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC.



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PART III

GENERAL TERMS & CONDITIONS

11. COMBINATION OF AUTHORISED SHARE CAPITAL

11.1 Upon the Scheme becoming effective, the authorised equity share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC, by the authorised share capital of the Transferor Company amounting to INR 15,00,00,000 (Rupees Fifteen crore only), and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.

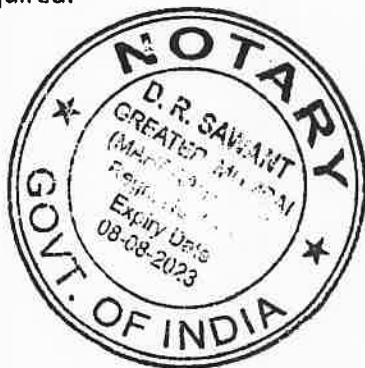
11.2 Consequentially, Clause V & VI of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 11.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.

11.3 It is clarified that the approval of the Tribunal to the Scheme shall be deemed to be consent/approval of the members of the Transferee Company also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

12. VALIDITY OF EXISTING RESOLUTIONS, POWER OF ATTORNEYS, ETC.

12.1 Upon this Scheme coming into effect, the resolutions/ power of attorneys executed by the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company. Further, if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then such limits shall be automatically added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Transferee Company without any further act or deed.

12.2 For the avoidance of doubt and without prejudice to the generality of Clause 12.1 above, it is clarified that, upon this Scheme coming into effect, the limits of creation of charge and borrowing of the Transferor Company as may be approved under Sections 180(1)(a) and 180(1)(c) of the Act, as on the date of Scheme coming into effect, shall be added to the limits of creation of charge and borrowing of the Transferee Company and no further consent/approval from the shareholders of the Transferee Company or any other authority shall be required.



13. BUSINESS UNTIL EFFECTIVE DATE

13.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:

13.1.1 The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as the Transferor Company had been doing hitherto; and

13.1.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company may respectively require to carry on the relevant business of the Transferor Company and to give effect to the Scheme.

13.2 With effect from the Appointed Date and until the Effective Date:

13.2.1 The Transferor Company shall carry on and be deemed to have carried on its businesses and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company; and

13.2.2 The Transferor Company shall carry on its business and activities with due diligence and business prudence and shall not, without the prior written consent of the Transferee Company, charge, mortgage, Encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.

13.3 All profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

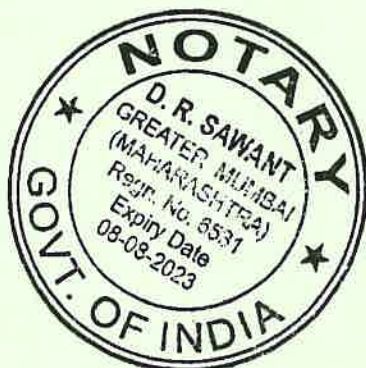
14. APPLICATIONS/PETITIONS TO THE TRIBUNAL

14.1 The Parties shall make joint applications and petitions under sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

15. MODIFICATION OR AMENDMENTS TO THIS SCHEME

15.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

15.2 For the purposes of giving effect to this Scheme, the Board may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.



16. CONDITIONS PRECEDENT

16.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

16.1.1 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act for approving the Scheme, being obtained by the Parties;

16.1.2 approval of the Scheme by the requisite majority of the shareholders and/ or creditors of Parties or as may be directed by the Tribunal;

16.1.3 the requisite consent, approval or permission of the RBI for surrendering the registration/ license of the Transferor Company as a non-banking financial company; and

16.1.4 the certified copies of the order of Tribunal approving the Scheme being filed with the RoC by the Parties as per the Tribunal Order.

17. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

17.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

17.2 In the event of withdrawal of the Scheme under Clause 17.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

17.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed amongst the Parties, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their shareholders or creditors or employees or any other Person in terms of this Scheme. In such an event, each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

18. COSTS AND EXPENSES

The Transferee Company shall bear the costs, charges and expenses (including stamp duty, if any), in connection with this Scheme, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.



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IN THE NATIONAL COMPANY LAW
TRIBUNAL COURT-IV, MUMBAI

CP(CAA) No. 41 / MB/2021 CONNECTED
WITH CA (CAA) No. 1130/MB/2020

IN THE MATTER OF SECTIONS 230 TO 232
AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT 2013 AND IN
THE MATTER OF SCHEME OF
AMALGAMATION OF AF-TAAB
INVESTMENT COMPANY LIMITED WITH
THE TATA POWER COMPANY LIMITED
AND THEIR RESPECTIVE
SHAREHOLDERS

Af-Taab Investment Company Limited...First Petitioner Company
Transferor Company

The Tata Power Company Limited ...Second Petitioner
Company/ Transferee Company



CERTIFIED COPY OF THE ORDER DATED 15TH MARCH
2022 ALONGWITH THE SANCTIONED SCHEME

Dated this the 22ND day of March 2022

Certified True Copy _____
Date of Application 15.03.2022
Number of Pages 15
Fee Paid Rs. 75
Applicant called for collection copy on 31.03.2022
Copy prepared on 31.03.2022
Copy issued on 31.03.2022


Deputy Registrar 31/3/2022
National Company Law Tribunal, Mumbai Bench

M/s. Khaitan & Co.,
Advocates for the Petitioner Companies
One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg Mumbai - 400 013