

**IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 155 OF 2011**

IN THE MATTER OF:

The Companies Act, 1956;

AND

IN THE MATTER OF:

Application Under Sections 391-394 of The Companies Act, 1956;

AND

IN THE MATTER OF:

Scheme of Arrangement among Indiabulls Infrastructure Development Limited and Indiabulls Power Limited., and their respective shareholders and creditors.

AND

IN THE MATTER OF:

INDIABULLS POWER LIMITED. , a company incorporated under the Companies Act, 1956, having its Registered Office at 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi-110001.	...APPLICANT COMPANY NO. 2/AMALGAMATED COMPANY
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**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
INDIABULLS POWER LIMITED.**

To

The Equity Shareholders of Indiabulls Power Limited. (the "Company").

Take notice that by an Order made on the 29th day of November, 2011, the Hon'ble High Court of Delhi at New Delhi, has directed that a meeting of the Equity Shareholders of the Company, be held at the Centaur Hotel, Indira Gandhi International Airport, Delhi- Gurgaon Road, New Delhi - 110 037 on Saturday the 3rd day of March, 2012 at 10:00 A.M., for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement among Indiabulls Infrastructure Development Limited and Indiabulls Power Limited. and their respective shareholders and creditors (the "Scheme").

Take Further Notice that in pursuance of the said Order, a meeting of Equity Shareholders of the Company will be held at the Centaur Hotel, Indira Gandhi International Airport, Delhi - Gurgaon Road, New Delhi - 110 037 on Saturday the 3rd day of March, 2012 at 10:00 A.M., which you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi - 110 001, not later than 48 hours before the scheduled time for the commencement of the said meeting.

The Hon'ble High Court of Delhi at New Delhi has appointed Shri Rajshekhar Rao, Advocate and failing him, Shri Ashutosh Dubey, Advocate, to be the Chairperson of the said meeting.

A copy of the Scheme, the explanatory statement under Section 393 of the Companies Act, 1956 and a form of Proxy are enclosed.

Dated this 18th day of January, 2012

Sd/
Rajshekhar Rao
Advocate
(Chairperson appointed for the meeting)

Notes:

All alterations in the Form of Proxy should be initialed.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 155 OF 2011**

IN THE MATTER OF:

The Companies Act, 1956;

AND

IN THE MATTER OF:

Application Under Sections 391-394 of The Companies Act, 1956;

AND

IN THE MATTER OF:

The scheme of arrangement between Indiabulls Power Limited., Indiabulls Infrastructure Development Limited and their respective shareholders and creditors

AND

IN THE MATTER OF:

<p>INDIABULLS POWER LIMITED., an existing company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi-110001.</p>	<p>.....APPLICANT / AMALGAMATED COMPANY</p>
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EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

The accompanying notice has been sent convening a meeting of the equity shareholders of the Applicant Company for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Indiabulls Power Limited., a company incorporated under the provisions of the Companies Act, 1956 (the "**Act**") and having its registered office at 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi-110001 ("**Applicant Company**" or "**Amalgamated Company**") and Indiabulls Infrastructure Development Limited, a company incorporated under the provisions of the Act and having its registered office at F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi-110001 ("**Amalgamating Company**") and their respective shareholders and creditors (the "**Scheme**").

1. Pursuant to the order dated November 29, 2011 passed by the Hon'ble High Court of Delhi at New Delhi, on the Company Application referred to above, a meeting of the equity shareholders of the Applicant Company is being convened and held on Saturday, the 3rd day of March, 2012 at Centaur Hotel, Indira Gandhi International Airport, Delhi- Gurgaon Road, New Delhi - 110037 at 10:00 A.M., for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme, as approved by the board of directors of each of the Applicant Company and Amalgamating Company, at their respective meetings held on August 5, 2011. A copy of the Scheme is attached to the notice of the meeting.
2. The meetings of the secured and unsecured creditors of the Applicant Company are separately being convened. The Hon'ble High Court of Delhi at New Delhi, vide its aforesaid order dated November 29, 2011, dispensed with the requirement of convening the meetings of the equity shareholders, secured and unsecured creditors of the Amalgamating Company, to consider the Scheme.
3. Indiabulls Power Limited., the Applicant Company, was incorporated under the Act on October 8, 2007 with its registered office at E-29, First Floor, Connaught Place, New Delhi-110001. Subsequently with effect from March 15, 2011, the registered office of the Applicant Company was shifted to 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi-110001.
4. The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The main objects of the Applicant Company are as follows:-
 - "1. To promote, undertake, carry on either on its own or through any other entity or to enter into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance or sharing of profits / losses with any Person / Body / Bodies Corporate incorporated in India or abroad either under a Strategic Alliance or Joint Venture or any other

arrangement, in India or any part of the world, the business of generating, developing, transmitting, distributing, trading and supplying all forms of electrical power/energy from any source whatsoever and to construct, lay down, establish, fix and carry out necessary power stations, cables, wires, lines, accumulators, lamps and works and to carry on the business of electrical and mechanical engineers, traders, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, trading, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise and business of establishing, commissioning, setting up, operating and maintaining electric power generating stations based on conventional/non-conventional resources, tie-lines, sub-stations and transmission lines on Build, Own and Operate (BOO) and/or Build, Own and Transfer (BOT), and/or Build, Own, Lease and Transfer (BOLT) and/or Build, Own, Operate and Transfer (BOOT) basis and/or otherwise, and to carry on the business of acquiring, operating, managing and maintaining existing power generation stations, tie-lines, sub-stations and transmission lines, either owned by the private sector or public sector or the Government or Governments or other public authorities and for any or all of the aforesaid purposes, to do all the necessary or ancillary activities as may be considered necessary or beneficial or desirable and in any manner deal with or dispose of undertaking, property, assets, rights and all other effects which in the opinion of the Company is conducive to the attainment of any or all of its business objectives or to acquire and dispose of shares, securities and interest in such Businesses.

2. To carry on in India or elsewhere in the world, either alone or jointly with one or more persons, government, local or other bodies, the business to search, prospect, explore, win, mine including captive mining, quarry, dispose of, purchase, trade, take on lease or otherwise acquire freehold and other lands, properties, mines and mineral properties exploration rights, concessions, leases, claims, licences of or other interest in mines, mining and offshore rights, mineral properties and water rights to prospect, explore, develop and work claims or mines, drill and sink shafts or wells and raise, pump, dig and quarry for all sorts of major and minor minerals working deposits thereof and sub soil minerals and to crush, win, set, quarry, smelt, calcine, refine, dress, preserve, amalgamate, process, harden, temper, polish, wash, manufacture, manipulate and prepare for market, sale, resale, export, trade or deal in metals, substances, catalysts or mineral substances, all types of stones, lime, chalk, clay, refractories, ceramics, stonewares, porcelain wares, proppants, oil, coke, coal, precious stones, coal, coke, slag, slag granules, bauxite, lignites, rock-phosphate, brimstone, quartz, granite, marble, silica, silica sand, brine, rare earths, gypsum deposits, iron ore, aluminium, titanium, vanadium, mica, apalite, chrome, copper, gypsum, zircon, tungsten, oil, petroleum, natural gas, coal, earth and other natural substances, organic or inorganic, and the alloys, products or byproducts thereof or products and to do all such other processes necessary in connection with the same.
3. To act as consultants and to advise and assist on all aspects of corporate, commercial and industrial management or activity including production, manufacturing, personnel, financial, marketing, taxation, audit, technology, insurance, purchasing, sales, quality, control, productivity, planning, research and development, project management, supervision, schedule, safety and quality control, organization, import and export business, industrial relations and management and to make evaluations feasibility studies, project reports forecasts and surveys and to give advice on acquisition and commercial exploitation of power and suggest ways and means for improving efficiency in power projects, business organizations of registered or co-operate societies, partnership or proprietary concerns and industries of all kinds in India and elsewhere in the world and improvement of business management, office organization and export management, to supply to and provide, maintain and operate services, facilities, conveniences, bureau and the like for the benefit of the company including assistance in acquiring governmental, regulatory and any other required approvals, to recruit and/or advice on the recruitment of staff for any company, to publish and sell books, bulletins periodicals and any other form of printed matters, to acquire, sell and deal in patents designs and any other rights to industrial property, and generally to conduct market research, product planning, classes, seminars and conferences in connection with any of the foregoing.
4. To carry on the business of design, engineering, construction and development of power projects including hydro-electric projects, renewable energy, nuclear, gas and coal and fuel oil based projects, power transmission and distribution, real or personal estate/properties, airports, oil and

gas, highways, pipelines, telecom, IT Parks, industrial infrastructure, warehouses, transportation systems, water resources, tunnels, dams, seaports, Special Economic Zones (SEZ) and other infrastructure projects.

5. To carry on in India or elsewhere the business to search manufacture, produce, process, refine, mix, formulate, purify, disinfect, convert, commercialize, control, compound, develop, distribute, derive, discover, release, manipulate, prepare, acquire, store, supply, import, export, buy, sell, turn to account and to act as agent, broker, trader, bottler, refiner, concessionaire, stockiest, transporter, collaborator, consignor, consultant, job worker or otherwise to establish and manage the fuel systems, oils, gases, coals, coal rejects, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances including transformation of coal into liquid and Underground Coal Gasification and deal in all sorts of Liquid coal and coal gas, which may be required for the generation, transmission, distribution, trading and supply of electrical power or as may be required or used in industries, agriculture, laboratories, clinics, hospitals, refrigeration, aviation, transport vehicles, space rockets, aircrafts, communication, power plants, domestic or public lighting, cooling, or cooking purposes, water works, defense or welfare establishments, horticulture, forest or plant protection and for other allied purposes.
6. To form, settle, acquire, set up, incorporate, establish, promote, subsidize, organize and assist or aid in forming, promoting, subsidizing, organizing or aiding, companies, trusts, funds, entities or partnerships of all kinds for any purpose including for the purpose of accepting and undertaking any properties, businesses, assets, liabilities of this Company, or with objects similar in whole or part with that of Company and invest therein".

5. The share capital structure of the Applicant Company as on December 30, 2011 was as under :-

Authorized Share Capital	Rupees
5,000,000,000 equity shares of face value Rs. 10/- (Rupees Ten Only) each	50,000,000,000/-
Total	50,000,000,000/-
Issued, Subscribed and Paid-up Share Capital*	Rupees
2,225,541,746 equity shares of face value Rs. 10/- (Rupees Ten Only) each**	22,255,417,460/-
Total	22,255,417,460/-

* the exercise of employee stock options issued pursuant to the SPCL - IPSL Employees Stock Option Plan 2008, Indiabulls Power Limited. Employees Stock Option Scheme 2009 and Indiabulls Power Limited. Employees Stock Option Scheme-2011 ("IPL ESOS Schemes") would result in an increase in the issued, subscribed and paid-up equity share capital of the Applicant Company.

** Subsequent to the approval of the Scheme by the board of directors of the Applicant Company on August 5, 2011, the Applicant Company has issued and allotted 202,500,000 equity shares of face value Rs. 10/- (Rupees Ten Only) each on December 12, 2011 pursuant to and in terms of the Court approved scheme of arrangement under Sections 391-394 of the Companies Act, 1956 by and among the Applicant Company, Indiabulls Infrastructure and Power Limited, Indiabulls Builders Limited, Indiabulls Real Estate Limited, Poena Power Supply Limited and their respective shareholders and creditors, which came into effect on November 25, 2011,

The equity shares of the Applicant Company are listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

6. Indiabulls Infrastructure Development Limited, the Amalgamating Company, was incorporated under the Act on June 6, 2006 with its registered office at F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi- 110 001.

7. The objects for which the Amalgamating Company has been established are set out in its Memorandum of Association. The main objects of the Amalgamating Company are as follows:-

- "1. To carry on the business of development of Infrastructure and to undertake infrastructure projects and to purchase, sell, develop, construct, hire, or otherwise acquire and deal in all real or personal estate/properties.
2. To construct, acquire, hold/sell properties, buildings, tenements and such other moveable and immoveable properties and to rent, let on hire and manage them and to act as real estate agent and immoveable property dealers.
3. To carry on the business of Builders, General and Government Contractor and Engineers (mechanical, electrical, canal, civil, irrigation) and in all its branches.
4. To acquire by purchase, lease, and exchange or otherwise land including agricultural lands, buildings, structures of any description in India or abroad and any estate or interest therein and any rights over or connected with land, building and structures and turn the same to accounts as may seem expedient and in particular by preparing building sites and by constructing, developing, reconstructing, altering, improving, decorating, furnishing and maintaining, townships, markets, offices, flats, apartments, houses, shops, factories, warehouse, or other buildings residential and commercial of all kinds and/or conveniences thereon, to equip the same or part thereof.
5. To layout, develop, construct, build, erect, demolish, re-erect, alter, repair, re-model, improve, grades, curves, paves, macadamize, cement, maintain or do any other work in connection with any building or building scheme, structures, houses, apartments, places of worship, paths, streets, sideways, courts, alleys, pavements, roads, highway, docks, sewers, bridges, canal, wells, springs, dams, power plants, boors, wharves, ports, reservoirs, embankments, tramway, railways, irrigations, reclamations, improvements, sanitary, water, gas or any other structural or architectural work of any kind whatsoever and for such purpose, to prepare estimates, designs, plans, specifications or models.
6. To enter into joint venture, foreign collaboration in real estate as per permissible government guidelines."

8. The share capital structure of the Amalgamating Company as on December 30, 2011 was as under:-

Authorized Share Capital	Rupees
124,000,000 equity shares of face value Rs. 10/- each	1240,000,000/-
Total	1240,000,000/-
Issued, Subscribed and Paid-up Share Capital	Rupees
123,266,174 equity shares of face value Rs. 10/- each	1232,661,740/-
Total	1232,661,740/-

The equity shares of the Amalgamating Company are not listed on any stock exchange.

BACKGROUND AND RATIONALE TO THE SCHEME

9. (i) The Applicant Company is engaged in the business of inter alia power generation, transmission and distribution of power and power advisory directly and/or through its subsidiaries. The Amalgamating Company is engaged in the business of inter alia construction and development of infrastructure projects.
- (ii) The amalgamation contemplated in the Scheme would result in consolidation of the construction and development of infrastructure projects business of the Amalgamating Company with the power business of the Applicant Company and would accordingly avoid duplication of resources, systems, skills and processes as also reduce overall costs entailed by the conduct of business

through different entities. Further, this would also result in increase in the net worth of Applicant Company and would be a major step in fulfilling equity requirement for execution of its power projects of Phase II at Nasik & Phase II at Amravati.

10. The Scheme provides for the amalgamation of the Amalgamating Company with the Amalgamated Company and the consequent issue of equity shares by the Amalgamated Company to the shareholders of the Amalgamating Company, pursuant to sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential or otherwise integrally connected therewith.
11. The Scheme was placed before the board of directors of the Applicant Company on August 5, 2011, at which the report on the recommendation of the share exchange ratio for the amalgamation of the Amalgamating Company with the Applicant Company, prepared by Dewan P. N. Chopra & Co., Chartered Accountants dated July 29, 2011 ("**Share Report**") was tabled before the board of directors of the Applicant Company. M/s D & A Financial Services (P) Limited, a merchant banker registered with the Securities and Exchange Board of India, was engaged by the Applicant Company to provide a fairness opinion in relation to the Share Report. Pursuant to such engagement, M/s D & A Financial Services (P) Limited has issued an opinion dated July 29, 2011 ("**Fairness Opinion**") which states that based upon the Share Report and subject to various assumptions, limitations and considerations set forth in such written opinion, the share exchange ratio for the amalgamation of the Amalgamating Company with the Applicant Company is fair and reasonable. The Share Report and the Fairness Opinion are available for inspection and shareholders should read the aforesaid reports and opinion in their entirety for information regarding the assumptions made and factors considered in rendering the same.
12. The board of directors of the Amalgamated Company has, based on and relying upon the Share Report and the Fairness Opinion, and on the basis of its independent evaluation and judgment, come to the conclusion that the proposed share exchange ratio for the amalgamation of the Amalgamating Company with the Applicant Company is fair and reasonable and has decided to incorporate the same in the Scheme, and approved the Scheme at its meeting held on August 5, 2011. Similarly, the board of directors of the Amalgamating Company has, on the basis of its respective independent evaluation and judgment, come to the conclusion that the proposed share exchange ratio for the amalgamation of the Amalgamating Company with the Applicant Company is fair and reasonable and has decided to incorporate the same in the Scheme, and approved the Scheme at its meeting held on August 5, 2011.

SALIENT FEATURES OF THE SCHEME

13. The salient features of the Scheme are set out below.
 - I. The Appointed Date under the Scheme is 1 April 2012.
 - II. The Amalgamating Undertaking shall mean all the undertakings and entire business of the Amalgamating Company as a going concern including :-
 - a. All assets and properties of the Amalgamating Company wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all funds, buildings, offices, all lands (whether leasehold or freehold), plants, machinery, equipment, buildings and structures, offices, benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), computers, vehicles, D.G. sets, furniture, fixtures, office equipment, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, cash and bank accounts (including bank balances), benefit of any deposits, financial assets, investments, including investments in any form and in any entity, benefit of any bank guarantees, performance guarantees and letters of credit, and all cash or cash equivalents;
 - b. all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, including in-principle approvals for development of a special economic zone, consents, subsidies, tenancies in relation to the office and/or residential properties for employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones,

- telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests;
- c. all earnest moneys and/or security deposits paid by the Amalgamating Company;
 - d. all permanent employees engaged by the Amalgamating Company;
 - e. all records, files, papers, engineering and process information, any computer programs, licenses for software, and any other 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;
 - f. advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company, including such trade names, service names and brands containing the "Indiabulls" mark, whether registered or unregistered, but excluding any other trademarks, service names or brands and excluding any patents, copyrights, designs, and other intellectual property rights; and
 - g. all the present and future debts (whether secured or unsecured), liabilities (including contingent liabilities), duties and obligations of the Amalgamating Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, obligations under any licenses or permits and shall include the Amalgamating Company Liabilities as they relate to the Amalgamating Company.
- III. The Scheme provides that upon coming into effect of the Scheme and with effect from the Appointed Date, the Amalgamating Undertaking shall be transferred to and vested in the Amalgamated Company.
- IV. The Scheme further provides for the transfer of all assets, properties, investments, rights, claims etc. comprised in the Amalgamating Undertaking in the Amalgamated Company;
- V. The Scheme further provides that :-
- a. all licenses, permits, entitlements, approvals etc. enjoyed or conferred upon or held or availed of by the Amalgamating Company shall stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Amalgamated Company;
 - b. all contracts, deeds, bonds, agreements etc. to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company is eligible shall continue in full force and effect against or in favour, as the case may be of the Amalgamated Company and may be enforced as if instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereof;
 - c. all debts, liabilities, loans etc. of the Amalgamating Company shall stand transferred to and be deemed to be transferred to the Amalgamated Company; -
- VI. It is provided for in the Scheme that all employees of the Amalgamating Company as on the Effective Date shall become the permanent employees of the Amalgamated Company on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company.
- VII. The Scheme provides that in consideration of the transfer and vesting of the Amalgamating Company in the Amalgamated Company, the Amalgamated Company shall issue 3.37 equity shares of the face value of Rs.10/- each credited as fully paid up for every 1 (one) equity share of the face value of Rs.10/- each held by the members in the Amalgamating Company as on the Effective Date.
- VIII. Upon the Scheme becoming effective, the Amalgamating Company shall stand dissolved without winding up.

The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

14. The rights and interests of the members and the creditors of the Companies will not be prejudicially affected by the Scheme.
15. The Applicant Company has received no-objection letters from the BSE and the NSE for filing the Scheme with the High Court of Delhi at New Delhi dated September 16, 2011 and September 13, 2011, respectively.
16. As directed by the BSE, the Amalgamated Company has undertaken to lock-in 25% of the equity shares to be issued to the shareholders of the Amalgamating Company pursuant to the amalgamation of the Amalgamating Company with the Applicant Company, for a period of three years from the date of listing of such shares with the BSE.
17. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Sections 235 and 250A of the Act.
18. The directors of each of the Applicant Company and Amalgamating Company (together, the "Companies") may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Companies, or to the extent the said directors are common directors in the Companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies or to the extent they or the entities owned/ controlled by them may be allotted shares in the Companies.
19. The details of the present directors of the Amalgamated Company and their shareholding in each of the Applicant Company ("A") and Amalgamating Company ("B") either singly or jointly as on December 30, 2011 are as follows:

S. No.	Name of Director	Age (Yrs.)	Position	Equity Shares Held	
				(A)	(B)
1.	Mr. Sameer Gehlaut	37 yrs	Chairman & Non-Executive Promoter Director	Nil	Nil
2.	Mr. Rajiv Rattan	38 yrs	Vice Chairman & Executive Promoter Director	Nil	Nil
3.	Mr. Saurabh K Mittal	38 yrs	Vice Chairman & Non-Executive Promoter Director	Nil	Nil
4.	Mr. Shamsher Singh Ahlawat	63 yrs	Non-Executive Independent Director	Nil	Nil
5.	Brig. Labh Singh Sitara	72 yrs	Non-Executive Independent Director	Nil	Nil
6.	Mr. Prem Prakash Mirdha	56 yrs	Non-Executive Independent Director	Nil	Nil

20. The details of the present directors of the Amalgamating Company, and their shareholding in each of the Applicant Company ("A") and Amalgamating Company ("B") either singly or jointly as on December 30, 2011 are as follows:

S. No.	Name of Director	Age (Yrs.)	Position	Equity Shares Held	
				(A)	(B)
1.	Mr. Ashok Kumar Sharma	42 yrs	Non-Executive Director	Nil	Nil
2.	Mr. Mehul Johnson	39 yrs	Non-Executive Director	Nil	Nil
3.	Mr. Suresh Kumar Jain	46 yrs	Non-Executive Director	Nil	Nil

21. The shareholding pattern of the Applicant Company and Amalgamating Company as on December 30, 2011, as well as the shareholding pattern of the Applicant Company expected after the implementation of the Scheme are as set out below:

(i) The shareholding pattern of the Applicant Company as on December 30, 2011 was as follows:

Category	No. of equity shares of Rs. 10 each	% holding
Promoters	1,387,500,000	62.34
Non Promoters	838,041,746	37.66
Total	2,225,541,746	100.00

(ii) The expected shareholding pattern of the Applicant Company post effectiveness of the Scheme is as follows*:

Category	No. of equity shares of Rs. 10 each	% holding
Promoters	1,387,500,000	52.54
Non Promoters	1,253,448,752	47.46
Total	2,640,948,752	100.00

* the exercise of employee stock options issued pursuant to the SPCL - IP SL Employees Stock Option Plan 2008, Indiabulls Power Limited. Employees Stock Option Scheme - 2009 and Indiabulls Power Limited. Employees Stock Option Scheme-2011 ("IPL ESOS Schemes") would result in an increase in the issued, subscribed and paid-up equity share capital of the Applicant Company.

(iii) The shareholding pattern of the Amalgamating Company as on December 30, 2011 was as follows:

Category	No. of equity shares of Rs. 10 each	% holding
Promoter (Indiabulls Real Estate Limited)*	6,50,00,000	52.73
Non Promoters	58,266,174	47.27
Total	123,266,174	100.00

* includes 6 shares of the Amalgamating Company held through nominees of Indiabulls Real Estate Limited

22. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. The instrument appointing the proxy should however be deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours prior to the scheduled time for commencement of the meeting.
23. Corporate equity shareholders intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of their board of directors or other governing body of the body corporate, instrument of Power of Attorney, authorizing such person to attend and vote on their behalf at the meeting.
24. The following documents will be open for inspection by the equity shareholders of the Applicant Company upto one day prior to the date of the meeting at its registered office between 10:00 a.m. and 1:00 p.m. on all working days (Monday to Friday).

- (a) Copy of the Company Application (M) No. 155 of 2011;
 - (b) Copy of the Order of the Hon'ble High Court of Delhi at New Delhi dated November 29, 2011 on the above Company Application directing the convening of the meeting of the equity shareholders of the Company;
 - (c) Copies of the Memorandum and Articles of Association of the Companies;
 - (d) Audited Balance sheet / Annual Report of the Companies for the financial year ended March 31, 2011;
 - (e) Unaudited financial results of the Applicant Company for the quarter ended September 30, 2011.
 - (f) Copies of the no objection letters dated September 16, 2011 and September 13, 2011 from the BSE and the NSE, respectively;
 - (g) A copy of the Share Valuation Report for the amalgamation of Amalgamating Company with the Applicant Company, issued by Dewan P. N. Chopra & Co., Chartered Accountants dated July 29, 2011;
 - (h) A copy of the Fairness Opinion dated July 29, 2011 issued by M/s D & A Financial Services (P) Limited; and
 - (i) The Scheme of Arrangement.
25. This statement may be treated as the statement under Section 393 of the Act. A copy of the Scheme and this statement may also be obtained by the equity shareholders of the Applicant Company up to one day prior to the date of the meeting at its registered office between 10:00 a.m. and 1:00 p.m. on all working days (Monday to Friday).

For Indiabulls Power Limited.

Sd/-
Authorised Signatory

Dated this 18th day of January, 2012.

Registered Office:
1A, Hamilton House,
1st Floor, Connaught Place,
New Delhi - 110001

SCHEME OF ARRANGEMENT

AMONG

INDIABULLS INFRASTRUCTURE DEVELOPMENT LIMITED	
INDIABULLS POWER LIMITED,	
	AND	
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS		

PART I – GENERAL

1. Introduction

- 1.1. Indiabulls Infrastructure Development Limited (the “**Amalgamating Company**” as more particularly defined hereunder) is a public company incorporated under the provisions of the Act (as defined hereinafter). The Amalgamating Company is engaged in the business of *inter alia* construction and development of Infrastructure Projects.
- 1.2. Indiabulls Power Limited. (the “**Amalgamated Company**” or “**IPL**” as more particularly defined hereunder) is a public company incorporated under the provisions of the Act and is a subsidiary of Indiabulls Real Estate Limited. The equity shares of the Amalgamated Company are listed on the Stock Exchanges (as defined hereinafter). The Amalgamated Company is engaged in the business of *inter alia* power generation, transmission and distribution of power and power advisory directly and/or through its subsidiaries.
- 1.3. **Amalgamation of Amalgamating Company with Amalgamated Company**
 - (i) The Amalgamating Company is engaged in the business of *inter alia* construction and development of infrastructure projects.
 - (ii) The amalgamation contemplated in this Scheme will help avoid duplication of resources, systems, skills and process, reduce overall cost, improve synergies, enable the achievement of economies of scale, reduce administrative costs entailed by the conduct of businesses through separate entities, provide enhanced flexibility in funding of expansion plans, promote management efficiency and optimize the resources of the Amalgamated Company.
- 1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:
 - (i) the amalgamation of the Amalgamating Company with the Amalgamated Company;
 - (ii) the consequent issue of equity shares by the Amalgamated Company to the shareholders of the Amalgamating Company pursuant to sections 391 to 394 and other relevant provisions of the Act, and
 - (iii) various other matters consequential or otherwise integrally connected therewith;

pursuant to sections 391 to 394 and other relevant provisions of the Act (as defined hereunder) in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including section 2(1B) thereof.
- 1.5. This Scheme is divided into the following parts:
 - (i) **Part I**, which deals with the introduction and definitions;

- (ii) **Part II**, which deals with the amalgamation of the Amalgamating Company with the Amalgamated Company;
- (iii) **Part III**, which deals with general terms and conditions applicable to this Scheme.

1.6. This Scheme also provides for various other matters consequential or otherwise internally connected herewith.

2. Definitions and Interpretation

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

- (A) **"Act"** shall mean the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;
- (B) **"Amalgamated Company ESOS Schemes"** shall mean the SPCL-IPSL Employees Stock Option Plan 2008, the Indiabulls Power Limited Employees Stock Option Scheme 2009 and any other stock option scheme/plan, which may come into existence before the Effective Date;
- (C) **"Amalgamating Company"** shall mean Indiabulls Infrastructure Development Limited having its registered office at F-60, Malhotra Building, Second Floor, Connaught Place, New Delhi-110 001;
- (D) **"Amalgamating Company Employees"** shall mean all the permanent employees of the Amalgamating Company employed as on the Effective Date;
- (E) **"Amalgamating Company Funds"** shall have the meaning set forth in Clause 9.3 of this Scheme;
- (F) **"Amalgamating Company Liabilities"** shall have the meaning set forth in Clause 7.1 of this Scheme;
- (G) **"Amalgamating Undertaking"** shall mean all the undertakings and entire business of the Amalgamating Company as a going concern, including:
 - (a) all assets and properties of the Amalgamating Company wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all funds, buildings, offices, all lands (whether leasehold or freehold), plants, machinery, equipment, buildings and structures, offices, benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), computers, vehicles, D.G. sets, furniture, fixtures, office equipment, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, cash and bank accounts (including bank balances), benefit of any deposits, financial assets, investments, including investments in any form and in any entity, benefit of any bank guarantees, performance guarantees and letters of credit, and all cash or cash equivalents;
 - (b) all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, including in-principle approvals for development of a special economic zone, consents, subsidies, tenancies in relation to the office and/or residential properties for employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests;
 - (c) all earnest moneys and/or security deposits paid by the Amalgamating Company;
 - (d) all permanent employees engaged by the Amalgamating Company;

- (e) all records, files, papers, engineering and process information, any computer programs, licenses for software, and any other 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;
 - (f) advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company, including such trade names, service names and brands containing the "Indiabulls" mark, whether registered or unregistered, but excluding any other trademarks, service names or brands and excluding any patents, copyrights, designs, and other intellectual property rights; and
 - (g) all the present and future debts (whether secured or unsecured), liabilities (including contingent liabilities), duties and obligations of the Amalgamating Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, obligations under any licenses or permits and shall include the Amalgamating Company Liabilities as they relate to the Amalgamating Company.
- (H) "**Amalgamation Share Exchange Ratio**" shall have the meaning ascribed to it in Clause 17;
 - (I) "**Appointed Date**" shall mean April 1, 2012;
 - (J) "**Court**" or "**High Court**" shall mean the Hon'ble High Court of Delhi and shall include the National Company Law Tribunal as may be applicable or such other forum or authority as may be vested with the powers of a High Court under sections 391 to 394 of the Act;
 - (K) "**Companies**" shall mean the Amalgamating Company and the Amalgamated Company;
 - (L) "**Composite Scheme**" shall mean scheme of arrangement between the Amalgamated Company, Poena Power Supply Limited ("PPSL"), Indiabulls Real Estate Limited, Indiabulls Builders Limited, Indiabulls Infrastructure and Power Limited and their respective shareholders and creditors under the provisions of sections 391 to 394 and other relevant provisions of the Act;
 - (M) "**Effective Date**" shall mean the last of the dates on which the conditions and matters referred to in Clause 33 hereof occur or have been fulfilled or waived;
- References in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" shall mean the Effective Date;
- (N) "**Encumbrance**" shall mean any options, pledge, mortgage, hypothecation, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;
 - (O) "**PPSL**" shall mean Poena Power Supply Limited having its registered office at 1A, Hamilton House, First Floor, Connaught Place, New Delhi - 110 001;
 - (P) "**PPSL Amalgamating Undertaking**" shall mean entire undertaking and business of PPSL to be transferred and vested in the Amalgamated Company as a going concern by way of an amalgamation upon the effectiveness of the Composite Scheme;
 - (Q) "**Scheme**" shall mean this scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;
 - (R) "**Stock Exchanges**" means the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited; and

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

- 2.3. References to "Schedules", "Clauses", "Sections" and "Parts", unless otherwise stated, are references to schedules, clauses, sections and parts of this Scheme.
- 2.4. The headings herein shall not affect the construction of this Scheme.
- 2.5. The singular shall include the plural and vice versa; and references to one gender include all genders.
- 2.6. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed without limitation.
- 2.7. References to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

3. Share Capital

3.1. Amalgamated Company

- (i) The share capital structure of the Amalgamated Company as on August 5, 2011 was as follows:

Authorized Share Capital	Rupees
5,000,000,000 equity shares of face value Rs. 10/- each	50,000,000,000/-
Total	50,000,000,000/-
Issued, Subscribed and Paid-up Share Capital	Rupees
2,023,041,746 equity shares of face value Rs. 10/- each	20,230,417,460/-
Total	20,230,417,460/-

- (ii) The Amalgamated Company has issued 420,000,000 warrants which, upon exercise, would entitle the holders thereof to 420,000,000 equity shares of the Amalgamated Company ("Warrants"). The exercise of such warrants or their conversion in accordance with the Composite Scheme may result in an increase in the issued, subscribed and paid-up equity share capital of the Amalgamated Company.
- (iii) The Composite Scheme provides that the Amalgamated Company shall, in consideration of the transfer and vesting of PPSL Amalgamating Undertaking in the Amalgamated Company upon effectiveness of the Composite Scheme, allot shares in the Amalgamated Company to the members of PPSL. The issuance of such shares in accordance with the Composite Scheme may result in an increase in the issued, subscribed and paid-up equity share capital of the Amalgamated Company.
- (iv) The Amalgamated Company has issued/may issue upto 90,000,000 stock options under the Amalgamated Company ESOS Schemes. The exercise of such options may result in an increase in the issued, subscribed and paid-up equity share capital of the Amalgamated Company.
- (v) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.

3.2. Amalgamating Company

- (i) The share capital structure of the Amalgamating Company as on August 5, 2011 was as follows:

Authorized Share Capital	Rupees
124,000,000 equity shares of face value Rs. 10/- each	1240,000,000/-
Total	1240,000,000/-
Issued, Subscribed and Paid-up Share Capital	Rupees
123,266,174 equity shares of face value Rs. 10/- each	1232,661,740/-
Total	1232,661,740/-

- (ii) The equity shares of the Amalgamating Company are, at present, not listed on any stock exchanges.

PART II - AMALGAMATION OF THE AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY

Section 1 - Transfer and Vesting of the Amalgamating Undertaking

4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Amalgamating Undertaking shall, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of sections 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Amalgamated Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.
5. **Transfer of Assets**
- 5.1. Without prejudice to the generality of Clause 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Amalgamating Undertaking of whatsoever nature and wheresoever situate shall, under the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Amalgamated Company.
- 5.2. In respect of such of the assets and properties of the Amalgamating Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same may be so transferred by the Amalgamating Company upon the coming into effect of this Scheme, and shall become the assets and property of the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any, without requiring any deed or instrument of conveyance for transfer of the same.
- 5.3. In respect of such of the assets and properties belonging to the Amalgamating Undertaking including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person, other than those referred to in Clause 5.2 above, the same shall, as more particularly provided in Clause 5.1 above, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, be transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any.
- 5.4. All rights, title, interest, investments and properties of the Amalgamating Company in relation to the Amalgamating Undertaking whether or not included in the books of the Amalgamating Company and any assets, right, title, interest, investments and properties acquired by the Amalgamating Company after the Appointed Date but prior to the Effective Date in relation to the Amalgamating Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any.
- 5.5. All the licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits (including sales tax and service tax), subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Amalgamating Company and all rights and benefits that have accrued or which may accrue to the Amalgamating Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions shall, under the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or

charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Amalgamated Company so as to become licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

6. Transfer of contracts, deeds, etc.

- 6.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company are a party or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which any or both of the Amalgamating Company is a party or any writings as may be necessary in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company to be carried out or performed.
- 6.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company or any of them in relation to the Amalgamating Undertaking or any of them shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any governmental authority as may be necessary in this behalf.

7. Transfer of Amalgamating Company Liabilities

- 7.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities) whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, encumbrance, lien or security thereon of the Amalgamating Company ("**Amalgamating Company Liabilities**") shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Amalgamated Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company shall meet, discharge and satisfy the same. Further, 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 Amalgamating Company Liabilities have arisen in order to give effect to the provisions of this Clause.
- 7.2. All debts, liabilities, duties and obligations of the Amalgamating Company shall, as on the Appointed Date, whether or not provided in the books of the Amalgamating Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Amalgamating Company on or after the Appointed Date until the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Amalgamated Company by virtue of this Scheme.

- 7.3. Where any of the loans raised and used, debts, liabilities, duties and obligations of an Amalgamating Company as on the Appointed Date have been discharged by such Amalgamating Company prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.
- 7.4. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Amalgamating Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company and shall become the loans and liabilities, duties and obligations of the Amalgamated Company which shall meet, discharge and satisfy the same.
- 7.5. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company and the Amalgamated Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf upon any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.
- 7.6. Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of this Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), if any, of the Amalgamating Company shall, under the provisions of sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, become the debt securities of the Amalgamated Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company to the same extent as if it were the issuer of the debt securities so transferred and vested. If the debt securities are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, unless otherwise modified in accordance with applicable law.
- 7.7. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company which secures or relate to the Amalgamating Company Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Amalgamated Company. Provided that if any of the assets of the Amalgamating Company have not been Encumbered in respect of the Amalgamating Company Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Amalgamated Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 7.8. The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties transferred to and vested in the Amalgamated Company by virtue of this Scheme.
- 7.9. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Amalgamating Company and the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- 7.10. Upon the coming into effect of this Scheme, the Amalgamated Company alone shall be liable to perform all obligations in respect of the Amalgamating Company Liabilities, which have been transferred to it in terms of this Scheme.

7.11. It is expressly provided that, save as mentioned in this Clause 7, no other term or condition of the liabilities transferred to the Amalgamated Company as part of this Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

7.12. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 7 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

8. **Legal, taxation and other proceedings**

Upon the coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company whether pending and/ or arising on or before the Effective Date shall be continued and/ or enforced by or against the Amalgamated Company, as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company.

9. **Amalgamating Company Employees**

9.1. Upon the coming into effect of this Scheme, all Amalgamating Company Employees as on the Effective Date shall become the permanent employees of the Amalgamated Company, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company and without any interruption of, or break in service as a result of the transfer of the Amalgamating Undertaking. The Amalgamated Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Amalgamating Company Employees and such benefits to which the Amalgamating Company Employees are entitled in the Amalgamating Company, as the case may be, shall also be taken into account, and the Amalgamated Company agrees and undertakes to pay the same as and when payable.

9.2. It is clarified that save as expressly provided for in this Scheme, the Amalgamating Company Employees who become the employees of the Amalgamated Company by virtue of this Scheme, shall be entitled to the employment policies and shall be entitled to avail of any schemes and benefits existing as on the Effective Date that may be applicable and available to any of the other employees of the Amalgamated Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Amalgamated Company), unless otherwise determined by the Amalgamated Company. The Amalgamated Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Amalgamating Company with any of their employees.

9.3. Insofar as the provident fund, gratuity fund, trusts, retirement fund or benefits and any other funds or benefits created by the Amalgamating Company for its employees or to which the Amalgamating Company are contributing for the benefit of their employees and other such funds, trusts, the benefits of which the Amalgamating Company Employees enjoy (the "**Amalgamating Company Funds**"), all the contributions made to such Amalgamating Company Funds for the benefit of the Amalgamating Company Employees and the investments made by the Amalgamating Company Funds in relation to the Amalgamating Company Employees shall be transferred to the Amalgamated Company and shall be held for the benefit of the Amalgamating Company Employees. In the event the Amalgamated Company has its own funds in respect of any of the Amalgamating Company Funds, such contributions and investments shall, subject to the necessary approvals and permissions and at the discretion of the Amalgamated Company, be transferred to the relevant funds of the Amalgamated Company. In the event that the Amalgamated Company does not have its own funds in respect of any of the above or if deemed appropriate by the Amalgamated Company, the Amalgamating Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Amalgamated Company creates its own funds, at which time the Amalgamating Company Funds and the investments and contributions pertaining to the Amalgamating Company Employees shall be transferred to the funds created by the Amalgamated Company.

9.4. In relation to those Amalgamating Company Employees for whom the Amalgamating Company are making contributions to the government provident fund, the Amalgamated Company shall stand substituted for such Amalgamating Company, for all purposes whatsoever, including relating to the

obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Amalgamating Company Employees.

Section 2 - Conduct of Business until Effective Date

10. The Amalgamating Company, with effect from the Appointed Date and up to and including the Effective Date:
- (i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Amalgamating Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company;
 - (ii) all profits and income accruing or arising to the Amalgamating Company from the Amalgamating Undertaking, and losses and expenditure or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income), relating to the Amalgamating Undertaking shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company; and
 - (iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Amalgamating Undertaking exercised by the Amalgamating Company shall be deemed to have been exercised by such Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Amalgamating Undertaking that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company.
11. Each of the Amalgamating Company and the Amalgamated Company undertake that they shall preserve and carry on their business with reasonable diligence and business prudence. The Amalgamating Company shall not, upto and including the Effective Date, undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Amalgamating Undertaking, or any part thereof, and the Amalgamated Company shall not, upto and including the Effective Date, undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber its business or assets, in each case, unless:
- (i) the prior written consent of the board of directors of the Amalgamated Company or the Amalgamating Company, respectively, has been obtained in relation to any of the above;
 - (ii) the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or
 - (iii) the same is expressly permitted by this Scheme.

It is clarified that the provisions of this Scheme shall not restrict the Amalgamated Company from undertaking financial commitments or charging, mortgaging or encumbering its business or assets, in each case, in the ordinary course of business, for the purposes of availing financing for the: (a) thermal power project in Nandgaonpet, District Amravati in the State of Maharashtra being undertaken by the Amalgamated Company; and (b) the thermal power project in Sinnar village, Nasik District in the State of Maharashtra being undertaken by the Amalgamated Company and its subsidiary, Indiabulls Realtech Limited.

12. From the date of Board's approval to this Scheme and upto the Effective Date, the Amalgamating Company and Amalgamated Company shall not, except in respect of outstanding options that may be exercised in terms of the Amalgamated Company ESOS Schemes, exercise or conversion of the Warrants in accordance with the Composite Scheme and issue of equity shares as consideration for the amalgamation of PPSL with the Amalgamated Company pursuant to and in terms of the Composite Scheme, make any change in their respective capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner which may, in any way, affect the Amalgamation Share Exchange Ratio (as defined hereunder).

13. All taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Amalgamating Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Amalgamated Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Amalgamating Company in respect of the profits or activities or operation of the business with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
14. The transfer and vesting of the assets, liabilities and obligations of the Amalgamating Undertaking and the continuance of the proceedings by or against the Amalgamated Company under this Scheme shall not affect any transaction or proceedings already completed by the Amalgamating Company on or before the Appointed Date to the end and intent that, subject to the provisions of this Section 2, the Amalgamated Company accepts all acts, deeds and things done and executed by and/or on behalf of the Amalgamating Company as acts, deeds and things done and executed by and on behalf of the Amalgamated Company.

Section 3 - Reorganisation of capital

15. The provisions of this Section 3 shall operate notwithstanding anything to the contrary in this Scheme.
16. In consideration of the transfer and vesting of the Amalgamating Undertaking in the Amalgamated Company in accordance with the provisions of this Scheme and as an integral part of this Scheme, the share capital of the Amalgamating Company and the Amalgamated Company shall be restructured and reorganised in the manner set out as below.
17. In consideration of the transfer and vesting of the Amalgamating Undertaking in the Amalgamated Company pursuant to Part II of this Scheme, the Amalgamated Company shall without any further application, act or deed, issue and allot to the equity shareholders of the Amalgamating Company whose names are recorded in the register of members of the Amalgamating Company, on the Effective Date, in the ratio (the "**Amalgamation Share Exchange Ratio**") of 3.37 equity shares in the Amalgamated Company of face value Rs. 10/- (Rupees Ten Only) credited as fully paid up for every 1 (one) equity shares of face value Rs. 10/- (Rupees Ten Only) each fully paid up held by such member in the Amalgamating Company on the Effective Date.
18. Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 17 above. It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of shares to the members of the Amalgamating Company under this Scheme and on the shareholders of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Amalgamating Company to the members of the Amalgamated Company in the Amalgamation Share Exchange Ratio.
19. The shares issued to the members of the Amalgamating Company pursuant to the above Clause 17 above shall be issued in dematerialized form by the Amalgamated Company, unless otherwise notified in writing by the shareholders of the Amalgamating Company to the Amalgamated Company on or before such date as may be determined by the board of directors of the Amalgamated Company or a committee thereof. In the event that such notice has not been received by the Amalgamated Company in respect of any of the members of the Amalgamating Company, the shares shall be issued to such members in dematerialized form provided that the members of the Amalgamating Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Amalgamated Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Amalgamated Company. In the event that the Amalgamated Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to the account with a depository participant or other confirmations as may be required, then the Amalgamated Company shall issue shares in certificate form to such member.
20. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Amalgamating Company, the board of directors of the Amalgamated Company or any committee thereof shall be empowered in appropriate cases, prior to or even subsequent to the Effective

Date, to effectuate such a transfer in the Amalgamated Company as if such changes in registered holder were operative as on the Effective Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company and in relation to the shares issued by the Amalgamating Company after the effectiveness of this Scheme. The board of directors of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transaction period.

21. The equity shares to be issued and allotted by the Amalgamated Company in terms of Clause 17 above shall upon issue rank equally with the then existing shares of the Amalgamated Company in all respects.
22. (i) Equity shares of the Amalgamated Company issued in terms of Clause 17 above shall, subject to receipt of necessary approvals, be listed and/or admitted to trading on the Stock Exchanges. The shares allotted pursuant to Part II of this Scheme shall remain frozen in the depositories system until listing/trading permission is given by the designated stock exchange.
(ii) Until the listing of the equity shares of the Amalgamated Company, issued pursuant to this Scheme, with the Stock Exchanges, except as provided in this Scheme, including this Part II, there shall be no change in the shareholding pattern or control or pre-arrangement capital structure of the Amalgamated Company.
23. Unless otherwise determined by the board of directors or any committee thereof of the Amalgamated Company and the board of directors or any committee thereof of the Amalgamating Company, issuance of shares in terms of Clause 17 of this Scheme shall be done within 90 (ninety) days from the Effective Date.
24. In case any shareholder's holding in the Amalgamating Company is such that the shareholder becomes entitled to a fraction of an equity share of the Amalgamated Company, the Amalgamated Company shall not issue fractional share certificates to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Amalgamated Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
25. The equity shares of the Amalgamated Company issued pursuant to this Scheme shall not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Court to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Amalgamated Company issued pursuant to this Scheme for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

26. **Accounting treatment in the books of the Amalgamated Company**

Upon the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts as per AS 14, "Accounting for Amalgamations", as prescribed under the Companies (Accounting Standards) (Amendment) Rules, 2011, to the extent applicable, as under:

- (i) All the assets and liabilities of the Amalgamating Company transferred to the Amalgamated Company shall become the assets and liabilities of the Amalgamated Company and shall be recorded at their book values as appearing in the books of the Amalgamating Company.
- (ii) All the reserves of the Amalgamating Company shall be recorded in the books of the Amalgamated Company in the same form in which they appeared in the books of the Amalgamating Company.
- (iii) The Amalgamated Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme.
- (iv) The difference between the amount recorded as share capital issued by the Amalgamated Company (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Amalgamating Company shall be adjusted in reserves in the books of the Amalgamated Company.

- (v) In case of any differences in accounting policies between the Amalgamated Company and the Amalgamating Company, the impact of the same until the Appointed Date shall be computed in accordance with Accounting Standard AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies, and adjusted in the reserves of the Amalgamated Company

PART III - GENERAL TERMS AND CONDITIONS

27. The Companies shall make necessary applications before the High Court for the sanction of this Scheme under sections 391 to 394 of the Act.
28. The Companies (by their respective board of directors), either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:
- (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which a High Court may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in this Scheme due to the accounting standards as applicable to the amalgamated company in terms of the Companies (Accounting Standards) (Amendment) Rules, 2011 or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
 - (ii) to give such directions (acting jointly) as may be mutually agreed in writing as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law);
 - (iii) in their full and absolute discretion and by mutual agreement in writing, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time;
 - (iv) to determine jointly by mutual agreement in writing whether any asset, liability, employee, legal or other proceedings pertains to the Amalgamating Company, on the basis of any evidence that they may deem relevant for this purpose.
29. Upon the coming into effect of this Scheme, the Amalgamating Company shall stand dissolved without winding-up.
30. **Severability**
- If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies in writing, affect the validity or implementation of the other parts and/or provisions of this Scheme.
31. **Resolutions**
- Upon the coming into effect of this Scheme, the resolutions, if any, of the Amalgamating Company subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company shall constitute the aggregate of the said limits in the Amalgamated Company
32. **Dividends**
- The Companies shall not declare and pay dividends, whether interim or final, to their respective shareholders in respect of the period from the date of filing of this Scheme with the High Court and the Effective Date.

33. The coming into effect of this Scheme is conditional upon and subject to:
- (i) this Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Companies as required under the Act and the requisite orders of the High Court being obtained;
 - (ii) the certified copies of the orders of the High Court approving this Scheme being filed with the Registrar of Companies, Delhi and Haryana;
 - (iii) such approvals and sanctions and approvals including sanction of any governmental authority, creditor, lessor or contracting party as may be required by law or contract in respect of this Scheme being obtained.
 - (iv) Occurrence of the Appointed date
34. In the event of this Scheme does not come into effect by December 31, 2012, this Scheme shall stand revoked, cancelled and be of no effect and 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. In such case each party shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.
35. Each party shall bear its own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the High Court.