

Ref: Sectl/X/002

2nd February, 2017

The Secretary,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051.
Scrip Symbol: DPSCLTD

The Secretary,
The Calcutta Stock Exchange Ltd,
7, Lyons Range,
Kolkata- 700 001.
Scrip Code: 014021

The Vice President
Metropolitan Stock Exchange of India Ltd
4th floor, Vibgyor Towers, Plot No C 62,
G Block, Opp. Trident Hotel, Bandra Kurla
Complex, Bandra (E), Mumbai- 400098.
Scrip Symbol: DPSCLTD

Dear Sir(s),


Sub. : **Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

We would like to inform you that Scheme of Arrangement and Amalgamation ("Scheme") was sanctioned by the Hon'ble High Court at Calcutta vide its Order dated 17th April, 2013 and the Scheme became effective on 24th May, 2013.

Please note that subsequent to sanction of the above mentioned Scheme, SEBI had filed an Application with Hon'ble High Court at Calcutta for modification of the said Order dated 17th April, 2013. Application filed by SEBI has been disposed of by Hon'ble High Court at Calcutta vide its Order dated 27th January, 2017. A web-site copy of the aforesaid Order dated 27th January, 2017 of Hon'ble High Court at Calcutta is enclosed herewith. Certified true copy of the said Order dated 27th January, 2017 is awaited.

This is for your kind information and records.

Yours faithfully,
For India Power Corporation Limited


(Prashant Kapoor)
Company Secretary



Encl: As stated



India Power Corporation Limited

(Formerly DPSC Limited)

CIN - L40105WB1919PLC003263

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OD-4

CA No. 565 of 2013
CP No. 206 of 2012
IN THE HIGH COURT AT CALCUTTA
ORIGINAL JURISDICTION

IN THE MATTER OF :
INDIA POWER CORPORATION LTD. & DPSC LTD.
AND
IN THE MATTER OF:
SECURITIES & EXCHANGE BOARD OF INDIA

BEFORE:
The Hon'ble JUSTICE SANJIB BANERJEE
Date : 27th January, 2017

Appearance:

Mr. S. B. Mookherjee, Sr. Adv.
Mr. S. N. Mookherjee, Sr. Adv.
Mr. Kumarjit Banerjee, Adv.
Mr. D. N. Sharma, Adv.
Mr. Dipen Chatterjee, Adv.
..for IPCL

Mr. Hirak Mitra, Sr. Adv.
Mr. Abhijit Gangopadhyay, Adv.
Ms. Supriya Dubey, Adv.
..for SEBI

Mr. Sunil Singhanian, Adv.
..for UOI

The Court : The application is by the Securities and Exchange Board of India, bitterly complaining of Clause 3.3 included in a scheme of arrangement and amalgamation sanctioned by this Court by an order of April 17, 2013.

SEBI asserts that the relevant clause and the parking of a substantial percentage of the shares in the amalgamated company in a purported trust was in clear violation of the Securities Contracts (Regulation) Rules and

Rules and Orders made under the Securities and Exchange Board of India Act, 1992. In short, the grievance is that as a result of substantial shares in the amalgamated company being parked with the purported trust, the public shareholding in the amalgamated company, which is a listed public company, has stood reduced to 4.32% of its paid-up capital. According to SEBI, the public holding of shares in any listed company may not go below 25% of its paid-up capital.

The amalgamated company seeks to justify the clause on the basis of the special circumstances that resulted in India Power Corporation Limited holding approximately 93% of the shares in Dishergarh Power Supply Company Limited immediately prior to IPCL merging in DPSCL and the amalgamated company being re-christened IPCL after the transferor company. According to the amalgamated company, 57.18% of the paid-up capital in DPSCL was held by government companies and like bodies, including Life Insurance Corporation, United India Assurance and the like. One Descon Limited held 32.31% of the paid-up capital in DPSCL while IPCL held a meagre 1.71% and others held the balance 8.80% thereof. At the relevant point of time, the 57.18% shares held by government companies and like public bodies were treated as the promoters' shareholding and the balance, including Descon's and IPCL's, were regarded as public shareholding.

The amalgamated company further submits that in 2010, IPCL purchased the 57.18% shares held by the promoters in DPSCL at a cost of Rs.171.86 crore. In accordance with the rules applicable to listed companies, the then IPCL had also to make a public offer. A further 1.8%, out of the 8.80%

shares in DPSCL held by the public, was mopped up by the then IPCL. Descon carried a petition under Sections 397 and 398 of the Companies Act, 1956 complaining of the promoters selling their shares to IPCL without offering the same to Descon. The petition did not succeed. In course of the appeal arising out of the order rejecting Descon's petition, the then IPCL agreed to purchase Descon's shares in DPSCL at the same price of Rs.710 per share at which it acquired the 57.18% shares held by the then promoters of DPSCL. The then IPCL thus paid a further sum of Rs.97.12 crore and its total shareholding in DPSCL swelled to about 93% of the paid-up capital of such company.

Under the scheme of arrangement and amalgamation propounded in this Court, some of the investments of the then IPCL and shares equivalent to 40% of the paid-up capital in DPSCL were placed before a trust, with the trustees apparently having no connection with the promoters of the then IPCL or the would-be new promoters of DPSCL upon the scheme of arrangement and amalgamation being sanctioned. The arrangement part of the scheme was the parking of the then IPCL's investments in other companies and its investment equivalent to 40% of the paid-up capital in DPSCL for which a trust was created under the document that received the sanction of Court. The amalgamation part of the scheme was by which the then IPCL merged into DPSCL with a special clause permitting the amalgamated company to take the name of the transferor company rather than the transferee's.

The scheme was sanctioned upon due notice to the Central Government in accordance with the provisions of the said Act of 1956. Indeed, the board of trustees originally suggested on behalf of the applicants to the

company Court did not meet with the immediate approval of the company Court and several of the names were altered to give shape to the final board of trustees.

SEBI, however, suggests that the creation of the trust was clearly illegal and to bypass the mandatory requirement of the quantum of public holding in a listed company. SEBI insists that the trust, if it can be regarded as a trust at all, has to go qua the shares held by the trust in DPSCL.

By an order passed nearly two years back on March 20, 2015, it was proposed that the shares held by the trust in DPSCL, or such complement thereof as would suffice for the purpose of the minimum public shareholding threshold to be reached, would be sold and the sale would be conducted by a committee under the aegis of a nominee of SEBI. This order was made despite the amalgamated company filing affidavits to demonstrate that SEBI had made exceptions in several cases, including in the celebrated case of Wipro Limited. SEBI has, however, maintained that the circumstances leading to the exception being made in the case of Wipro were different. SEBI submits that apart from anything else, Wipro had not attempted to negate the mandatory requirement of the minimum public shareholding by resorting to a scheme and informing SEBI ex post facto. SEBI has also indicated its unwillingness to be directly involved in the sale.

The parties have also referred to a freezing order of June 4, 2013 passed by SEBI in respect of such part of the promoters' shareholding in the amalgamated company that exceeds 75% of the paid-up capital by treating the shares held by the trust to be a part of the promoters' quota, till such time that the minimum public shareholding was achieved by the amalgamated company.

There is no dispute that 4.32% of the paid-up capital in DPSCL is held by members of the public who have no connection with the promoters. For the public shareholding in the amalgamated company to reach the 25% mark, a further 20.68% of the shares in DPSCL has to be offered to the public by some transparent mechanism so that the holders thereof cannot be seen or regarded as persons acting in concert with the present promoters of the amalgamated company. The amalgamated company reports that out of the 40% shares in the amalgamated company held by the trust, 32,63,16,563 shares need to be sold to the public for the 25% minimum public shareholding in the amalgamated company to be achieved. Such 32,63,16,563 shares should be sold by April 30, 2017. The trust should also transfer the balance shares held by the trust in the amalgamated company in favour of such entities as the trust may, on its own or at the direction of the promoters, deem fit. The transfer of the balance shares, other than the 32,63,16,563 shares, should be completed by March 31, 2017 such that upon the sale of the shares to the public, the trust does not own or control any further shares in the amalgamated company. As to whether the trust will continue for the purpose of the other investments under the scheme, is not required to be gone into for the present purpose.

The trust will cite this order and make a public offer for sale of the said 32,63,16,563 shares. Advertisements in such regard will be published in such newspapers as may be suggested by SEBI within a week of the form of the advertisement being forwarded to the office of SEBI in Kolkata. Such form of the advertisement should be forwarded to the relevant office within three weeks from date. The directions herein are in modification of the interim order of February

20, 2015 that restrains the amalgamated company from dealing with its shares. However, the interim order will continue for all other purposes till such time that the trust transfers the balance shares, other than those to be sold to the public, and the shares meant to be sold to the public are so sold.

It is made clear that the sale of the 32,63,16,563 shares may be in several tranches as long as the entire quantum is sold by April 30, 2017. At any rate, the entire quantum of the said shares should be offered to be sold to the public at least a fortnight before April 30, 2017. The sale of the shares will be in accordance with the rules and regulations governing the same.

CANo.565 of 2013 is disposed of without any order as to costs.

The observation as to the conduct of the companies which were parties to the scheme contained in the order dated February 20, 2015 was not called for and the same should be disregarded.

Urgent certified website copies of this order, if applied for, be supplied to the parties upon compliance with all requisite formalities.

(SANJIB BANERJEE, J.)

kc/bp