

GTL INFRASTRUCTURE LIMITED

Notice for Postal Ballot

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, for the consent of the Members of GTL Infrastructure Limited for the proposed resolution set out below, which consent is sought to be obtained by means of Postal Ballot. The explanatory statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration.

You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self addressed postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours on or before Tuesday the 9th day of March, 2010. Please note that Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced by the Chairman of the Company on Friday the 12th day of March, 2010 at 12.00 Noon at the Corporate office of the Company at 412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038.

1. To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a **Special Resolution** through Postal Ballot under the provisions of Section 372A of the Companies Act, 1956:

“RESOLVED that pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the ‘Board’, which term shall be deemed to include any Committee thereof), to make investments either directly or through a Trust in the securities of other bodies corporate as set out in the Notice, as they may in their absolute discretion deem beneficial and in the interest of the Company; to grant loans to any body corporate on such terms and conditions as to repayment thereof and interest thereon; and to give any guarantee or provide any security in connection with loans made by any bank / financial institution / other entities to any body corporate as set out in the notice, on such terms and conditions as the Board may think fit, provided that the aggregate of such investments and loans made and the amounts for which guarantee or security is provided to or in all bodies corporate and outstanding at any time does not exceed Rs. 9,500 Crores (Rupees Nine Thousand Five Hundred Crores) or equivalent amount in any other foreign currency, and that such making of investments and loans, giving of guarantee and providing of security are in the opinion of the Board made only for furthering the business interest of the Company.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things inter alia for execution of deeds / documents and for prescribing the limits for investment, loan, guarantee and security to be made or provided to or in any or all body corporate / subsidiary / group / associate / vendor / joint venture companies / alliance partners, with or without the intention of making any such body corporate as its subsidiary or otherwise.”

By Order of the Board of Directors

Sd/-

Ravikumar Vemulakonda
Company Secretary

Place: Navi Mumbai
Date: January 28, 2010

Registered Office:

Maestros House, MIDC Building No. 2,
Sector 2, Millennium Business Park
Mahape, Navi Mumbai – 400 710.

Notes:

1. The consent of the shareholders is solicited by passing a Special Resolution by way of postal ballot as detailed in Item no.1 of the Notice.
2. Explanatory Statement setting out all material facts as required under Section 173 and 192A of the Companies Act, 1956, is appended.
3. The resolution, if assented to by requisite majority, shall be taken as passed on Friday the 12th day of March, 2010.
4. The Board has appointed Mr. Chetan A. Joshi, a practicing Company Secretary as the Scrutinizer for conducting the postal ballot voting process.
5. A Postal Ballot Form along with prepaid self-addressed envelope is sent herewith. Members are requested to indicate their assent or dissent about the aforesaid business in the Postal Ballot and return the same to the Scrutinizer not later than the close of working hours on Tuesday the 9th day of March, 2010. Postal Ballot Form received after this date will be strictly treated as if the reply from the Member has not been received.
6. All documents referred to in the above notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m and 12.30 p.m upto the date for receipt of postal ballot i.e. Tuesday the 9th day of March, 2010.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173 and 192A of the Companies Act, 1956

Purchase of Aircel's tower asset business:

The Company is a leading Independent Shared Passive Telecom Infrastructure Provider in India. As a part of its growth strategy, the Company has been continuously looking for inorganic growth opportunities both in the domestic and international markets. As a part of the said process, the Company has agreed to purchase, on a going concern basis by means of a 'Slump Sale' (as defined in the Income Tax Act, 1961) the passive infrastructure business, from Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited (hereinafter referred to as Aircel), through Chennai Network Infrastructure Limited, a Special Purpose Vehicle (SPV) formed for the said purpose, effected through a Scheme of Arrangement to be sanctioned by the Hon'ble High Court of Judicature at Madras,.

Aircel is one of the largest GSM operators in India. Aircel is promoted by Maxis Communications Berhad, which has a telecom presence in Malaysia, Indonesia and India and the Apollo Hospitals Group, a premiere healthcare provider in India.

The highlights of the proposed transaction are as follows-

- Purchase of 17,500 telecom towers;
- 21,000 active tenants on these towers;
- Transaction value of Rs. 8,400 Crores;
- Aircel has committed additional 20,000 sites over next three years;
- Towers will be acquired through slump sale of assets.

The Company has formed the SPV, Chennai Network Infrastructure Limited to facilitate this transaction. This transaction is expected to be consummated over the next 3 months, subject to necessary approvals.

The transaction is proposed to be funded through a mix of Debt and Equity as follows:

- Equity investment of Rs. 3,400 Crores from the Company and its promoters; While the Company (out of its internal resources), is likely to invest (either directly and / or through Trust) upto 51%, the balance 49% will be subscribed by GTL Ltd and Global Holding Corporation Pvt Ltd, the Promoter Group companies;
- Debt funding of Rs.5,000 Crores by consortium of banks syndicated by SBI Capital Markets Limited.

The transaction is expected to bring the following benefits:

a) Accelerated Growth:

- Assured immediate recurring potential revenue of Rs. 700 Crores p.a. for next 15 years, arising out of the 21,000 active tenants inter alia on the 17,500 telecom towers of Aircel.
- Additional recurring revenue potential of Rs. 700 Crores p.a. from the additional commitment of at least 20,000 sites/tenancies over the next 3 years.
- Thus the total recurring revenue opportunity from this transaction alone is estimated to be Rs. 1,400 Crores p.a..

b) Pan-India Tower Footprint:

- Pan- India presence in all 23 telecom circles.
- Estimated Portfolio of over 50,000 towers by Financial Year 2013.

c) Increased presence in Urban areas to cater to new 2G/3G operators:

- No. of towers in urban areas is expected to increase from current 1,350 to 9,400 towers (out of 32,500 towers post transfer).

On the above background, the Company proposes to make investment in shares between Rs.1,750 to Rs. 2,000 Crores in Chennai Network Infrastructure Limited either directly and / or through a Trust and also provide loan / guarantee / security in connection with this transaction to the extent of Rs. 5,000 Crores.

The Company also continues to look for further inorganic growth opportunities and hence proposes to make strategic investment / acquisitions (either directly and / or through a Trust) with or without controlling interest, give loan and provide guarantee/security upto Rs.1,000 Crores.

Strategic Investment in Global Rural Netco Ltd

Government of India has recently allowed neutral and independent players to offer shared active infrastructure to cellular operators. The average revenue per user in rural India is lower than urban India. This results into a very high payback period for cellular operators for their investment in both passive as well as active infrastructure in rural India. As a result cellular penetration in rural India is lower than urban India. The Company would like to complement with cellular operators for their network requirements both in terms of active as well as passive infrastructure in rural India. The Company already offers passive infrastructure to telecom operators on shared basis. The Company expects that active infrastructure sharing in India offers similar business opportunity. This opportunity comprises of supply of Radio Access Networks (RAN) sharing, Backhaul equipments, switches, antennas, routers etc. However, the Company would like to focus on shared passive infrastructure as core business activity. In order to leverage on the growth opportunity of shared active infrastructure, the Company has ventured into Active Telecom Infrastructure Sharing business through its associate company formed in the name of Global Rural Netco Limited.

On the above background, pursuant to Special Resolution passed by the Shareholders through Postal Ballot on July 23, 2009, the Company has made strategic investment to the extent of Rs.32.25 Crores in Global Rural Netco Limited established by the Global Group Companies for providing Active Telecom Infrastructure and other allied services. Considering the growth potential of this business opportunity, it is proposed to make investment in shares (either directly and / or through Trust), give loan and provide guarantee/security upto Rs. 1,000 Crores.

Other investments

Since the execution of the project consists of building towers at different locations and stages, the entire funds will not be required at a time, leaving temporary surplus funds. This would be increased by funds generated by completed towers. It has therefore become essential to deploy such surplus funds in a profitable and safe manner in various avenues including mutual Funds / other Liquid Funds.

Some of the large corporates are helping their vendors, particularly Small and Medium Enterprises to ensure smooth supply of goods and services. While some of them provide credit enhancement support, some of them are offering guarantees to help suppliers access funds, with a view to keep the supply chain robust. The Company being in the infrastructure business, during the course of its business, it has to also extend such / similar facilities to its vendors. The Company proposes to extend such facilities to the extent of Rs. 500 to Rs. 750 Crores.

As the above activities are essential and complementary to the existing project expansion of the Company, the Company may have to extend necessary support to the concerned entity by making investments or extending loans or giving guarantees or providing securities, depending upon the requirements.

The Company therefore seeks the approval of the shareholders for making investments in shares, extending loans, giving guarantees and providing securities for the above purposes, in Chennai Network Infrastructure Limited, Global Rural Netco Limited, Other Special Purpose Vehicles, Subsidiaries, Joint Ventures, Alliance Entities, Vendors and others used for the allied activities of the Company, Associates or others as the case may be; and also for deployment of surplus funds of the Company in other bodies corporates (including in Mutual Funds / Liquid Funds) from time to time, as stated above.

As per Section 372A of the Companies Act, 1956, no company can make any loan, or give guarantee to, or provide security in connection with a loan, or acquire by way of subscription, purchase or otherwise the securities of other body corporate exceeding 60% of its paid-up capital and free reserves or 100% of its free reserves, whichever is more, unless the same is previously authorized by a special resolution.

The shareholders vide the resolution passed through Postal Ballot results announced on July 23, 2009 gave their approval for the purposes mentioned in the notice upto Rs. 4,000 Crores (Rupees Four Thousand Crores). Presently, the approval of the shareholders is sought for an aggregate amount of Rs. 9,500 Crores (Rupees Nine Thousand Five Hundred Crores) or equivalent amount in foreign currency, for making investment, extending loan, giving guarantee and providing security in the above entities for the purposes stated therein.

The sourcing of the funds would be made out of internal resources and / or through issue of securities and / or raising of loan funds and / or disposal of assets. The Company shall take the approvals including from the lenders, wherever necessary.

With a view to have flexibility, consent is also sought for authorising the Board to decide the limits to make investments in shares, to give loans and to provide guarantees and Securities for each purpose within the overall limit of Rs. 9,500 Crores or equivalent amount in foreign currency.

Further Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, provides that a listed company shall obtain any such consent only through postal ballot. Hence the consent of the shareholders is solicited for passing a Special Resolution by way of postal ballot as detailed herein above.

The Board has appointed Mr. Chetan A. Joshi, a practicing Company Secretary as a Scrutinizer for conducting the postal ballot voting process. Members are requested to return the postal ballot form in the self-addressed prepaid envelope (forwarded with this Notice) so as to reach the Scrutinizer before the closure of working hours on March 9, 2010.

The Board commends passing of the resolution as set out above.

Mr. Manoj Tirodkar, is Promoter and Director of GTL Ltd and Global Holding Corporation Pvt Ltd (the Promoter Group companies of GTL Infrastructure Ltd and Global Rural Netco Ltd). He is also Director in Global Rural Netco Ltd. Mr. Charudatta Naik is a Whole time Director in GTL Ltd and Director in Global Rural Netco Ltd. Mr. Vijay Vij is a Director in GTL Ltd. Thus except Mr. Manoj Tirodkar, Mr. Charudatta Naik and Mr. Vijay Vij to the extent indicated, none of the Directors of the Company is, in any way, concerned or interested either directly or indirectly in the aforesaid resolution.

By Order of the Board of Directors

Sd/-

Ravikumar Vemulakonda

Company Secretary

Place: Navi Mumbai

Date: January 28, 2010

Registered Office:

Maestros House, MIDC Building No. 2,

Sector 2, Millennium Business Park

Mahape, Navi Mumbai – 400 710