



GTL Infrastructure Limited

MEETING OF THE EQUITY SHAREHOLDERS

Date : Monday the 25th day of April, 2011

Time : 10.30 a.m

Venue : Marathi Sahitya Mandir Sabhagruh,
Sector 6, Vashi,
Navi Mumbai 400 703,
Maharashtra, India.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 208 OF 2011**

In the matter of the Companies Act, 1956

And

In the matter of sections 391, 392, 393 and 394 of the Companies Act, 1956

And

In the matter of GTL Infrastructure Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 and having its registered office at Maestros House, MIDC Building No. 2, Sector 2, Millennium Business Park, Mahape, Navi Mumbai - 400710, Maharashtra, India

And

In the matter of Scheme of Arrangement between Chennai Network Infrastructure Limited and GTL Infrastructure Limited and their respective shareholders.

GTL INFRASTRUCTURE LIMITED, a company incorporated and registered)
under the provisions of the Companies Act, 1956 and having its registered)
office at Maestros House, MIDC Building No. 2, Sector 2, Millennium)
Business Park, Mahape, Navi Mumbai - 400710, Maharashtra, India) ... **APPLICANT COMPANY / TRANSFEREE COMPANY**

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF GTL INFRASTRUCTURE LIMITED,
THE APPLICANT COMPANY**

To,
The Equity Shareholders of GTL Infrastructure Limited (the "Applicant Company" / "Transferee Company")

TAKE NOTICE that by an Order made on the 25th day of March, 2011 in the captioned Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay, Mumbai has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held on Monday, the 25th day of April, 2011 at 10:30 a.m. at Marathi Sahitya Mandir Sabhagruh, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra, India, for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Chennai Network Infrastructure Limited and the Applicant Company and their respective shareholders.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be convened and held on **Monday, the 25th day of April, 2011 at 10:30 a.m. at Marathi Sahitya Mandir Sabhagruh, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra, India**, at which day, date, time and place 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, or your authorized representative, is deposited at the registered office of the Applicant Company at Maestros House, MIDC Building No. 2, Sector 2, Millennium Business Park, Mahape, Navi Mumbai, Maharashtra- 400710, India, not later than 48 (Forty Eight) hours before the commencement of the said meeting.

The Hon'ble Court has appointed Mr. Balasubramanian Nagarajan and failing him, Mr. Vinod Agrawala, both Independent Directors of the Applicant Company to be the Chairman of the aforesaid meeting.

A copy each of the Statement under Section 393 of the Companies Act, 1956, the Scheme of Arrangement, Attendance Slip and a Form of Proxy is enclosed.

Sd/-
Balasubramanian Nagarajan
Chairman appointed for the Meeting

Dated this 28th day of March, 2011

Registered Office:

Maestros House, MIDC Building No. 2,
Sector 2, Millennium Business Park,
Mahape, Navi Mumbai - 400710,
Maharashtra, India

Notes

1. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the shareholders meeting.
2. All alterations made in the Form of Proxy should be initialed.
3. A Member or his Proxy is requested to bring the copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
4. All documents referred to in the notice, and the explanatory statement attached hereto, are open for inspection up to one day prior to the aforesaid meeting, at the Registered Office of the Applicant Company between 10:00 A.M. and 12:30 P.M. on all working days, except Saturdays, Sundays and Public Holidays.
5. Members who hold equity shares of the Applicant Company in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

Enclosure: As Above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 208 OF 2011**

In the matter of the Companies Act, 1956

And

In the matter of sections 391, 392, 393 and 394 of the Companies Act, 1956

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In the matter of GTL Infrastructure Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 and having its registered office at Maestros House, MIDC Building No. 2, Sector 2, Millennium Business Park, Mahape, Navi Mumbai - 400710, Maharashtra, India

And

In the matter of Scheme of Arrangement between Chennai Network Infrastructure Limited and GTL Infrastructure Limited and their respective shareholders.

GTL INFRASTRUCTURE LIMITED, a company incorporated and registered)
under the provisions of the Companies Act, 1956 and having its registered)
office at Maestros House, MIDC Building No. 2, Sector 2, Millennium)
Business Park, Mahape, Navi Mumbai - 400710, Maharashtra, India) ... **APPLICANT COMPANY/ TRANSFEREE COMPANY**

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. In this statement GTL Infrastructure Limited is referred to as the "Applicant Company / Transferee Company" and Chennai Network Infrastructure Limited is referred to as the "Transferor Company / CNIL". The other definitions contained in the Scheme of Arrangement will apply to this Explanatory Statement.
2. Pursuant to the Order dated 25th March, 2011 passed by the Hon'ble High Court of Judicature at Bombay, in the captioned Company Summons for Direction, a meeting of the Equity Shareholders of the Transferee Company is being convened on Monday, the 25th day of April, 2011 at 10:30 a.m. at Marathi Sahitya Mandir Sabhagruh, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra, India, for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between the Transferor Company and the Applicant Company and their respective shareholders.
3. The Board (as defined below) of the Applicant Company and the Board of Directors of the Transferor Company have vide their resolutions dated 16th December, 2010 and 16th December, 2010, respectively, approved the Scheme of Arrangement between the Transferor Company and the Applicant Company and their respective shareholders for amalgamation of the Transferor Company with the Applicant Company pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 ("the Scheme").
4. **Background of the Companies**
 - 4.1. **GTL Infrastructure Limited ("GIL / Applicant Company")**
 - 4.1.1 The Applicant Company was incorporated under the provisions of the Companies Act, 1956 on 4th February, 2004 under the name of 'GTL Engineering and Managed Network Services Limited. Subsequently the name of the Applicant Company was changed to its present name, i.e. "GTL Infrastructure Limited" with effect from 1st February, 2005.
 - 4.1.2 The registered office of the Applicant Company is situated at Maestros House, MIDC Building No. 2, Sector 2, Millennium Business Park, Mahape, Navi Mumbai - 400710, Maharashtra, India.
 - 4.1.3 The main objects of the Applicant Company as set out in the Memorandum of Association, are briefly as under :-
 - "1. To carry on the business of building, establishing, setting-up, acquiring, developing, managing, providing, operating and/or maintaining, fully or partially, infrastructure facilities of all description including, without limitation, relating to power (other than atomic power), water supply, inland water ways, air-ports, ports, telecommunications, roads, pipelines of all kinds and usages and other infrastructure facilities and/or to provide services for setting up of such infrastructure facilities and for the above purposes to carry on the business of engineers and general or special contractors for design, construction, manufacture, erection, maintenance, alteration, restoration of work of all types and descriptions in India and overseas, as contractors or subcontractors for the whole or part of such works including water works, oil wells, tramways, dams, bridges, underground railways, cable cars, docks, wharves, jetties, power generation and/or distribution, factories, mills, drainage and sewage works, roads, airfields, airstrips, airports, helipads, cable lines, power transmission towers, towers and networking of all types, wagons shelters and vessels of every description for use on or under the land, water and air and buildings and structures of all types and descriptions and for the purpose to acquire any lands, buildings, tenements, premises, equipments, spares/parts of all kinds, description, design, configuration and in connection therewith to provide any consultancy, project management

services, hardware or software implementation, customization, certification, inspection, resource pool management in relation to all kinds of infrastructure services inter-alia including but not limited to telecom, cellular services, basic telecom services, IT enabling services, industrial purpose and other infrastructure industries and in connection therewith to acquire, sell, dispose off, lease, hire goods/services of any nature/description.

2. To carry on the business of building, establishing, setting-up, acquiring, developing, advising on, managing, providing, operating and/ or maintaining, fully or partially infrastructure facilities and services thereof for Software Development Centres, Animation Studios, IT Services and IT Enabled Services including all Business Process Outsourcing services, delivery, integration, installation, commissioning and consultancy and related areas like, Staffing services that include Telemarketing, Tele-sales and all other call centre services in different media like voice, data, video and multimedia, development and provisioning of software, all transaction processing activities across industry verticals within its premises or outside, all associated activities relating to building infrastructure, associated technologies including but not limited to diallers, Automatic Call Diversion equipment and other related equipment in the hardware, software and applications, associated hosted applications and to provide remote technical services, helpdesk operations including application support, data centre services, provisioning of services and reselling of bandwidth, licensing, selling and trading of application environment and associated services in consultancy, advisory services for business process outsourcing and related IT Services and IT enabled services inter alia including alliances and franchise operations of services and products that may be built as Intellectual Property or is bought, sourced and resold for and on behalf of suppliers to domestic and international clients. The service spectrum will also include infrastructure leasing, renting and all associated management services, facility management services relating to people, infrastructure, and technology for servicing clients on a project, consultancy or annuity basis with rights to resale, refurbish and other associated activities and to carry on or engage in the business of developing, installing, commissioning, provisioning, building, marketing, exporting, importing and maintaining Networks in Telecom and Enterprise, which may be wireless, wired, satellite Services, Communications Services, Internet Services, Computer Hardware and software Services and / or Information Technology, ISP based or enabled Services, Digitized Services including the ones operated through Internet Terrestrial or Cable Transmission, Voice, Data, Video, Multimedia or otherwise or any future Technology in India or overseas such as Cellular Networking Services, based on GSM, CDMA , IP and broadband wireless relays like WiMax, Wi-Fi and 3G, Managed network Services, Network Engineering, Network Design, configuration, dimensioning, radio survey planning, optimization, operation and maintenance of networks of all kinds, customization, certification, project management, inspection, technical resources pool management including staffing and body shopping services and also provision of infrastructure services relating to the above and to establish and provide for all kinds of Telecommunication and Enterprise related facilities using present or future technologies through Telecommunication backbone including tower(s) and switch facilities provisioning, leasing, renting, hire purchase and direct interconnectivity to various nations and international long distance voice and data carriers through sale and/or lease, rent, hire purchase of dark fibre, duct space, towers, switches, bandwidth, provisioning of satellite data, communication links including termination and onward connectivity through optical fibre cables, any type of radio communications and other related, ancillary infrastructure and facilities.
 3. To carry on the business of building, establishing, setting-up, acquiring, developing, advising on, managing, providing, operating and/ or maintaining, facilitating conduct of, fully or partially infrastructure facilities and services thereof for all kinds of value added services including payment gateway services and international gateway services, long distance telephony services, e-commerce services and data-com services, video tech access points, multi-media access points, internal access point, voice mail services, e-mail services, video conference services, fax store and forward services, enhanced faxed services, internet services including basic and advance services and to carry on business as advisors, suppliers, traders of data processing and information retrieval systems (whether or not remotely located and including but not limited to video text, telex and telefax systems), verification / authentication/ certification/ provision of digital signature, network services including virtual private network services and broad band network services, frame relay services, ATM services , data centre services including hosting services, application services and co-location services computer hardware and software of all kinds which incorporate use and used in conjunction with or ancillary to systems of such description as aforesaid and any of the apparatus and equipment comprised therein and rendering consultancy and project counselling in connection with the above activities.
 4. The service spectrum will also include leasing and / or renting and / or providing and / or licensing and / or developing and / or sharing of infrastructure (including communication sites, wireless and broadcast towers, antenna systems / antenna space, wireless and radio / television broadcast transmissions, Business Process Outsourcing & Information Technology Facilities, Telecom & Enterprise Networks and other structures, systems and communication equipments of similar nature), associated management services, facility management services relating to people, infrastructure, and technology in connection with the above activities.”
- 4.1.4 The Applicant Company commenced its business in the year 2004 and is inter-alia engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers.
- 4.1.5 The authorized, issued, subscribed and paid up share capital of the Applicant Company as on the 31st March, 2010 is as under:-

Particulars	Amount [Rs.]
Authorized :	
300,00,00,000 equity shares of Rs.10/- each	3000,00,00,000/-
5,00,00,000 preference shares of Rs.100/- each	500,00,00,000/-
TOTAL	3500,00,00,000/-
Issued, Subscribed and Paid – Up:	
95,73,48,604 equity shares of Rs. 10/- each fully paid up.	957,34,86,040/-
TOTAL	957,34,86,040/-

- 4.1.6 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**").
- 4.1.7 The Applicant Company says that there has been no change in the authorized capital or issued, subscribed and paid-up share capital of the Applicant Company, since 31st March, 2010.
- 4.1.8 On 1st November, 2010, the Applicant Company had issued notice to its shareholders, by way of postal ballot pursuant to the relevant provisions of the Companies Act, 1956, for their approval to the matters therein, including, the issue of equity shares; and / or preference shares; and /or convertible securities; and / or global depository receipts and / or American depository receipts and / or global depository shares and / or American depository shares, whether through a sponsored offering or otherwise; and /or foreign currency convertible bonds; and /or other depository receipts; and /or other permitted instruments for an issuance up to 100,00,00,000 (One Hundred Crores) equity shares of the Applicant Company including those proposed to be issued pursuant to conversion of convertible securities, in the course of domestic and / or international offerings through private placement and / or preferential allotment and / or qualified institutional placement and / or any other permitted modes. Thus the issue of shares by the Applicant Company as per the approval given by the shareholders in response to the notice issued as above would result in the increase in the paid up share capital to the extent of such issue/s.

4.2 Chennai Network Infrastructure Limited ("Transferor Company / CNIL")

- 4.2.1 The Transferor Company was incorporated on 8th December, 2009 under the provisions of the Companies Act, 1956.
- 4.2.2 The registered office of the Transferor Company is situated at Door No. 34/1 DL, New No.403/L, Samson Tower, 7th Floor, Pantheon Road, Egmore, Chennai, Tamil Nadu – 600008, India.
- 4.2.3 The main objects of the Transferor Company as set out in its Memorandum of Association are as under:-

- "1. To carry on the business of building, establishing, setting-up, acquiring, developing, managing, providing, operating and/or maintaining, fully or partially, infrastructure facilities of all description including, without limitation, relating to power (other than atomic power), water supply, inland water ways, air-ports, ports, telecommunications, roads, pipelines of all kinds and usages and other infrastructure facilities and/or to provide services for setting up of such infrastructure facilities and for the above purposes to carry on the business of engineers and general or special contractors for design, construction, manufacture, erection, maintenance, alteration, restoration of work of all types and descriptions in India and overseas, as contractors or subcontractors for the whole or part of such works including water works, oil wells, tramways, dams, bridges, underground railways, cable cars, docks, wharves, jetties, power generation and/or distribution, factories, mills, drainage and sewage works, roads, airfields, airstrips, airports, helipads, cable lines, power transmission towers, telecom towers, Dark Fibre, Right of Way, duct space, In Building Distributed Antenna System, Active telecom infrastructure including but not limited to RAN (Radio Access Network), BTS(Base Transceiver Station), BSC(Base Station controller), 3G Node B & RNC(Radio Network Controller), MSC (Mobile Switching Centre) and associated components, Antenna, feeder, RF cable, Power Amplifiers, SMSC(Short Message Service Centre), SGSN(Serving GPRS Support Node), GGSN(Gateway GPRS Support Node), Picocells, Femtocells, In building and Street level Optical Distributed Antenna System, Microwave networks, fibre optic networks, MVNE (Mobile Virtual Network Enabler) platform and networking of all types, wagons shelters and vessels of every description for use on or under the land, water and air and buildings and structures of all types and descriptions and for the purpose to acquire any lands, buildings, tenements, premises, equipments, spares/parts of all kinds, description, design, configuration and in connection therewith to provide any consultancy, project management services, switched bearer telecommunications service over a long distance, carriage and delivery services of the traffic from different legs between Long Distance Charging Centre (LDCC) and Short Distance Charging Centres (SDCCs), Number Portability services in India or overseas including Mobile, Fixed (PSTN / Basic), and any other such services (whether under licence or otherwise) as may be prescribed by Telecom Regulatory Authority of India (TRAI) / Department of Telecommunication (DoT) or other authorities whether in India or overseas from time to time and in connection therewith establish, administer and operate MNP centralized clearing house (herein after called MCH) and logically centralized Number Portability Data Base (herein after called 'NPDB') for implementation of mobile number portability in accordance with QoS parameters, SLAs and criteria/benchmark as defined/specified by a competent authority whether in India or overseas from time to time and in conjunction therewith to maintain Disaster Recovery (DR) sites for MCH, NPDB, and Query Data Base (QRDB), hardware or software implementation, customization, certification, inspection, resource pool management in relation to all kinds of infrastructure services inter-alia including but not limited to telecom, cellular services, basic telecom services, IT enabling services, industrial purpose and other infrastructure industries and in connection therewith to acquire, sell, dispose off, lease, hire goods/services of any nature/description.
2. To carry on the business of building, establishing, setting-up, acquiring, developing, advising on, managing, providing, operating and/or maintaining, fully or partially infrastructure facilities and services thereof for, Network Operations Centre(NOC), Data Centres, Equipment staging centre, Software Development Centres, Animation Studios, IT Services and IT Enabled Services including all Business Process Outsourcing services, delivery, integration, installation, commissioning and consultancy and related areas like, staffing services that include Telemarketing, Tele-sales and all other call centre services in different media like voice, data, video and multimedia, development and provisioning of software, all transaction processing activities across industry verticals within its premises or outside, all associated activities relating to building infrastructure, associated technologies including but not limited to OMC(Operations & Maintenance Centre, OSS (Operational Support Systems), Server farms, diallers, Automatic Call Diversion equipment and other related equipment in the hardware, software and applications, associated hosted applications and to provide remote technical services, helpdesk operations including application support, data centre services, provisioning of services and reselling of bandwidth, licensing, selling and trading of application environment and associated services in consultancy, advisory services for business process outsourcing and related IT

Services and IT enabled services inter alia including alliances and franchise operations of services and products that may be built as Intellectual Property or is bought, sourced and resold for and on behalf of suppliers to domestic and international clients. The service spectrum will also include infrastructure leasing, renting and all associated management services, facility management services relating to people, infrastructure, and technology for servicing clients on a project, consultancy or annuity basis with rights to resale, refurbish and other associated activities and to carry on or engage in the business of developing, installing, commissioning, provisioning, building, marketing, exporting, importing and maintaining Networks in Telecom and Enterprise, which may be wireless, wired, Satellite Services, Communications Services, Internet Services, Computer Hardware and software Services and / or Information Technology, ISP based or enabled Services, Digitized Services including the ones operated through Internet Terrestrial or Cable Transmission, Voice, Data, Video, Multimedia or otherwise or any future Technology in India or overseas such as Cellular Networking Services, based on GSM, CDMA , IP and broadband wireless networks like WiMax, Wi-Fi and 3G , Managed Network Services, Network Engineering, Network Design, configuration, dimensioning, radio survey planning, optimization, operation and maintenance of networks of all kinds, customization, certification, project management, inspection, technical resources pool management including staffing and body shopping services and also provision of infrastructure services relating to the above and to establish and provide for all kinds of Telecommunication and Enterprise related facilities using present or future technologies through Telecommunication backbone including tower(s) and switch facilities provisioning, leasing, renting, hire purchase and direct interconnectivity to various nations and international long distance voice and data carriers through sale and/or lease, rent, hire purchase of dark fibre, duct space, towers, switches, bandwidth, provisioning of satellite data, communication links including termination and onward connectivity through optical fibre cables, any type of radio communications and other related, ancillary infrastructure and facilities.

3. To carry on the business of building, establishing, setting-up, acquiring, developing, advising on, managing, providing, operating and/ or maintaining, facilitating conduct of, fully or partially infrastructure facilities and services thereof for all kinds of value added services including payment gateway services and international gateway services, long distance telephony services, e-commerce services and data-com services, video tech access points, Basic telephony services, Cellular services, Unified Access Services, Global Mobile Communications by Satellite services, BWA (Broadband Wireless Access) services, Public Mobile Radio Trunked Services (PMRTS), Mobile TV services, Digital Terrestrial television/broadcast services, multi-media access points, internal access point, voice mail services, e-mail services, video conference services, fax store and forward services, enhanced faxed services, internet services including basic and advance services and to carry on business as advisors, suppliers, traders of data processing and information retrieval systems (whether or not remotely located and including but not limited to video text, telex and telefax systems), verification / authentication/ certification/ provision of digital signature, network services including virtual private network services and broad band network services, frame relay services, ATM services, data center services including hosting services, application services and co-location services computer hardware and software of all kinds which incorporate use and used in conjunction with or ancillary to systems of such description as aforesaid and any of the apparatus and equipment comprised therein and rendering consultancy and project counselling in connection with the above activities.
 4. The service spectrum will also include leasing and / or renting and / or providing and / or licensing and / or developing and / or sharing of infrastructure (including communication sites, wireless and broadcast towers, antenna systems / antenna space, wireless and radio / television broadcast transmissions, Business Process Outsourcing & Information Technology Facilities, Telecom & Enterprise Networks and other structures, systems and communication equipments of similar nature), associated management services, facility management services relating to people, infrastructure, and technology in connection with the above activities.”
- 4.2.4 The Transferor Company commenced its business in the year 2009 and is inter-alia engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers.
- 4.2.5 The authorized, issued, subscribed and paid up share capital of the Transferor Company as on the 31st March, 2010 is as follows:-

Particulars	Amount (In Rs.)
Authorised:	
400,00,00,000 Equity Shares of Rs.10/- each	4000,00,00,000/-
10,00,00,00,000 Preference Shares of Rs.100/- each	1000,00,00,000/-
TOTAL	5000,00,00,000/-
Issued, Subscribed and Paid-up:	
10,50,000 Equity Shares of Rs. 10/- each	1,05,00,000/-
TOTAL	1,05,00,000/-

- 4.2.6 Subsequent to 31st March, 2010 and up to 16th December, 2010, the details of the equity shares issued and allotted by the Transferor Company are as under:

On 12th July, 2010, 3,55,92,40,000 (Three Hundred Fifty Five Crore Ninety Two Lakh and Forty Thousand) equity shares of Rs.10/- (Rupees Ten) each were issued and allotted by the Transferor Company and accordingly the paid up share capital of the Transferor Company is Rs.3560,29,00,000/- (Rupees Three Thousand Five Hundred Sixty Crore Twenty Nine Lakh) divided into 356,02,90,000 (Three Hundred Fifty Six Crore Two Lakh Ninety Thousand) equity shares of Rs.10/- (Rupees Ten) each.

Pursuant to the resolution passed by the Board of Directors of the Transferor Company dated 20th December, 2010, the Transferor Company had received advance share application money of Rs.445,00,00,000/- (Rupees Four Hundred Forty Five Crore) from one of its shareholder

towards Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each, to be redeemed in accordance with its terms. The Cumulative Redeemable Preference Shares are pending allotment by the Transferor Company.

5. Rationale of the Scheme of Arrangement

1. Both the Transferor Company and the Applicant Company offer each other various synergies which allow for the expansion of the services offered as well as allow for better and more competitive services in the market.
2. The amalgamation of the Transferor Company into the Applicant Company is proposed with a view to achieve the following objectives:-
 - a. The Scheme of Arrangement between the Transferor Company and the Applicant Company pursuant to Sections 391 to 394 of the Companies Act, 1956 will assist the Applicant Company in achieving higher long term financial returns than would have been achieved by the Transferor Company and the Applicant Company as separate entities, will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of both the Transferor Company and the Applicant Company leading to synergistic benefits, enhancement of future business potential, increased global competitiveness, cost reduction and efficiencies, productivity gains and logistical advantages thereby contributing to significant future growth and enhancement of shareholder value.
 - b. The Scheme will result in rationalization and standardization of the business processes, economies of scale and consolidation of opportunities offered by the Scheme of Arrangement which will contribute to the profits of the Applicant Company thereby further enhancing the overall shareholder value.
 - c. In view of the aforesaid, the Board of Directors of the Transferor Company and the Board of Directors of the Applicant Company ("**the Board**") have approved the Scheme between the Transferor Company and the Applicant Company in order to benefit the stakeholders of both the companies. Accordingly, the Board and the Board of Directors of the Transferor Company has formulated the Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

6. PURPOSE OF THE SCHEME OF ARRANGEMENT

- a. The Scheme provides for the amalgamation of CNIL / the Transferor Company with the Applicant Company and adjustments to the reserves of the Applicant Company in the manner more particularly set out under the head Accounting Treatment in Clause 16 to the Scheme, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.
- b. The Scheme also provides for various other matters consequential, supplemental, and/ or otherwise integrally connected herewith.

7. As per the Scheme:

- a. "**Appointed Date**" shall mean August 1, 2010 or such other date as may be approved by the High Court of Bombay and the High Court of Madras.
- b. "**Effective Date**" means the last of the dates on which conditions and matters referred to in Clause 20 of the Scheme occur or have been fulfilled or have been waived by the Board and the Board of Directors of the Transferor Company and the certified copies of the orders of the High Court of Bombay and the High Court of Madras, sanctioning the Scheme under Sections 391 to 394 of the Companies Act, 1956 are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu.
- c. "**Record Date**" shall mean the date to be fixed by the Board of the Transferee Company or a committee thereof for reckoning the names of the equity shareholders of the Transferor Company who shall be entitled to equity shares of the Transferee Company on the coming into effect of the Scheme.

8. Salient features of the Scheme of Arrangement

- 8.1 Upon the coming into effect of the Scheme and with effect from the 1st August, 2010 ("**Appointed Date**"), the Transferor Company shall be and stand amalgamated with and shall be deemed to have been amalgamated with the Applicant Company, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956, as a going concern, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, part of the Applicant Company by virtue of and in the manner provided in the Scheme.
- 8.2 Upon the coming into effect of the Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Applicant Company, the fair value of the assets and Liabilities (as defined below) of the Transferor Company and of the fixed assets of the Applicant Company shall be determined as of the Appointed Date.
- 8.3 Upon the coming into effect of the Scheme and with effect from the Appointed Date, all liabilities and obligations comprised in and relating to the Transferor Company ("**Liabilities**") shall, pursuant to the sanction of the Scheme under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Applicant Company, and the same shall be assumed by the Applicant Company to the extent they are outstanding on the last of the dates on which conditions and matters referred to in the "coming into effect" clause of the Scheme occur or have been fulfilled or have been waived by the Board of the Applicant Company and the certified copies of the order of the Hon'ble High Court of Bombay and the Hon'ble High Court of Madras, sanctioning the Scheme under

Sections 391 to 394 of the Companies Act, 1956 are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu (the **"Effective Date"**) so as to become as and from the Appointed Date, the liabilities of the Applicant Company on the same terms and conditions as were applicable to the Transferor Company and the Applicant Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is party to any contract or arrangement by virtue of which Liabilities have arisen in order to give effect to the provisions of the Scheme.

8.4 On the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding-up.

8.5 Consideration

- a. In consideration of the Scheme between the Transferor Company and the Applicant Company, in terms of and on the coming into effect of the Scheme, the Applicant Company shall, without any further application, act, deed or instrument, within 30 (Thirty) days from the Effective Date, issue and allot to each of the shareholders of the Transferor Company holding equity shares of the Transferor Company as on the Record Date or to his / her / its heirs, executors or administrators or, as the case may be, successors or trustees 1 (One) equity share(s) of the face value of Rs.10/- (Rupees Ten) each, in the Applicant Company, credited as fully paid-up shares (the **"GIL Shares"**) for every 4 (Four) fully paid-up equity shares of the face value of Rs.10/- (Rupees Ten) each held by such equity shareholder or their respective heirs, executors or administrators, as the case may be, successors or trustees in the Transferor Company on the Record Date. The ratio in which equity shares of the Applicant Company are to be issued and allotted to the equity shareholders of the Transferor Company shall be the "Share Exchange Ratio".
- b. Upon the coming into effect of the Scheme and as an integral part of the Scheme, the share capital of the Transferor Company to the extent of 1,81,57,22,400 (One Hundred Eighty One Crore Fifty Seven Lakh Twenty Two Thousand Four Hundred) equity shares of face value of Rs.10/- (Rupees Ten) each credited as fully paid-up held by the Tower Trust, through its trustees, Mr. Vijay Vij (earlier Mr. D. S. Gunasingh) and Mr. Amit A. Desai (**"Trust"**) in the Transferor Company, for the benefit of its sole beneficiary i.e. the Applicant Company shall not stand cancelled. The Applicant Company shall issue GIL Shares to the Trust / its trustees in lieu of the shares held by the Trust in the Transferor Company, as on the Record Date as per the Share Exchange Ratio.
- c. On the Scheme becoming effective and as an integral part of the Scheme, the issued, subscribed and the paid-up share capital of the Applicant Company shall stand suitably increased consequent on the issue of the GIL Shares. It is clarified that no special resolution under Section 81(1A) of the Companies Act, 1956 shall be required to be passed by the Applicant Company in a general meeting for the issue of the GIL Shares under the Scheme and on the members of the Applicant Company approving the Scheme, it shall be deemed that the shareholders of the Applicant Company have given their consent to the issue of the GIL Shares, as provided in the Scheme.
- d. The new GIL shares of the Applicant Company shall be listed on the BSE and NSE where the shares of the Applicant Company are listed.

8.6 Authorized Share Capital

- a. Upon the Scheme coming into effect, the authorized share capital of the Applicant Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced, without any further act, instrument or deed on the part of the Applicant Company, including payment of stamp duty and fees payable to the Registrar of Companies, Maharashtra and/or Registrar of Companies, Tamil Nadu, as per the provisions of applicable law, by an amount of Rs.5000,00,00,000/- (Rupees Five Thousand Crore) and the relevant clause (s) of the Memorandum of Association and Articles of Association of the Applicant Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Applicant Company, and shall be deemed to have been so paid by the Applicant Company on such combined authorized share capital and accordingly, the Applicant Company shall not be required to pay any fees / stamp duty on the authorized share capital so increased.
- b. Accordingly, in terms of the Scheme, the authorized share capital of the Applicant Company shall stand enhanced to an amount of Rs.8500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore) divided into 700,00,00,000 (Seven Hundred Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 15,00,00,000 (Fifteen Crore) Preference Shares of Rs.100/- (Rupees One Hundred) each and Clause [V] (a) of the Memorandum of Association and Clause [3] (a) of the Articles of Association of the Applicant Company shall on the Effective Date stand substituted to read as follows:

Clause [V] (a) of the Memorandum of Association:

"The Authorized Share Capital of the Company is Rs.8500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore) divided into 700,00,00,000 (Seven Hundred Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 15,00,00,000 (Fifteen Crore) Preference Shares of Rs.100/- (Rupees One Hundred) each."

Clause [3] (a) of the Articles of Association:

"The Authorized Share Capital of the Company is Rs.8500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore) divided into 700,00,00,000 (Seven Hundred Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 15,00,00,000 (Fifteen Crore) Preference Shares of Rs.100/- (Rupees One Hundred) each, with the rights, privileges and conditions attached thereto as provided by the Articles of

Association of the Company for the time being in force and to divide the share capital for the time being of the Company into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being in force.”

8.7 With effect from the Appointed Date and up to and including the Effective Date:

- a. The Transferor Company shall carry on, in trust, its business and activities in the ordinary course with reasonable diligence and business prudence, including making applications for approvals, licenses, permits and registrations required for the running of the business of the Transferor Company, and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other Liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party; or sell, transfer, alienate, charge, mortgage or encumber or deal with the whole or part of the business to be transferred pursuant to the Scheme, save and except in each case in the following circumstances:
 - if the same is in its ordinary course of the business as carried on by it as on the date of filing the Scheme with the Hon'ble High Courts;
 - if the same is provided in the Scheme; or
 - if written consent of the Applicant Company has been obtained.
 - b. The Transferor Company and the Applicant Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares or shares on a rights basis, bonus shares, convertible debentures or any other form of convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect or have the potential of affecting the Scheme, except under any of the following circumstances:
 - by mutual consent of the Board of Directors of the Transferor Company and the Board of the Applicant Company;
 - fresh issue contemplated by the Applicant Company, vide its notice issued on 1st November, 2010 as stated in the Scheme;
 - on the conversion of any convertible securities (including foreign currency convertible bonds and employee stock options) already issued by the Applicant Company; or
 - as may be provided under the Scheme.
 - c. The Transferor Company shall not, without the prior consent in writing of the Board of the Applicant Company, undertake any new business.
 - d. The Transferor Company shall not change any employee salary structure or any benefit, perks or schemes made available to the employees of the Transferor Company employed for the conduct of its business activities.
- 8.8** On and from the Effective Date, all suits, actions, arbitration and other judicial or quasi judicial proceedings by or against the Transferor Company in relation to the provision or conduct of the business and pending or arising subsequent to the Appointed Date shall be continued, prosecuted and enforced by or against the Applicant Company as effectually as if the same had been filed by, pending and/or arising against the Applicant Company.
- 8.9** Upon the coming into effect of the Scheme and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature pertaining to or arising out of the conduct in the ordinary business to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall, without the requirement of any further action or deed on the part of the Transferor Company and/or the Applicant Company, be in full force and effect against or in favour of the Applicant Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Applicant Company had been a party or beneficiary thereto.
- 8.10** On and from the Effective Date, all employees of the Transferor Company employed by the Transferor Company in relation to and/or for the conduct of the business shall become the employees of the Applicant Company on such date without any break in their service and the terms and conditions of employment shall not be less favourable than those applicable to such employees on the day immediately prior to the Effective Date.
- 8.11** As regards the costs, the Scheme provides that all costs, charges and expenses including duties, levies and all other expenses, of / payable by the Transferor Company and the Applicant Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Applicant Company shall be borne and paid by the Applicant Company alone.
- 8.12** The Scheme provides that in the event of any of the sanctions and approvals as required and as provided under the Scheme are not obtained and/or the Scheme is not sanctioned by either of the Hon'ble High Courts and/or the orders as aforesaid are not passed on or before the expiry of 12 (Twelve) months from the date of making applications for such sanction to the Hon'ble High Courts or within such further period or periods as may be agreed upon between the Transferor Company through and by its Board of Directors and the Applicant Company through and by its Board (and which Board of Directors of the Transferor Company and the Board of the Applicant Company are authorized and

empowered to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers), the Scheme shall stand nullified and shall become void, stand revoked, cancelled and be of no effect and shall be deemed to have never been in effect and all trusts constituted as per the terms of the Scheme shall be deemed to have never been in existence.

The features set out above being only the salient features of the Scheme, the members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

9. The rights and interests of the members and the creditors of the Applicant Company will not be prejudicially affected by the Scheme.
10. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Sections 235 to 251 of the Companies Act, 1956.
11. On the Scheme being approved as per the requirements of Section 391 of the Companies Act, 1956, the Applicant Company will seek the sanction of the Hon'ble Bombay High Court to the Scheme.
12. The financial position of the Applicant Company will not be adversely affected by the Scheme. The financial position of the Applicant Company will continue to remain strong and it will be able to meet and pay its debts as and when they arise in the normal course of business.
13. The Applicant Company has received no-objection letters from Bombay Stock Exchange Limited and National Stock Exchange of India Limited for filing the Scheme with the Bombay High Court.
14. The Directors of the Applicant Company and the Transferor Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective 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 share in any of the companies or to the extent they may be allotted shares in the Applicant Company as a result of the Scheme.
15. The details of the present Directors of the Applicant Company and their shareholding in the Applicant Company and the Transferor Company either singly or jointly as on 31st December, 2010 are as follows:

Name of Director	Designation	Equity shares held in	
		Applicant Company	Transferor Company
Mr. Manoj G. Tirodkar	Chairman	59,65,283	NIL
Mr. Balasubramanian N	Vice Chairman	5,00,000	NIL
Mr. Prakash Ranjalkar	Whole- Time Director	64,52,400	NIL
Mr. Charudatta Naik	Director	13,25,900	2,50,00,000
Mr. Vishwas Pathak	Director	NIL	NIL
Dr. Anand Patkar	Director	1,00,000	NIL
Mr. Vivek Kulkarni	Director	NIL	NIL
Mr. Vijay Vij	Director	63,500	50,00,000
Mr. Vinod Agarwala	Director	459,000	NIL
Mr. Satya Pal Talwar	Director	NIL	NIL

16. The details of the present Directors of the Transferor Company and their shareholding in the Applicant Company and the Transferor Company either singly or jointly as on 31st December, 2010 is as follows:

Name of Director	Designation	Equity shares held in	
		Applicant Company	Transferor Company
Mr. Nitesh Mhatre	Director	NIL	NIL
Mr. Prasanna Bidnurkar	Director	35,500	NIL
Mr. Ravikumar Vemulakonda	Director	521	NIL

17. The pre and post arrangement capital structure of the Applicant Company is and will be as follows:

Particulars	Pre Arrangement	Post Arrangement
Authorized Share Capital	Rs. In Crore	Rs. In Crore
Equity Shares	3000,00,00,000	7000,00,00,000
Preference Shares	500,00,00,000	1500,00,00,000
Total	3500,00,00,000	8500,00,00,000
Issued, Subscribed and Paid Up Capital		
Equity Shares	957,34,86,040	18,47,42,11,040
Preference Shares	NIL	NIL
Total	957,34,86,040	18,47,42,11,040

18. The pre and post arrangement shareholding pattern of the Applicant Company is and will be as follows:

**SHAREHOLDING PATTERN OF THE APPLICANT COMPANY AS ON 31st DECEMBER, 2010
(PRE AND POST -ARRANGEMENT)**

Sr. No.	Category of Shareholder	Pre Arrangement	Post Arrangement
		Percentage to Share Capital	Percentage to Share Capital
1	Promoters	58.34%	52.42%
2	Bodies Corporate (Domestic) / Trusts	4.19%	27.42%
3	Financial Institutions /Banks	0.03%	0.01%
4	Insurance Companies	0.29%	0.15%
5	Mutual Funds	0.01%	0.01%
6	Foreign Institutional Investors (FIIs)	4.24%	2.20%
7	Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks	23.47%	12.16%
8	Resident Individuals	9.43%	5.63%
	TOTAL	100%	100%

19. The pre arrangement shareholding pattern of the Transferor Company is as follows:

**SHAREHOLDING PATTERN OF THE TRANSFEROR COMPANY AS ON 31st DECEMBER, 2010
(PRE-ARRANGEMENT)**

Sr. No.	Category of Shareholder	Percentage to Share Capital
1.	Promoters	97.05%
2.	Bodies Corporate (Domestic)	1.40%
3.	Resident Individuals	1.55%
	Total	100%

The Transferor Company is proposed to be dissolved under the Scheme and therefore, there would be no shareholding in the Transferor Company post the amalgamation of the Transferor Company with the Applicant Company.

20. At the request of the Applicant Company and the Transferor Company M/s. Bansi S Mehta & Co, Chartered Accountants, Mumbai (“Valuers”) after necessary enquiries have submitted their report dated 16th December, 2010 on valuation of shares of the Applicant Company. Their report has been accepted by the Board of the Applicant Company and the Board of Directors of the Transferor Company.
21. The fairness opinion issued by Ernst & Young Merchant Banking Services Private Limited on the valuation done by Bansi S. Mehta & Co., states that the Valuers recommendation of allotment of 1 (One) equity share of the Applicant Company of Rs.10/- (Rupees Ten) each fully paid up, for every 4 (Four) equity share(s) of the Transferor Company of Rs. 10/- (Rupees Ten) each fully paid up, is fair.
22. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy/authorised representative (in case of corporate members) to attend and vote instead of himself, and such proxy/authorised representative need not be a member of the Applicant Company. The instrument appointing the proxy/authorised representative should however be deposited at the registered office of the Applicant Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
23. Inspection of the following documents may be had at the registered office of the Applicant Company up to one day prior to the date of the meeting, between 10:00 A.M. and 12:30 P.M. on all working days, except Saturdays, Sundays and Public Holidays:
- Certified copy of the Order dated 25th March, 2011 of the Hon’ble High Court of Judicature at Bombay, passed in the Company Summons for Direction No. 208 of 2011, directing the convening of the meeting of the Equity Shareholders of the Applicant Company.
 - Scheme of Arrangement.
 - Memorandum of Association and Articles of Association of the Applicant Company and the Transferor Company.
 - Annual Reports of the Applicant Company for the financial year ended 31st March, 2008, 31st March, 2009 and 31st March, 2010.
 - The Audited Statements of Accounts of the Applicant Company for the nine month period ended 31st December, 2010.
 - The Unaudited Statement of Accounts of the Transferor Company as on 31st July, 2010.
 - The Audited Statements of Accounts of the Transferor Company as on 31st December, 2010.
 - Copies of the no objection letters dated 13th January, 2011 and 14th January, 2011 respectively received from the NSE and the BSE.
 - Copy of the Valuation Report of M/s. Bansi S Mehta & Co., Chartered Accountants.
 - Copy of the Fairness Opinion dated 15th December, 2010 issued by Ernst & Young Merchant Banking Services Private Limited on the valuation of shares done by the Valuers.

Sd/-

Balasubramanian Nagarajan
Chairman appointed for the Meeting

Dated this 28th day of March 2011

Registered Office:

Maestros House, MIDC Building No. 2,
Sector 2, Millennium Business Park,
Mahape, Navi Mumbai - 400710,
Maharashtra, India

**SCHEME OF ARRANGEMENT
BETWEEN
CHENNAI NETWORK INFRASTRUCTURE LIMITED
(TRANSFEROR COMPANY/CNIL)
AND
GTL INFRASTRUCTURE LIMITED
(TRANSFeree COMPANY/ GIL)
AND
THEIR RESPECTIVE SHAREHOLDERS**

A. INTRODUCTION AND DESCRIPTION OF THE COMPANIES

1. **CHENNAI NETWORK INFRASTRUCTURE LIMITED** (hereinafter referred to as the **"CNIL/ Transferor Company"**), is a company incorporated on December 8, 2009 under the provisions of the Act (as hereinafter defined) and has its registered office at 6th Floor, Alsa Tower, 186, Poonamallee High Road, Kilpauk, Chennai, Tamil Nadu – 600 010, India. CNIL is an unlisted company.

The Transferor Company is, inter alia, engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers.

On July 19, 2010, the Transferor Company has acquired the passive infrastructure undertaking of and from Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited pursuant to an order passed by the Hon'ble Madras High Court on June 16, 2010, sanctioning the scheme of arrangement between Aircel Limited, Aircel Cellular Limited, Dishnet Wireless Limited on the one hand and the Transferor Company on the other hand.

2. **GTL INFRASTRUCTURE LIMITED** (hereinafter referred to as the **"GIL/ Transferee Company"**), is a company incorporated on February 4, 2004, under the provisions of the Act (as hereinafter defined) and has its registered office at Maestros House, MIDC Building No.2, Sector-2, Millennium Business Park, Mahape, Navi Mumbai, Maharashtra – 400 710, India. Since November 9, 2006, the equity shares of the Transferee Company have been listed on the Bombay Stock Exchange (**"BSE"**) and the National Stock Exchange (**"NSE"**).

The Transferee Company is, inter alia, engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers.

The Transferor Company and the Transferee Company belong to same group. Out of the paid-up capital of the Transferor Company, 51% (Fifty One Per Cent) is held by Tower Trust, (**"Trust"**) through its trustees, Mr. D.S. Gunasingh and Mr. Amit A. Desai (collectively, the **"Trustees"**). The Transferee Company is the beneficiary of the Trust.

B. RATIONALE OF THE SCHEME OF ARRANGEMENT

The Board (as defined hereinafter) of the Transferor Company and the Board of the Transferee Company believe in the following rationale for the Scheme between the Transferor Company and the Transferee Company:

1. The Scheme (as defined hereinafter) will assist in achieving higher long term financial returns than would have been achieved by the Transferor Company and the Transferee Company as separate entities, will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of both the Transferor Company and the Transferee Company leading to synergistic benefits, enhancement of future business potential, increased global competitiveness, cost reduction and efficiencies, productivity gains and logistical advantages, thereby contributing to significant future growth and enhancement of shareholder value.
2. The Scheme will result in rationalization and standardization of the business processes, economies of scale and consolidation of opportunities offered by the Scheme which will contribute to the profits of the Transferee Company thereby further enhancing the overall shareholder value.
3. In view of the aforesaid, the Board of the Transferor Company and the Board of the Transferee Company have approved the Scheme between the Transferor Company and the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Boards of both the companies have formulated this Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act.

C. PURPOSE OF THE SCHEME OF ARRANGEMENT

1. This Scheme provides for the amalgamation of CNIL / the Transferor Company with GIL / the Transferee Company and adjustments to the reserves of the Transferee Company in the manner more particularly set out under the head Accounting Treatment in Clause 16 to the Scheme, pursuant to Sections 391 to 394 and other relevant provisions of the Act.
2. The Scheme also provides for various other matters consequential, supplemental, and/ or otherwise integrally connected herewith.

PART – I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 **“Act”** shall mean the Companies Act, 1956 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.2 **“Appointed Date”** shall mean August 1, 2010 or such other date as may be approved by the High Court (as defined hereinafter);
- 1.3 **“Board”** shall mean the board of directors or any committee thereof of the Transferor Company or the Transferee Company or both of them, as the context may apply;
- 1.4 **“CNIL” or “the Transferor Company”** shall mean Chennai Network Infrastructure Limited, a company incorporated under the provisions of the Act, having its registered office at 6th Floor, Alsa Tower, 186, Poonamallee High Road, Kilpauk, Chennai, Tamil Nadu - 600010, India and shall include without limitation at the close of the business on the day immediately preceding the Appointed Date:-
- 1.4.1 all assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, plant and machinery, equipments, freehold land, leasehold land, buildings and structures, offices, residential and other premises, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, power lines, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, earnest monies, advances or deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses (industrial and otherwise), municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other Persons (as defined hereinafter), guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interests held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including tax deferrals, title, interests, credits, exemptions, other benefits (including tax benefits), easements, privileges, liberties and 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 Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, right to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, records, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer contracts, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company along with any charge, encumbrance, lien or security thereon at the close of the business on the day immediately preceding the Appointed Date;
- 1.4.2 all liabilities and obligations comprised in and relating to the Transferor Company, including all secured and unsecured debts (whether in Indian Rupees or any foreign currencies), liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, encumbrance, lien or security thereon at the close of the business on the day immediately preceding the Appointed Date (**“Liabilities”**);
- 1.4.3 all agreements, rights, contracts, entitlements, permits, licences, approvals, authorisations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations; and
- 1.4.4 all employees (whether permanent / temporary) engaged in or relating to the Transferor Company's business activities and operations;
- 1.5 **“Effective Date”** means the last of the dates on which conditions and matters referred to in Clause 20 of this Scheme occur or have been fulfilled or have been waived by the Board and the certified copies of the orders of the High Court of Bombay and the High Court of Madras, sanctioning this Scheme under Sections 391 to 394 of the Act are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu;
- 1.6 **“Encumbrance”** means any encumbrance including, without limitation, any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including similar entitlements), any provisional or executory attachment and any other interest held by a third party or any right granted by a transaction which, in legal terms not enforceable or, is not the granting of security, but which has an economic or financial effect similar to granting of security in each case under any applicable laws, including by contract;
- 1.7 **“High Court”** shall mean the Hon'ble High Court of Judicature at Bombay having jurisdiction in relation to the Transferee Company and the Hon'ble High Court of Judicature at Madras having jurisdiction in relation to the Transferor Company, as the context may admit and shall include the National Company Law Tribunal, if applicable, to which this Scheme is submitted for sanction under Sections 391 to 394 and other relevant provisions of the Act; and **“High Courts”** shall mean both of them;

- 1.8** "Person" shall include any individual, firm, company or other body corporate, trust, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- 1.9** "Record Date" shall mean the date to be fixed by the Board of the Transferee Company or a committee thereof for reckoning the names of the equity shareholders of the Transferor Company who shall be entitled to equity shares of the Transferee Company on the coming into effect of this Scheme;
- 1.10** "Scheme of Arrangement" or "Scheme" or "this Scheme" or "the Scheme" shall mean this Scheme of Arrangement under Sections 391 to 394 of the Act in its present form or with any modification(s) or amendment(s) made under Clause 19 of this Scheme;

2. INTERPRETATION

In this Scheme, unless the context otherwise requires:-

- 2.1** the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- 2.2** references to one gender include all genders;
- 2.3** any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted;
- 2.4** any reference to any agreement or other document shall be construed as a reference to such agreement or other document as amended by the parties thereto from time to time; and
- 2.5** words in the singular shall include the plural and vice versa.

3. DATE WHEN THE SCHEME COMES INTO OPERATION

This Scheme shall come into operation on and from the Appointed Date but shall be effective on and from the Effective Date.

4. SHARE CAPITAL

- 4.1** The share capital of the Transferor Company as on March 31, 2010 is as follows:

Particulars	Amount (In Rs.)
Authorised Share Capital	
400,00,00,000 equity shares of Rs.10/- each	4000,00,00,000/-
10,00,00,000 preference shares of Rs.100/- each	1000,00,00,000/-
TOTAL	5000,00,00,000/-
Issued Subscribed and Paid-up	
10,50,000 equity shares of Rs.10/- each	1,05,00,000/-
TOTAL	1,05,00,000/-

- 4.2** In addition to the above, the details of the equity shares issued and allotted by the Transferor Company, after March 31, 2010 upto December 16, 2010 are as under:

- 4.2.1** On July 12, 2010, 3,55,92,40,000 (Three Hundred Fifty Five Crore Ninety Two Lakh Forty Thousand) equity shares of Rs.10/- (Rupees Ten) each were issued and allotted by the Transferor Company and accordingly the paid up share capital of the Transferor Company is Rs.3560,29,00,000/- (Rupees Three Thousand Five Hundred Sixty Crore Twenty Nine Lakh) divided into 356,02,90,000 (Three Hundred Fifty Six Crore Two Lakh Ninety Thousand) equity shares of Rs.10/- (Rupees Ten) each.

- 4.3** The share capital of the Transferee Company as on March 31, 2010 is as follows:

Particulars	Amount (In Rs.)
Authorised Share Capital	
300,00,00,000 equity shares of Rs.10/- each	3000,00,00,000/-
5,00,00,000 preference shares of Rs.100/- each	500,00,00,000/-
TOTAL	3500,00,00,000/-
Issued Subscribed and Paid-up	
95,73,48,604 equity shares of Rs.10/- each fully paid up	957,34,86,040/-
TOTAL	957,34,86,040/-

- 4.4** The Transferee Company has not issued and allotted any shares post March 31, 2010.
- 4.5** On November 1, 2010, the Transferee Company had issued notice to its shareholders, by way of postal ballot pursuant to the relevant provisions of the Act, for their approval to the matters therein, including, the issue of equity shares; and / or preference shares; and / or convertible securities; and / or global depository receipts and / or American depository receipts and / or global depository shares and / or

American depository shares, whether through a sponsored offering or otherwise; and /or foreign currency convertible bonds; and /or other depository receipts; and /or other permitted instruments for an issuance upto 100,00,00,000 (One Hundred Crores) equity shares of the Transferee Company including those proposed to be issued pursuant to conversion of convertible securities, in the course of domestic and / or international offerings through private placement and / or preferential allotment and / or qualified institutional placement and / or any other permitted modes. Thus the issue of shares by the Transferee Company as per the approval given by the shareholders in response to the notice issued as above would result in the increase in the paid up share capital to the extent of the such issue/s.

PART – II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY AND DISSOLUTION OF THE TRANSFEROR COMPANY

5. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

5.1 *Generally*

5.1.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall be and stand amalgamated with and shall be deemed to have been amalgamated with the Transferee Company, pursuant to the provisions of sections 391 to 394 and other relevant provisions of the Act, as a going concern, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in this Scheme.

5.2 *Transfer of Assets of the Transferor Company*

5.2.1 Without prejudice to the generality of Clause 5.1, upon the coming into effect of the Scheme and with effect from the Appointed Date:

- (a) All the assets and properties of the Transferor Company of whatsoever nature and wheresoever situate, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested or deemed to be transferred or vested in the Transferee Company, as a going concern, so as to become, as and from the Appointed Date, the assets and properties of the Transferee Company.
- (b) Without prejudice to the provisions of Clause 5.2.1(a) above, in respect of such of the assets and properties of the Transferor Company, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery and / or by endorsement, the same shall be transferred to the Transferee Company and shall upon such delivery or endorsement become the assets and properties of the Transferee Company as an integral part of the Transferee Company, transferred under this Scheme, without requiring any deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in Clause 5.2.1.(b) above, 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, quasi government, local or other authority or body or with any company or other Person, the same shall, on and from the Appointed Date, be and stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may if it so deems appropriate give notice in such form as it may deem fit and proper in its sole discretion, to each Person, debtor, depositor, as the case may be, that the said debt, loan, advance, balance or deposit stand transferred to and vested in the Transferee Company).
- (d) With effect from the Appointed Date, in accordance with the CENVAT Credit Rules, 2004 framed under the Central Excise Act, 1944 as are prevalent at the time of sanction of the Scheme, the CENVAT Credit including the service tax credits lying un-utilised in the Transferor Company shall stand transferred to the Transferee Company, as if the same were the CENVAT Credit availed in the Transferee Company's accounts. It is declared that the transfer of the CENVAT Credit including the service tax credits stands allowed as stock of inputs as such or in process, including capital goods and service tax paid for the input services is also transferred by the Transferor Company to the Transferee Company. The inputs, input services or capital goods on which the credit has been availed of have been duly accounted for.
- (e) The Scheme shall take effect from the Appointed Date for all tax purposes (including income tax, sales tax, excise duty, service tax and Customs duty) and accordingly all taxes payable by the Transferor Company relating to the Transferor Company, from the Appointed Date onwards shall be treated as the tax liabilities of the Transferee Company. Accordingly, upon the Scheme becoming effective from the Appointed Date, the Transferee Company is expressly permitted to file or revise value added tax and sales tax, central excise and other tax returns including the turnover of Transferor Company and to discharge all tax liabilities of such returns and to claim refunds/credits/set-offs, etc., if any, wherever deemed necessary, pursuant to the provisions of the Scheme with effect from the Appointed Date.
- (f) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- (g) In particular, the Infrastructure Provider Category-I (IP-I) registration with the Department of Telecommunications, Government of India, authorisations and any other licences / approvals granted to the Transferor Company, all municipal approvals, permission for establishing cellular towers or receiving stations or any broadband and / or broadcasting approvals and forming part of the Transferor Company shall stand transferred to and vest in, the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions shall endorse, where necessary, and record the name of the Transferee Company on such approvals, clearances and permissions so as to empower and facilitate the approval and amalgamation of the Transferor Company with the Transferee Company, without hindrance or let on and from the Effective Date.
- (h) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, 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 Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become, as and from the Appointed Date, licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5.2.2 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all the assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any of the Act.

5.3 *Transfer of Liabilities of the Transferor Company*

- 5.3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Liabilities of the Transferor Company shall, pursuant to the sanction of this Scheme under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other Person who is party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause of the Scheme.
- 5.3.2 All debts, Liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether or not provided in the books of the Transferor Company, and all debts and loans raised and used and duties, Liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred of / by the Transferee Company by virtue of this Scheme.
- 5.3.3 Where any such debts, Liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 5.3.4 All loans raised and utilized and all Liabilities, duties and obligations incurred or undertaken by the Transferor Company 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 Transferee 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 or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans, liabilities, duties and obligations of the Transferee Company and the Transferee Company shall meet, discharge and satisfy the same.
- 5.3.5 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 Transferor Company and the Transferee Company, shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

5.4 *Encumbrances*

- 5.4.1 The transfer and vesting of the assets of the Transferor Company under Clauses 5.1 and 5.2 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

- 5.4.2 All the Encumbrances, if any, created by the Transferor Company on the Appointed Date and after the Appointed Date and upto the Effective Date in terms of this Scheme, over the assets and properties of the Transferor Company or any part thereof, shall stand transferred to the Transferee Company by virtue of this Scheme. In so far as such Encumbrances secure or relate to the Liabilities of the Transferor Company, the Encumbrances shall, 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 also to the assets and properties of the Transferee Company, (save and except such assets and properties, which are not permitted to be transferred by the Rules and Regulations of the Government (Central / State) and / or Statutory Authorities / Agencies and / or Local Authorities and / or Statutory Bodies and / or other such Authorities) as and by way of a pari passu charge with any existing chargeholder of the Transferee Company.
- 5.4.3 Further, all the Encumbrances, if any, existing over the assets or properties or any part thereof of the Transferee Company or any Encumbrance created over the assets or properties or any part thereof of the Transferee Company prior to or after the Appointed Date and until the Effective Date shall continue to relate and attach to such assets or properties or any part thereof to which they are related or attached prior to the Effective Date and also to the assets and properties of the Transferor Company (save and except such assets and properties, which are not permitted to be transferred by the Rules and Regulations of the Government (Central / State) and / or Statutory Authorities / Agencies and / or Local Authorities and / or Statutory Bodies and / or other such Authorities), as and by way of a pari passu charge with any existing chargeholder of the Transferor Company.
- 5.4.4 For the above purpose, the lenders of the Transferor Company having existing Encumbrances over the assets and properties of the Transferor Company as on the Effective Date and the lenders of the Transferee Company having existing Encumbrances over the assets and properties of the Transferee Company as on the Effective Date shall cede and shall deem to have ceded the charges and Encumbrances in respect of the assets and properties to which they relate as of the Effective Date in favour of each other and shall have a pari passu charge over the assets and properties of the Transferee Company after completion of the amalgamation of the Transferor Company with the Transferee Company.
- 5.4.5 Subject to Clauses 5.4.2 to 5.4.4, any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company shall be construed as a reference to the Transferee Company and any reference in any security documents or arrangements (to which the Transferee Company is a party) to the Transferee Company shall continue to be construed as a reference to the Transferee Company. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or filings for the modification(s) of charge or the creation of charge, with the Registrar of Companies, Maharashtra and / or the Registrar of Companies, Tamil Nadu to give formal effect to the above provisions, if required.
- 5.4.6 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform, as per the terms of this Scheme, all the obligations in respect of the Liabilities of the Transferor Company, which have been transferred to it in terms of the Scheme.
- 5.4.7 It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by statute, expressly or by necessary implication or are as prescribed by the Hon'ble High Courts.
- 5.4.8 The provisions of this Clause 5.4 shall operate in accordance with the terms of this Scheme, 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 and do stand modified and/or superseded (as the case may be) by the foregoing provisions.

5.5 *Inter-se Transactions*

Without prejudice to the provisions of Clauses 5.1 to 5.4, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

6. DISSOLUTION OF THE TRANSFEROR COMPANY

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, pursuant to the provisions of Sections 391 to 394 of the Act.

PART - III

ISSUE OF FRESH EQUITY SHARES

7. CONSIDERATION

- 7.1 In consideration of the amalgamation of the Transferor Company with the Transferee Company, in terms of and on the coming into effect of this Scheme, the Transferee Company shall, without any further application, act, deed or instrument, within 30 (Thirty) days from the Effective Date, issue and allot to each of the shareholders of the Transferor Company holding equity shares of the Transferor Company as on the Record Date or to his / her / its heirs, executors or administrators or, as the case may be, successors or trustees 1 (one) equity share of the face value of Rs.10/- (Rupees Ten) each, in the Transferee Company, credited as fully paid-up shares (the "**GIL Shares**") for every 4 (four) fully paid-up equity shares of the face value of Rs.10/- (Rupees Ten) each held by such equity shareholder or their respective heirs, executors or administrators or, as the case may be, successors or trustees in the Transferor Company on the Record Date. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is hereinafter referred to as the "**Share Exchange Ratio**".

- 7.2** Upon the coming into effect of the Scheme and as an integral part of the Scheme, the share capital of the Transferor Company to the extent of 1,81,57,22,400 (One Hundred Eighty One Crore Fifty Seven Lakh Twenty Two Thousand Four Hundred) equity shares of face value of Rs.10/- (Rupees Ten) each credited as fully paid-up held by the Trust in the Transferor Company, for the benefit of its sole beneficiary i.e. the Transferee Company shall not stand cancelled. The Transferee Company shall issue GIL Shares to the Trust / its trustees in lieu of the shares held by the Trust in the Transferor Company, as on the Record Date as per the Share Exchange Ratio.
- 7.3** On the Scheme becoming effective and as an integral part of the Scheme, the issued, subscribed and the paid-up share capital of the Transferee Company shall stand suitably increased consequent on the issue of the GIL Shares. It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by the Transferee Company in a general meeting for the issue of the GIL Shares under this Scheme and on the members of the Transferee Company approving this Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to the issue of the GIL Shares, as provided in this Scheme.
- 7.4** The provisions of this Clause shall be applicable in relation to the fresh issue of equity shares of the Transferee Company:
- 7.4.1 In so far as the issue of the GIL Shares pursuant to Clauses 7.1 and 7.2 above is concerned, the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice, in writing, by them to the Transferee Company on or before the Record Date, to receive the GIL Shares of the Transferee Company either in physical form or in dematerialized form, in lieu of their shares in the Transferor Company, in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. Those members of the Transferor Company who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required in the notice provided by such shareholders to the Transferee Company on or before the Record Date. It is only thereupon that the Transferee Company shall issue and directly credit the demat/beneficiary account of such member with the GIL Shares of the Transferee Company and the share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of GIL Shares by the Transferee Company to the shareholders of the Transferor Company.
- 7.4.2 Each of the members of the Transferor Company holding shares of the Transferor Company in dematerialized form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive the GIL Shares of the Transferee Company either in physical form or in dematerialized form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in dematerialized form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date.
- 7.4.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered but not bound in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date and to take such decisions as may be necessary, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.
- 7.4.4 The GIL Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company and shall, inter-se, rank pari passu in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 7.4.5 The GIL Shares of the Transferee Company issued in terms of this Scheme will be listed and/or admitted to trading on the BSE and the NSE where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary and agreed by the Transferee Company, in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges, including compliance with the listing agreements of the said exchanges.
- 7.4.6 For the purpose of issue of equity shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory approvals for the issue and allotment by the Transferee Company of the GIL Shares.
- 7.4.7 No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of the GIL Shares by the Transferee Company in accordance with this Scheme. The Board of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the GIL Shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the "Trustee for Fractional Entitlements"), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the Trustee for Fractional Entitlements may in its sole discretion decide and pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

PART - IV

INCREASE IN AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY

8. Upon this Scheme coming into effect, the authorized share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced, without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to the Registrar of Companies, Maharashtra and/or Registrar of Companies, Tamil Nadu as per the provisions of applicable law, by an amount of Rs.50,00,00,00,000/- (Rupees Five Thousand Crore) and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorized share capital so increased.
9. Accordingly, in terms of this Scheme, the authorized share capital of the Transferee Company shall stand enhanced to an amount of Rs.8500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore) divided into 700,00,00,000 (Seven Hundred Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 15,00,00,000 (Fifteen Crore) Preference Shares of Rs.100/- (Rupees One Hundred) each and Clause [V] (a) of the Memorandum of Association and Clause [3] (a) of the Articles of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:
- Clause [V] (a) of the Memorandum of Association:
- “The Authorised Share Capital of the Company is Rs.8500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore) divided into 700,00,00,000 (Seven Hundred Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 15,00,00,000 (Fifteen Crore) Preference Shares of Rs.100/- (Rupees One Hundred) each.”
- Clause [3] (a) of the Articles of Association:
- “The Authorised Share Capital of the Company is Rs.8500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore) divided into 700,00,00,000 (Seven Hundred Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 15,00,00,000 (Fifteen Crore) Preference Shares of Rs.100/- (Rupees One Hundred) each, with the rights, privileges and conditions attached thereto as provided by the Articles of Association of the Company for the time being in force and to divide the share capital for the time being of the Company into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.”
10. It is clarified that no separate resolution under Sections 16, 31 and 94 or any other provision of the Act shall be required to be passed by the Transferee Company separately in a general meeting for increase of the authorised share capital of the Transferee Company and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have approved the increase in the authorised share capital in terms of Sections 16, 31 and 94 and all other provisions of the Act.

PART - V

GENERAL CLAUSES

11. CONDUCT OF BUSINESS

With effect from the Appointed Date and upto and including the Effective Date:-

- 11.1 The Transferor Company shall carry on, in trust, its business and activities in the ordinary course with reasonable diligence and business prudence, including making applications for approvals, licenses, permits and registrations required for the running of the business of the Transferor Company and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other Liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party; or sell, transfer, alienate, charge, mortgage or encumber or deal with the whole or part of the business to be transferred pursuant to the Scheme, save and except in each case in the following circumstances:
- 11.1.1 if 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 Courts;
- 11.1.2 if the same is provided in this Scheme; or
- 11.1.3 if written consent of the Transferee Company has been obtained.
- 11.2 The Transferor Company and the Transferee Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares or shares on a rights basis, bonus shares, convertible debentures or any other form of convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect or have the potential of affecting this Scheme except under any of the following circumstances:
- 11.2.1 by mutual consent of the respective Board of the Transferor Company and the Transferee Company;

- 11.2.2 fresh issue contemplated by Transferee Company, vide its notice issued on November 1, 2010 as stated in Clause 4.5 of the Scheme
- 11.2.3 on the conversion of any convertible securities (including foreign currency convertible bonds and employee stock options) already issued by Transferee Company; or
- 11.2.4 as may be provided under this Scheme.

11.3 The Transferor Company shall not, without the prior consent in writing of the Board of the Transferee Company, undertake any new business.

11.4 The Transferor Company shall not change any employee salary structure or any benefit, perks or schemes made available to the employees of the Transferor Company employed for the conduct of its business activities.

12. LEGAL PROCEEDINGS

12.1 On and from the Effective Date, all suits, actions, arbitrations and other judicial or quasi judicial proceedings by or against the Transferor Company in relation to the provision or conduct of the business and pending or arising subsequent to the Appointed Date shall be continued, prosecuted and enforced by or against the Transferee Company as effectually as if the same had been filed by, pending and/or arising against the Transferee Company.

12.2 After the Appointed Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 12.1 above, it shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company.

13. CONTRACTS, DEEDS AND OTHER INSTRUMENT

13.1 Until the Effective Date, the Transferor Company shall carry on the business activities in the ordinary course and shall not execute any material, extraordinary contract, liability or undertaking without the prior written consent of the Transferee Company.

13.2 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature pertaining to or arising out of the conduct of the ordinary business to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall, without the requirement of any further action or deed on the part of the Transferor Company and/or the Transferee Company, be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

13.3 The Transferee 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, execute deeds of confirmation or any other writings in favour of the secured creditors or other creditors of the Transferor Company or in favour of any other party to any contract or arrangement pertaining to or arising out of the conduct of business to which the Transferor Company is a party or is subject to in order to give formal effect to this Scheme. The Transferee Company shall under the provisions of this Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

14. EMPLOYEES

14.1 On and from the Effective Date, all employees of the Transferor Company employed by the Transferor Company in relation to and/or for the conduct of the business shall become the employees of the Transferee Company on such date without any break in their service, and the terms and conditions of employment shall not be less favourable than those applicable to such employees on the day immediately prior to the Effective Date.

14.2 With effect from the Effective Date, the Transferee Company shall credit each of the employees of the Transferor Company referred to in Clause 14.1 above with years and months of service in the Transferee Company equal to years and months of service by such employees in the Transferor Company upto the Effective Date for the purposes of eligibility for, vesting and accrual of, and entitlement (whether immediate, prospective or contingent) to all retirement, retrenchment and other benefits.

14.3 It is expressly provided that as far as the provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of the employees of the Transferor Company referred to in Clause 14.1 are concerned (collectively the "**Funds**"), upon the Effective Date, the accumulated Funds, the balances lying therein and the investments made by the Funds shall stand transferred and be transferred at an appropriate stage to the corresponding provident fund, gratuity fund, superannuation fund or any other special fund created or designated for this purpose by the Transferee Company to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to the Funds created or existing for the benefit of the employees of the Transferor Company shall become those of the Transferee Company and it is clarified that the service of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid Funds or schemes or provisions.

15. SAVING OF CONCLUDED TRANSACTIONS

15.1 Subject to the terms of this Scheme, the transfer and vesting of the Transferor Company under Clause 5 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART - VI
TREATMENT

16. ACCOUNTING TREATMENT

- 16.1** Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, the fair value of the assets and Liabilities of the Transferor Company and of the fixed assets of the Transferee Company shall be determined as of the Appointed Date.
- 16.2** As considered appropriate for the purpose of reflecting the fair value of assets and Liabilities of the Transferor Company and the Transferee Company in the books of the Transferee Company on the Appointed Date as referred to in Clause 16.1, suitable effect may be given including, but not restricted to, application of uniform accounting policies and methods.
- 16.3** The aggregate excess or deficit of value of the net assets determined as per Clause 16.1 above, and the net effect of the adjustments referred in Clause 16.2 above over the paid-up value of the shares to be issued and allotted to the shareholders of the Transferor Company pursuant to this Scheme, stamp duty and other cost incurred towards execution of the Scheme shall be transferred by the Transferee Company to its capital reserve and such reserve shall be free reserve for being used accordingly except by way of distribution of dividend.
- 16.4** The Reconstruction Reserve in the books of Transferee Company as on the Appointed Date shall be reclassified as Capital Reserve.
- 16.5** Accumulated losses in the books of the Transferee Company as at the beginning of the financial year 2010-2011 shall be adjusted against the resultant capital reserves as per Clauses 16.3 and 16.4 above in the books of the Transferee Company.
- 16.6** Notwithstanding anything stated above, in case of a need for clarification or adjustment, the Transferee Company may, in consultation with its statutory auditors, resolve accounting issues, if any, in the best interests of the Transferee Company and the Transferor Company.

17. DECLARATION OF DIVIDEND

- 17.1** For avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its shareholders as on the respective Record Date for the purpose of dividend, and the shareholders of the Transferor Company shall not be entitled to dividends, if any. However, on and from the earlier of the dates of filing of this Scheme with the respective High Courts and until the Effective Date, the Transferor Company shall declare a dividend only after prior consultation with the Transferee Company.
- 17.2** Until the coming into effect of this Scheme, the shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association.
- 17.3** It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

PART - VII
GENERAL TERMS AND CONDITIONS

18. APPLICATIONS TO THE HIGH COURTS

- 18.1** The Transferor Company and the Transferee Company shall with all reasonable dispatch make applications and file petitions, under Sections 391 to 394 and other relevant provisions of the Act, to / before each of the High Court under whose jurisdiction the Transferor Company and the Transferee Company fall, seeking orders for dispensing with or convening as the case may be, the holding and conducting of the meetings of the respective classes of the shareholders and/or creditors of the Transferor Company and the Transferee Company if so required and as may be directed by the High Courts.
- 18.2** On the Scheme being approved by the requisite majorities of the members of the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company shall with reasonable dispatch respectively apply to the respective High Courts for the sanctioning of the Scheme under the provisions of Sections 391 to 394 and any other applicable provisions (if any) of the Act for the court orders for enabling this Scheme to come into effect.

19. MODIFICATION / AMENDMENT TO THE SCHEME

- 19.1** The Transferor Company and the Transferee Company may, from time to time, make or consent to, on behalf of all Persons concerned any modifications or amendments to this Scheme or to any conditions or limitations which the High Courts and/or any other competent authority may deem fit to approve or direct or impose or such modifications or amendments to the Scheme that do not affect the rights of the Parties to the Scheme and / or such modifications or amendments to the Scheme which may otherwise be considered necessary to resolve all doubts or difficulties that may arise for implementing and/or carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards, or any committee of directors constituted or any other Person authorised in that behalf by the concerned Boards.

19.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Board of the Transferor Company and the Transferee Company or any Person authorised by the respective Board in that behalf may give and is authorised to give all such directions as are necessary or desirable as they may think fit and such determination or directions as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

20. COMING INTO EFFECT

20.1 The Scheme is conditional upon and subject to the following conditions having been fulfilled or waived, pursuant to which, the Scheme shall come into effect on and from the Effective Date:-

- 20.1.1 the Scheme being approved by the respective requisite majorities of the respective classes of members of the Transferor Company and the Transferee Company as may be directed by the High Court and the requisite sanctions and orders of the High Courts being obtained;
- 20.1.2 the filing of the necessary certified copies of the orders of the High Courts with the Registrar of Companies, Maharashtra and/or Registrar of Companies, Tamil Nadu, as the case may be;
- 20.1.3 each party receiving in form and substance satisfactory to it, regulatory, tax, governmental and other consents and approvals which it is necessary or required to be obtained in connection with the entering into or performance of the obligations under this Scheme and such consents and approvals remaining in full force and effect; and
- 20.1.4 such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

20.2 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:-

- 20.2.1 the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders, shall be obtained or passed referred to in Clause 18; and
- 20.2.2 the orders of the High Courts are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu, as the case may be.

21. VALIDITY OF EXISTING RESOLUTIONS

Upon coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee 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 Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

22. REVOCATION OF THE SCHEME AND SEVERABILITY

In the event of any of the said sanctions and approvals referred to in Clauses 18 and 20 of this Scheme not being obtained by the Transferor Company and/or the Transferee Company, as the case may be, and/or the Scheme not being sanctioned by either of the Hon'ble High Courts and/or the orders not being passed as aforesaid on or before the expiry of 12 (Twelve) months from the date of making applications for such sanction to the Hon'ble High Courts or within such further period or periods as may be agreed upon between the Transferor Company through and by its Board and the Transferee Company through and by its Board (and which Boards of each of the Transferor Company and the Transferee Company are hereby authorised and empowered to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers), this Scheme shall stand nullified and shall become void, stand revoked, cancelled and be of no effect and shall be deemed to have never been in effect and all trusts constituted as per the terms hereof shall be deemed to have never been in existence. Further, at any time prior to the sanctioning of this Scheme by the respective High Courts, the Transferor Company and the Transferee Company shall have the right to withdraw this Scheme from any of the respective Hon'ble High Courts and this Scheme shall stand nullified and shall become void, stand revoked, cancelled and be of no effect and shall be deemed to have never been in effect and all trusts constituted hereunder shall be deemed to have never been in existence and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or any of them. In such case, each party shall bear its own cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed. Provided that nothing herein shall prevent the Court from sanctioning the Scheme in part or parts with the approval of the members of the companies concerned with such part or parts.

23. COSTS, CHARGES & EXPENSES

All costs, charges and expenses including duties, levies and all other expenses, of / payable by the Transferor Company and the Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company shall be borne and paid by the Transferee Company alone.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 208 OF 2011**

In the matter of the Companies Act, 1956
And
In the matter of sections 391, 392, 393 and 394 of the Companies Act, 1956
And
In the matter of GTL Infrastructure Limited,
And
In the matter of Scheme of Arrangement between Chennai Network Infrastructure Limited
and GTL Infrastructure Limited and their respective shareholders.

GTL INFRASTRUCTURE LIMITED, a company incorporated and registered under the)
provisions of the Companies Act, 1956 and having its registered office at Maestros)
House, MIDC Building No. 2, Sector 2, Millennium Business Park, Mahape, Navi)
Mumbai - 400710, Maharashtra, India) **... APPLICANT COMPANY / TRANSFEREE COMPANY**

FORM OF PROXY

I / We, _____ the undersigned, being the shareholder(s) of GTL Infrastructure Limited,
the Applicant Company, do hereby appoint Mr. / Ms. _____ of _____
and falling him / her, Mr. / Ms. _____ of _____,
as my / our proxy, to act for me / us at the meeting of the Equity Shareholders of the Applicant Company to be held at Marathi Sahitya Mandir Sabhagriha, Sector 6, Vashi,
Navi Mumbai 400703, Maharashtra, India, on Monday, the 25th day of April, 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, approving with or
without modification(s), the Scheme of Arrangement between Chennai Network Infrastructure Limited and the Applicant Company and their respective shareholders at
such meeting, and at any adjournment or adjournments thereof, to vote, for me / us and in my / our name(s) _____

(here, if for, insert 'for', if against, insert 'against' and in the latter case, strike out the words "either with or without modifications"
after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement, either with or without modification(s)* as my / our proxy may approve.
* strike out whichever is not applicable

Dated this _____ day of _____, 2011

Name _____
Address _____



Signature of Shareholder across the Stamp

(For Demat Holding) DP ID. No. _____ Client Id. No. _____

(For Physical holding) Folio No. _____ No. of Shares held _____

Signature of Proxy _____

Notes:

1. Proxy need not be a member.
2. Alternations, if any, made in the Form of Proxy should be initialed.
3. Proxy must be deposited at the Registered Office of the Applicant Company, not later than **48 (Forty Eight)** hours before the time scheduled/fixed for the said meeting.
4. In case of multiple proxies the proxy later in time shall be accepted.
5. Please affix Revenue Stamp before putting signature.

----- (Tear Here) -----

GTL INFRASTRUCTURE LIMITED

Registered Office : Maestros House, MIDC Building No. 2, Sector 2, Millennium Business Park,
Mahape, Navi Mumbai - 400710, Maharashtra, India

ATTENDANCE SLIP

(For Demat Holding) DP ID. No. _____ Client Id. No. _____

(For Physical holding) Folio No. _____ No. of Shares held _____

NAME AND ADDRESS OF THE SHAREHOLDER (in Block Letters) _____

NAME AND ADDRESS OF THE PROXY HOLDER (in Block Letters, to be filled in by the proxy attending instead of the Shareholder) _____

I/We certify that I/we are the registered shareholder/proxy of the Applicant Company and hereby record my/our presence at the meeting of the Equity Shareholders of the
Applicant Company, convened pursuant to the Order dated 25th day of March, 2011 of the Hon'ble High Court of Judicature at Bombay on Monday, the 25th day of April,
2011 at Marathi Sahitya Mandir Sabhagriha, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra, India at 10:30 a.m.

Signature of the shareholder or proxy _____

Notes:

1. Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after their signature on it.
2. Shareholders who come to attend the meeting are requested to bring with them copy of the notice of the meeting.

BOOK POST

If undelivered, please return to :



GTL INFRASTRUCTURE LIMITED

Regd. Office :

Maestros House, MIDC Building No. 2, Sector 2,
Millennium Business Park, Mahape,
Navi Mumbai - 400710, Maharashtra, India.