



## GTL INFRASTRUCTURE LIMITED

### Notice of Postal Ballot

To,  
The Members,

**NOTICE** is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for the consent of the Members of GTL Infrastructure Limited (hereinafter referred to as "**GIL**" or the "**Company**") for the proposed resolutions set out below, which is sought to be obtained by means of Postal Ballot. The Explanatory Statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration. The Company has appointed a Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self addressed postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours on Monday, March 19, 2012. Please note that Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer will submit his report to the Chairman / Vice Chairman / Whole-time Director after completion of the scrutiny and the result of the voting by Postal Ballot will be announced by the Chairman / Vice Chairman / Whole-time Director of the Company on Thursday, March 22, 2012, at 12.00 Noon at the Corporate Office of the Company at 412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 038.

#### 1. Authorisation for Restructuring of Debts

**To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:**

**"RESOLVED that** subject to applicable provisions of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into with stock exchanges on which the shares of the Company are listed, the applicable rules, notifications, guidelines issued by the Government of India, the Reserve Bank of India and any other regulatory authority (including but not limited to Securities and Exchange Board of India ("**SEBI**"), and subject to approvals, permissions, sanctions and consents as may be necessary from the regulatory and other appropriate authorities (including but not limited to the Securities and Exchange Board of India ("**SEBI**"), the Corporate Debt Restructuring Empowered Group (the "**CDR EG**"), the Reserve Bank of India, Government of India, etc.), which may be agreed to by the Board (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the Company hereby ratifies/ confirms the corporate debt restructuring scheme as approved by the CDR EG vide letter of approval dated December 23, 2011 ("**CDR LOA**") and the Board and any person authorised by the Board in respect thereof from time to time, be and is hereby authorised on behalf of the Company to discuss, negotiate, finalise and execute the documents and implement the CDR LOA including, *inter alia*, issuance of compulsorily convertible debentures, Equity Shares, optionally convertible instruments or any other securities in terms of the CDR LOA, and also discuss, negotiate and finalise the terms of restructuring of Debt of non CDR Lenders such as holders of foreign currency convertible bonds, external commercial borrowing, etc., on the basis of the terms set out in the CDR LOA and as may be agreed between the respective parties, and execute the necessary documents for the same."

#### 2. Issue of Compulsorily Convertible Debentures on Preferential Basis

**To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:**

**"RESOLVED that** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, regulations for preferential issue contained in the **Chapter VII – "Preferential Issue"** of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred to as "**ICDR Regulations**"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities Exchange Board of India ("**SEBI**"), the Reserve Bank of India, etc., and in furtherance of the scheme of corporate debt restructuring approved by the Corporate Debt Restructuring Empowered Group ("**CDR EG**") vide letter of approval dated December 23, 2011 ("**CDR LOA**"), and subject to the approvals, permissions, sanctions and consents as may be necessary from the regulatory and other appropriate authorities (including but not limited to the SEBI, CDR EG, the Reserve Bank of India, the Government of India, etc.), which may be agreed to by the Board (hereinafter referred to as the "**Board**"), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, up to 13,00,00,000 (Thirteen Crores) compulsorily convertible debentures of Rs.100/- (Rupees Hundred only) each, in one or more combinations, thereof, as under and as detailed in the Explanatory Statement:

1. zero coupon compulsorily convertible debentures ("**Zero Coupon CCDs**") of the face value of Rs. 100/- (Rupees One Hundred only) each to the Promoters (body corporate, companies, trusts, overseas corporate bodies, individuals, etc.) and to the CDR Lenders (in respect of Funded Interest Term Loan); and
2. 1% (one percent) coupon compulsorily convertible debentures ("**One Percent CCDs**") (either cumulative or non-cumulative) of the face value of Rs. 100/- (Rupees One Hundred only) each to the CDR Lenders, (in respect of debt and coupon thereof)

whether they are Members of the Company or not, on the basis of preferential allotment and in such manner and on such other terms and conditions including but not limited to assurance of equity on conversion thereof, terms of dividend and terms of conversion, as the Board may in its absolute discretion think fit.

**RESOLVED FURTHER that** each Zero Coupon CCDs and each One Percent CCDs shall be compulsorily converted into Equity Shares of the Company of the face value of Rs. 10/- (Rupees Ten only) each on or after the respective dates on which the holders of such Zero Coupon CCDs or One Percent CCDs become entitled to apply for the Equity Shares at the dates set out in the Explanatory Statement ("**Entitlement Date**"), which shall not be later than 18 (eighteen) months from the date of allotment of such Zero Coupon CCDs and One Percent CCDs, at the conversion price determined with reference to "**Relevant Date**", which shall be a date 30 (Thirty) days prior to the respective Entitlement Date in accordance with the ICDR Regulations or any other applicable regulations.

**RESOLVED FURTHER that** the Equity Shares to be issued and allotted upon conversion of the Zero Coupon CCDs and One Percent CCDs, as aforesaid, shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER that** for the purpose of giving effect to the aforesaid resolution(s), the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including to seek listing of the Equity Shares to be issued and allotted upon conversion of the Zero Coupon CCDs or One Percent CCDs, and to modify, accept and give effect to any modifications in the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, CDR EG, the Reserve Bank of India, the Government of India, etc.) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, offer and allotment of the Equity Shares arising there from, including utilization of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Members or otherwise with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER that** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors to give effect to this resolution."

#### 3. Option to CDR Lenders for converting Loans into Equity Shares

**To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:**

**"RESOLVED that** pursuant to the provisions of Section 81(3)(b) and other applicable provisions, if any, of the Companies Act, 1956, and the Public Companies (Terms of Issue of Debentures and Raising of Loans with Option to Convert such Debentures or Loans into Shares) Rules, 1977 ("**Rules**"), and any modifications thereto, which the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), be and is hereby authorized to accept, and the consent of the Company be and is hereby accorded to the Board for the allotment of such number of Equity Shares of the face value of Rs.10/- (Rupees Ten only) each to the CDR Lenders which shall not exceed the amount of principal and interest outstanding as on the date of default, in the event of default in payment of the principal or interest thereon under the Scheme of Corporate Debt Restructuring approved by the Corporate Debt Restructuring Empowered Group (CDR EG) vide letter of approval dated December 23, 2011 (CDR LOA), at a price as per the SEBI rules and regulations / Companies Act, 1956, on the exercise by the CDR Lenders of the option to convert the whole or part of their loans, subject to a notice of at least 30 (thirty) days from the CDR Lenders to the Company (hereinafter referred to as the "**Notice of Conversion**").

The conversion by the CDR Lenders shall be in accordance with the following conditions:

- (i) On receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up Equity Shares to the CDR Lenders and such CDR Lenders shall accept the same in satisfaction of the loans of the CDR Lenders so converted, as envisaged under the CDR LOA;
- (ii) The part of the said loans so converted shall cease to carry interest as from the date of conversion and the said loans shall stand correspondingly reduced. Upon such conversion, the repayment installments payable after the date of conversion as per the CDR LOA shall stand reduced proportionately by the amounts of the said loan so converted;
- (iii) The Equity Shares so allotted and issued to the CDR Lenders shall rank *pari passu* with the existing Equity Shares of the Company in all respects, *inter alia*, the dividends and other distributions declared or to be declared in respect of the equity capital of the Company; and
- (iv) In the event that the CDR Lenders exercise the conversion right as aforesaid, the Company shall, if so required by the said CDR Lenders, at its cost, apply to the stock exchanges where the shares of the Company are listed for the listing of the Equity Shares issued to the CDR Lenders as a result of the conversion.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the above resolution.”

By Order of the Board of Directors,



Suresh V Joshi  
Company Secretary

Place: Mumbai  
Date: February 9, 2012

**Registered Office:**

3rd Floor, 'Global Vision', Electronic Sadan No. II,  
M.I.D.C., T.T.C. Industrial Area,  
Mahape, Navi Mumbai - 400 710.

**NOTES:**

1. The consent of the shareholders is solicited by passing a Special Resolution by way of Postal Ballot as detailed in Item Nos. 1 to 3 of the Notice.
2. Explanatory Statement setting out all material facts as required under Section 173 of the Companies Act, 1956, in respect of special business of the Company is appended.
3. The Notice is being sent to all Members through post, whose names would appear in the Register of Members as on Friday, February 3, 2012.
4. The resolution, if assented to by requisite majority, shall be taken as passed on Thursday, March 22, 2012.
5. The Board has appointed Mr. Chetan A. Joshi, a Practicing Company Secretary as the Scrutinizer for conducting the Postal Ballot voting process.
6. A Postal Ballot form along with a self-addressed postage prepaid envelope is sent herewith. The Members are requested to indicate their assent or dissent about the aforesaid business in the Postal Ballot form and return the same to the Scrutinizer not later than the close of working hours on Monday, March 19, 2012. A Postal Ballot form received after this date will be strictly treated as if the reply from the Member has not been received.
7. The result of the Postal Ballot shall be announced by the Chairman/Vice Chairman/Whole-time Director, on Thursday, March 22, 2012, at the Corporate Office of the Company at 412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038, and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman/Vice Chairman/Whole-time Director, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the resolutions.
8. As required by Rule 3(c) of the Companies (Passing of the resolution by postal ballot) Rules 2011, details of dispatch of Notice and Postal Ballot Paper to the shareholders will be published in at least one (1) English and one (1) Vernacular language newspaper circulating in Maharashtra.
9. All documents proposed for approval, if any, in the above Notice are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the result on the Postal Ballot.

**Annexure to the Notice**

**Explanatory Statement Pursuant to Sections 173 of the Companies Act, 1956**

**Item No. 1**

The Special Resolution, as provided in Item No. 1, proposed to be passed by the shareholders of the Company by way of Postal Ballot, shall be deemed to be an authorisation by the shareholders of the Company of the scheme of corporate debt restructuring, provided in the CDR LOA, in terms of Regulation 10 (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Accordingly, the Board recommends passing of the resolution as set out at Item No. 1 of the accompanying notice.

Mr. Manoj G. Tirodkar – Chairman may be deemed to be concerned or interested in passing of the Special Resolution No. 1 to the extent the Zero Coupon CCDs being allotted on preferential basis to Global Holding Corporation Private Limited, in which he is interested, as stated in Item No. 2 below. Except Mr. Manoj G. Tirodkar and to the extent indicated, none of the Directors of the Company is, in any way, concerned or interested in passing of the said resolution.

**Item No. 2**

In view of adverse market conditions and liquidity constraints as detailed in the Directors' Report in the 8<sup>th</sup> Annual Report of the Company for the Financial Year 2010-11, the Company made a reference to Corporate Debt Restructuring (“**CDR**”) cell in July 2011, for restructuring the Company's debts through CDR mechanism. After considering the proposal, the final restructuring package was approved by CDR Empowered Group (“**CDR EG**”) vide letter of approval dated December 23, 2011 (“**CDR LOA**”).

An amount equal to 25% of outstanding restructured domestic debt and the coupon thereon shall be converted into 1% Compulsorily Convertible Debentures (“One Percent CCDs”) of the face value of Rs. 100/- (Rupees One Hundred only) each, which shall be converted into fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each of the Company on the respective Entitlement Dates or such other dates as may be mutually agreed between the Company and the CDR Lenders, as follows:

CDR Lenders Tranche 1 (Entitlement Date – March 31, 2012): Indian Overseas Bank Rs. 191.43 Cr; Union Bank of India Rs. 142.04 Cr; Bank of Baroda Rs. 105.18 Cr; Bank of India Rs. 92.25 Cr; Central Bank of India Rs. 71.73 Cr; Andhra Bank Rs. 66.79 Cr; State Bank of India Rs. 65.61 Cr; Punjab National Bank Rs. 48.91 Cr; United Bank of India Rs. 47.19 Cr; Indian Bank Rs. 34.89 Cr; Life Insurance Corporation of India Rs. 25.73 Cr; Corporation Bank of India Rs. 23.87 Cr; Canara Bank Rs. 23.42 Cr; Oriental Bank of Commerce Rs. 20.42 Cr; State Bank of Patiala Rs. 10.29 Cr; State Bank of Travancore Rs. 10.29 Cr; Vijaya Bank Rs. 10.29 Cr; IDBI Bank Limited Rs. 10.29 Cr and State Bank of Bikaner & Jaipur Rs. 5.15 Cr (Total: Rs. 1005.77 Cr).

CDR Lenders Tranche 2 (Entitlement Date – June 30, 2012): Dena Bank Rs. 19.29 Cr (Total: Rs. 19.29 Cr).

CDR Lenders Tranche 3 (Entitlement Date – December 31, 2012): Bank of Baroda Rs. 12.53 Cr; Bank of India Rs. 31.33 Cr and Dena Bank Rs. 0.04 Cr (Total: Rs. 43.9 Cr).

*The figures given above, as per the CDR LOA, are under reconciliation and the same may undergo change based on the outcome of the reconciliation.*

An amount equal to 25% of overall funded interest term loan (“**FITL**”) shall be converted into zero coupon compulsorily convertible debentures (“**FITL Zero Coupon CCDs**”) of the face value of Rs. 100/- (Rupees One Hundred only) each, which shall be converted into fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each of the Company on the respective Entitlement Dates or such other dates as may be mutually agreed between the Company and the CDR Lenders, as follows:

CDR Lenders Tranche 1 (Entitlement Date – March 31, 2012): Indian Overseas Bank Rs. 14.58 Cr; Union Bank of India Rs.11.11 Cr; Bank of Baroda Rs. 7.97 Cr; Bank of India Rs. 7.11 Cr; Central Bank of India Rs. 5.61 Cr; Andhra Bank Rs. 5.22 Cr; State Bank of India Rs. 5.13 Cr; Punjab National Bank Rs. 3.83 Cr; United Bank of India Rs. 3.69 Cr; Indian Bank Rs. 2.73 Cr; Life Insurance Corporation of India Rs. 2.01 Cr; Corporation Bank of India Rs. 1.87 Cr; Canara Bank Rs. 1.83 Cr; Oriental Bank of Commerce Rs. 1.60 Cr; State Bank of Patiala Rs. 0.81 Cr; State Bank of Travancore Rs. 0.81 Cr; Vijaya Bank Rs. 0.81 Cr; IDBI Bank Limited Rs. 0.81 Cr and State Bank of Bikaner & Jaipur Rs. 0.40 Cr (Total: Rs. 77.93 Cr).

CDR Lenders Tranche 2 (Entitlement Date – December 31, 2012): Bank of Baroda Rs. 0.05 Cr; Bank of India Rs. 0.12 Cr and Dena Bank Rs. 0.70 Cr (Total: Rs. 0.87 Cr).

The figures given above, as per the CDR LOA, are under reconciliation and the same may undergo change based on the outcome of the reconciliation.

The Promoters of the Company shall contribute Rs. 90,16,00,000/- (Rupees Ninety Crore Sixteen Lakh only) by way of subscription to, *inter alia*, zero coupon compulsorily convertible debentures (“**Promoter Zero Coupon CCDs**”) of the face value of Rs. 100/- (Rupees One Hundred only) each, which shall be converted into fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each of the Company on the respective Entitlement Dates or such other dates as may be mutually agreed between the Company and the CDR Lenders, as follows:

Tranche 1 (Entitlement Date – March 31, 2012): Global Holding Corporation Private Ltd Rs. 45.25 Cr.

Tranche 2 (Entitlement Date – December 31, 2012): Global Holding Corporation Private Ltd Rs. 44.91 Cr.

The figures given above in respect of the contribution, as per the CDR LOA, shall be subject to reconciliation and the same may undergo change based on the outcome of the reconciliation.

For the purposes of the Explanatory Statement to the Special Resolution set out in Item No. 2, the FITL Zero Coupon CCDs and the Promoter Zero Coupon CCDs shall be collectively referred to as “**Zero Coupon CCDs**”.

As per the figures given above Zero Coupon CCDs proposed to be issued for up to Rs. 168.94 Crores for Promoters and CDR Lenders, (with respect to FITL) and One Percent CCDs are proposed to be issued for up to Rs. 1068.96 Crores for CDR Lenders, (with respect to Debt and Coupon thereon) aggregating to Rs. 1237.90 Crores. With a view to take care of the revised figures arising on account of reconciliation, it is proposed to take the consent of the shareholders for the issue of Zero Coupon CCDs and One Percent CCDs up to 13,00,00,000 (Thirteen Crores). Hence, in case the reconciliation requires increase / decrease in the number of Zero Coupon CCDs and One Percent CCDs to be issued, in such an event, the figures shown above shall get altered to that extent. However, the total issue of Zero Coupon CCDs and One Percent CCDs will not exceed 13,00,00,000 (Thirteen Crores) of the face value of Rs. 100/- (Rupees One Hundred only) each.

The following details of the proposed preferential issue of Zero Coupon CCDs and One Percent CCDs are disclosed in accordance with the provisions of Chapter VII – “Preferential Issue” of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**ICDR Regulations**”), as amended from time to time:

**a. The object of the preferential issue :**

The object of the issue is restructuring of various liabilities of the Company as per CDR LOA approved by the CDR EG and to make allotments of shares / convertible securities to the CDR Lenders and Promoters as envisaged in the CDR LOA.

**b. The proposal of the Promoters, Directors and Key Management persons of the Company to subscribe to the proposed preferential offer:**

The proposed preferential issue of up to Zero Coupon CCDs to the Promoters as envisaged under the CDR LOA shall be subscribed by Global Holding Corporation Private Limited in which Mr. Manoj Tirodkar – Chairman of the Company has got an interest.

Except the above, none of the directors or key management persons intends to subscribe to the Zero Coupon CCDs or One Percent CCDs.

**c. The Shareholding pattern of the Company before and after the preferential issue :**

As the conversion price for the Zero Coupon CCDs or One Percent CCDs is to be ascertained as per the provisions of the ICDR Regulations and will thus be ascertained only at a date which is 30 (thirty) days prior to the date on which the holders of the Zero Coupon CCDs or One Percent CCDs become entitled to apply for the Equity Shares of the Company, it would thus presently not be possible to calculate the post issue shareholding pattern of the Company upon the conversion of the Zero Coupon CCDs or One Percent CCDs. Accordingly, only the pre issue share holding pattern of the Company, as on February 3, 2012, has been provided hereunder:

Sr. No.	Category	Number of shares	% of Capital
<b>A</b>	<b>Promoter &amp; Promoter Group</b>		
	Bodies Corporate	381,960,169	39.90%
	<b>Sub-Total</b>	<b>381,960,169</b>	<b>39.90%*</b>
<b>B</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
	Mutual Funds / UTI	314	0.00%
	Financial Institutions / Banks	175,903,083	18.37%
	Insurance Companies	2,816,046	0.29%
	Foreign Institutional Investors	7,889,428	0.82%
	Foreign Bank	74,095	0.01%
	<b>Sub-Total</b>	<b>186,682,966</b>	<b>19.50%</b>
<b>(2)</b>	<b>Non-Institutions</b>		
	Bodies Corporate	42,556,514	4.45%
	Individuals	117,935,839	12.32%
	Corporate Body OCBs / Other Foreign Bodies	222,593,066	23.25%
	NRIs	5,620,050	0.59%
	<b>Sub-Total</b>	<b>388,705,469</b>	<b>40.60%</b>
	<b>Total Public Shareholding</b>	<b>575,388,435</b>	<b>60.10%</b>
	<b>GRAND TOTAL</b>	<b>957,348,604</b>	<b>100.00%</b>

\*The shareholding of the Promoter does not include 176,568,219 shares appropriated by IFCI out of which they presently hold 175,536,793 in their Demat Account and the balance 1,031,426 shares have been sold by them. The Delhi High Court has ordered IFCI to transfer the appropriated shares to the Promoters. IFCI has preferred an appeal against the order, which is pending before the Hon'ble Court. In the event, the Court passes an order in favour of the Promoters, then the shareholding of the Promoters shall stand increased by 176,568,219 shares comprising 18.44% of the equity capital.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of Equity Shares of the Company.

**d. Proposed time within which the preferential issue shall be completed:**

The Zero Coupon CCDs and One Percent CCDs will be allotted within the time limit specified under the ICDR Regulations.

**e. The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:**

The preferential issue of Zero Coupon CCDs or One Percent CCDs is proposed to be made to Global Holding Corporation Private Limited and to the CDR Lenders, as has already been detailed in this Explanatory Statement. As the conversion price for the Zero Coupon CCDs or One Percent CCDs is to be ascertained as per the provisions of ICDR Regulations and will thus be ascertained only at a date which is 30 (thirty) days prior to the date on which the holders of the Zero Coupon CCDs or One Percent CCDs becomes entitled to apply for the Equity Shares of the Company, it would presently not be possible to calculate the post issue shareholding pattern of the Company upon the conversion of the Zero Coupon CCDs or One Percent CCDs. The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

For reasons mentioned in (c) above, it would presently not be possible to calculate the post issue shareholding pattern of the Company upon the conversion of the Zero Coupon CCDs or One Percent CCDs, till the price of conversion is fixed.

**f. Undertaking to Recomputed Price :**

The same is not applicable in the present case.

**g. Undertaking to put under Lock-in till the Re-Computed Price is Paid:**

The same is not applicable in the present case.

**h. Certificate from Statutory Auditors :**

M/s. Chaturvedi & Shah & Co, Chartered Accountants, and Yeolekar & Associates, Chartered Accountants - Joint Auditors of the Company have certified that the issue of the Zero Coupon CCDs or One Percent CCDs is being made in accordance with the ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the result on the Postal Ballot.

**i. Relevant Date:**

In the present case, the Relevant Date shall be the date occurring 30 (thirty) days prior to the date on which the holders of the Zero Coupon CCDs or One Percent CCDs, as the case maybe, become entitled to apply for the Equity Shares of the Company as set out in the Explanatory Statement. Such entitlement date may be subject to revision as mutually agreed between the CDR Lenders and the Company.

**j. Lock-in Period:**

The Zero Coupon CCDs, One Percent CCDs and the Equity Shares allotted pursuant to conversion of Zero Coupon CCDs or One Percent CCDs shall be locked in as per the provisions of ICDR Regulations.

The consent of the Members is sought for the issue of these Zero Coupon CCDs, One Percent CCDs, and the Equity Shares allotted pursuant to conversion of the Zero Coupon CCDs and One Percent CCDs, in terms of Section 81 of the Companies Act, 1956, and all other applicable provisions of the Companies Act, 1956, and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's Equity Shares are listed.

The Board recommends passing of the resolution as set out in Item No. 2 of the accompanying notice.

The proposed preferential issue of Zero Coupon CCDs shall be subscribed by Global Holding Corporation Private Limited in which Mr. Manoj Tirodkar – Chairman of the Company has got an interest. Except Mr. Manoj Tirodkar and to the extent indicated, none of the Directors of the Company is, in any way, concerned or interested in passing of the said resolution.

**Item No. 3**

In view of adverse market conditions and liquidity constraints as detailed in the Directors' Report in the 8<sup>th</sup> Annual Report of the Company for the Financial Year 2010-11, the Company made a reference to Corporate Debt Restructuring ("CDR") cell in July 2011, for restructuring the Company's debts through CDR mechanism. After considering the proposal, the final restructuring package was approved by CDR Empowered Group ("CDR EG") vide letter of approval dated December 23, 2011 ("CDR LOA").

CDR LOA includes provision for conversion of restructured debt of the Company in to Equity Shares by the CDR Lenders in case of default in repayment of the principal / interest by the Company on the terms mentioned therein. In terms of provisions under section 81(3) and the Public Companies (Terms of Issue of Debentures and Raising of Loans with Option to Convert such Debentures or Loans into Shares) Rules, 1977, the Company is accordingly required to take this resolution.

The Board recommends passing of the resolution as set out in Item No. 3 of the accompanying notice.

None of the Directors of the Company is concerned or interested in the passing of the resolution.

**By Order of the Board of Directors,**



**Suresh V Joshi**  
Company Secretary

Place: Mumbai

Date: February 9, 2012

**Registered Office:**

3rd Floor, 'Global Vision', Electronic Sadan No. II,  
M.I.D.C., T.T.C. Industrial Area,  
Mahape, Navi Mumbai - 400 710.