

**GTL Infrastructure Limited**

CIN: L74210MH2004PLC144367

**Registered Office:** 3<sup>rd</sup> Floor, "Global Vision" Electronic Sadan - II, MIDC TTC Industrial Area,  
Mahape, Navi Mumbai - 400 710, Maharashtra, India.

**Tel:** 022 27673500 **Fax:** 022 27673666,

**E-mail:** gilshares@gtlinfra.com **Website:** www.gtlinfra.com

**NOTICE OF TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS**

(Convened pursuant to order dated September 8, 2017 passed by the Hon'ble National Company Law Tribunal,  
Bench at Mumbai)

<b>Day</b>	<b>: Wednesday</b>
<b>Date</b>	<b>: 1<sup>st</sup> Day of November 2017</b>
<b>Time</b>	<b>: 2.00 p.m. (1400 hours IST)</b>
<b>Venue</b>	<b>: Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India,</b>

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**Form No. CAA.2**  
**[Pursuant to section 230 (3) and rules 6 and 7)]**  
**Before the National Company Law Tribunal, Bench at Mumbai**  
**Company Scheme Application No. 864 of 2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

AND

In the matter of Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company"/"CNIL") and GTL Infrastructure Limited ("Transferee Company"/"GTL Infra") and their respective shareholders and creditors.

**GTL INFRASTRUCTURE LIMITED**

CIN: L74210MH2004PLC144367 a Company incorporated )  
and registered under the Companies Act, 1956 and having its )  
Registered Office at 3<sup>rd</sup> floor, Global Vision, Electronic Sadan II, )  
MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710 )

**... APPLICANT COMPANY / TRANSFEE COMPANY**

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS (INCLUDING UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDHOLDERS) OF GTL INFRASTRUCTURE LIMITED, THE APPLICANT COMPANY**

**To,**  
**The Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of GTL Infrastructure Limited, (The "Applicant Company"/"Transferee Company")**

**Notice** is hereby given that by an order dated September 8, 2017 in the captioned Company Scheme Application No. 864 of 2017, the Mumbai Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification, the arrangement embodied in the proposed Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company"/"CNIL") and GTL Infrastructure Limited ("Transferee Company"/"GTL Infra") and their respective shareholders and creditors ("Scheme").

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company will be held at Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India, on Wednesday, the 1<sup>st</sup> day of November 2017 at 2.00 p.m. (1400 hours IST) at which time & place the said Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) are requested to attend and to consider and, if thought fit, to pass following Resolution with or without modification.

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any statutory modifications or re-enactment thereof, for the time being in force, the Securities and Exchange Board of India circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the observation letters issued by each of National Stock Exchange of India Limited and BSE Limited both dated September 1, 2017, and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval by the Hon'ble National Company Law Tribunal ("Tribunal"), and subject to such conditions and modifications as may be prescribed or imposed by Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company [hereinafter referred to as "the Board", which term shall be deemed to include committee(s) of the Board, constituted or being constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution], approval of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) be and is hereby accorded to the proposed Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company"/"CNIL") and GTL Infrastructure Limited ("Transferee Company"/"GTL Infra") and their respective shareholders and creditors ("Scheme"), as attached to the notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal and/or any other authority(ies) while sanctioning the Arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Copies of the Scheme and the Explanatory Statement under Sections 230 and 102 of the Act and form of proxy can be obtained free of charge at the Registered Office of the Applicant Company at 3rd Floor, "Global Vision" Electronic Sadan - II, MIDC TTC Industrial Area, Mahape, Navi Mumbai - 400 710, Maharashtra, India. Persons entitled to attend and vote at the meeting, may vote in person or by proxy or by Authorised Representative as stipulated under Section 113 of the Act, provided that all proxies in the prescribed form are deposited at the Registered Office of the company at 3rd floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710 not later than 48 hours before the meeting.

The Hon'ble Tribunal has appointed Mr. Vinod B. Agarwala and failing him, Mr. N. Balasubramanian, both Independent Directors of the Applicant Company as the Chairman of the said meeting including any adjournment or adjournments thereof. The above mentioned Scheme, if approved by the meeting, will be subject to the subsequent approvals of the Equity Shareholders, Secured Creditors of the Applicant Company, the shareholders and creditors of CNIL, the Hon'ble National Company Law Tribunal, Bench at Mumbai and Chennai respectively.

Explanatory Statement under Sections 230 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016 along with copy of the Scheme and other enclosures.

**Vinod B. Agarwala**  
Chairman appointed for the Meeting

**Place:** Mumbai

**Dated this** 15<sup>th</sup> day of September, 2017

**Registered Office:**

3<sup>rd</sup> Floor, "Global Vision", Electronic Sadan No.II MIDC,  
TTC Industrial Area, Mahape, Navi Mumbai - 400710,  
Maharashtra, India

**Tel:** 022 27673500, **Fax:** 022 27673666,

**E-mail:** [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com) **Website:** [www.gtlinfra.com](http://www.gtlinfra.com)

#### Notes

1. This Notice along with the Explanatory Statement under Sections 230 and 102 of the Companies Act, 2013 ("the Act") read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016 is being sent to the Unsecured Creditors (including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company, whose names and addresses appeared in the records of the Applicant Company as on cut of date i.e. June 30, 2017. This Notice along with copy of the Scheme and other enclosures may also be accessed on Company's Website: [www.gtlinfra.com](http://www.gtlinfra.com)
2. **AN UNSECURED CREDITOR (INCLUDING UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDHOLDERS) ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A UNSECURED CREDITOR OF THE COMPANY OR IN THE CASE OF A BODY CORPORATE, BY A REPRESENTATIVE AUTHORISED UNDER SECTION 113 OF THE COMPANIES ACT, 2013 AT THE MEETING OF THE UNSECURED CREDITORS (INCLUDING UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDHOLDERS) OF THE APPLICANT COMPANY.** The authorised representative of a body corporate which is an unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the commencement of the meeting i.e. by 2.00 p.m. (1400 hours IST) on October 30, 2017.
3. The quorum of the meeting of the unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company shall be 15 (Fifteen) unsecured creditors present in person or through authorized representative.
4. All documents referred in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10.00 a.m. (1000 hours IST) and 12.30 p.m. (1230 hours IST) up to the date of the Meeting.
5. All alterations made in the Form of Proxy should be initialed.
6. Unsecured Creditor or Proxy, attending the meeting, is requested to bring the copy of the attendance slip duly completed and signed.
7. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company, voting in person or by proxy, agree to the Scheme.
8. As directed by Hon'ble Tribunal, Mr. Chetan A. Joshi, Practicing Company Secretary (FCS:7052 CP:7744) shall act as Scrutinizer to scrutinize votes cast through Poll / Ballot Paper / Electronic Voting System at the Meeting.

9. The Scrutinizer shall immediately after the conclusion of voting at the meeting count the votes cast at the meeting through ballot / Poll / Electronic Voting System at the meeting venue in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman appointed by the Hon'ble Tribunal, who shall countersign the same. The scrutinizer's decision on the validity of the vote shall be final.
10. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) either by registered post or speed post or by courier service. The Notice will be displayed on the website of the Applicant Company [www.gtlinfra.com](http://www.gtlinfra.com)
11. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at [www.gtlinfra.com](http://www.gtlinfra.com) for information of the Shareholders, besides being communicated to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
12. Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) are requested to forward their queries on the Scheme to the Company Secretary at least 10 days in advance.
13. The Route map showing direction to reach the venue is annexed.

**Before the National Company Law Tribunal, Bench at Mumbai  
Company Scheme Application No. 864 of 2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

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**GTL INFRASTRUCTURE LIMITED**

CIN: L74210MH2004PLC144367 a Company incorporated )  
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Registered Office at 3<sup>rd</sup> floor, Global Vision, Electronic Sadan II, )  
MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710 )

**... APPLICANT COMPANY / TRANSFEE COMPANY**

**EXPLANATORY STATEMENT UNDER SECTIONS 230 AND 102 OF THE COMPANIES ACT, 2013 ("THE ACT") FOR THE MEETING OF THE UNSECURED CREDITORS (INCLUDING UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDHOLDERS) OF GTL INFRASTRUCTURE LIMITED DIRECTED TO BE CONVENED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT MUMBAI**

**Details of the Companies or Parties involved in the Scheme:**

- 1. GTL Infrastructure Limited** - referred to as "the Applicant Company" or "the Transferee Company" or "GTL Infra"
- 2. Chennai Network Infrastructure Limited** - referred to as "the Transferor Company" or "CNIL"

The draft Scheme of Arrangement between the above Companies and their respective shareholders and creditors is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Applicant Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company as required under the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
2. Pursuant to the Order dated September 8, 2017 passed by the Hon'ble National Company Law Tribunal, Bench, at Mumbai, ("Tribunal") in the captioned Company Scheme Application No. 864 of 2017 referred to hereinabove, a meeting of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of the Transferee Company is being convened and held at Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India on Wednesday, the November 1, 2017 at 2.00 p.m. (1400 hours IST), for the purpose of considering and, if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Arrangement between the Transferor Company and the Applicant Company / Transferee Company and their respective shareholders and creditors.

The Scrutinizer appointed for conducting the voting process will submit his report to the Chairman appointed by the Hon'ble Tribunal after completion of the scrutiny so as to announce the results of voting at the meeting venue exercised by the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders).

In terms of the said Order, the quorum for the said meeting shall be 15 (Fifteen) unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) present in person or through authorized representative.

In terms of the said Order if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the unsecured creditors (including Unsecured Foreign Currency Convertible Bondholders) are disputed, the Chairman of the meeting shall determine the number or value for the purpose of meeting and his decision in that behalf would be final.

3. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders), of the Applicant Company, voting in person or by proxy, agree to the Scheme.
4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement as approved by the Board of Directors of the Applicant Companies at their respective board meetings held on April 22, 2017, is attached to this Explanatory Statement and forms part of this Statement.

## 5. Detail of the Companies

### 5.1 GTL Infrastructure Limited ("Applicant Company"/"Transferee Company" / "GTL Infra")

- a) The Applicant Company was incorporated on February 4, 2004 under the provisions of the Companies Act, 1956 under the name of 'GTL Engineering and Managed Network Services Limited as public limited Company, having Corporate Identification No. (CIN) L74210MH2004PLC144367. Subsequently the name of the Applicant Company was changed to its present name, i.e. "GTL Infrastructure Limited" with effect from February 01, 2005. Permanent Account Number (PAN) of GTL Infra is AACCG2107K.
- b) The Registered Office of the Applicant Company is situated at 3rd floor, "Global Vision" Electronic Sadan - II, MIDC. TTC. Industrial Area, Mahape, Navi Mumbai - 400 710, Maharashtra, India and e-mail address is [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com)
- c) 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 Centers, 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 center 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 dialers, 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 center 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 3 G, 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 fiber, duct space, towers, switches, bandwidth, provisioning of satellite data, communication links including termination and onward connectivity through optical fiber 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 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 counseling 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.
- d) The Applicant Company commenced its business in the year 2004 and is *inter-alia* engaged in the business of providing the Shared Telecom Tower Infrastructure services in India. GTL Infra is one of the leading independent telecom tower infrastructure providers that deploys, owns and manages telecom towers and communication structures for all wireless telecom operators. The Applicant Company is registered as an Infrastructure Provider Category 1 (IP-1) with the Department of Telecommunications, Government of India.
  - e) There is no change in name, registered office and objects of the Applicant Company during last five years.
  - f) The equity shares of the Applicant Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Foreign Currency Convertible Bonds ("FCCB") of the Applicant Company are listed on Singapore Exchange Securities Trading Limited.
  - g) The authorized, issued, subscribed and paid up share capital of the Applicant Company as on the June 30, 2017 is as under:-

Particulars	Amount (Rs.)
<b>Authorized</b>	
600,00,00,000 equity shares of Rs.10/- each	6000,00,00,000/-
10,00,00,000 preference shares of Rs.100/- each	1000,00,00,000/-
<b>TOTAL</b>	7000,00,00,000/-
<b>Issued, Subscribed and Paid – Up:</b>	
415,22,99,157 equity shares of Rs. 10/- each fully paid up.	4152,29,91,570/-
<b>TOTAL</b>	4152,29,91,570/-

Subsequent to June 30, 2017 the Applicant Company has allotted 4,88,268 and 5,42,52,000 equity shares of Rs. 10 each on July 13, 2017 and September 12, 2017 respectively upon conversion of FCCBs. Consequently the Issued, Subscribed and Paid-up Capital of the Applicant Company has increased to Rs. 4207,03,94,250/-

- h) The details of the promoters and directors of the Applicant Company along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoters &amp; Promoter Group</b>		
1	GTL Limited	'Global'vision "Electronic Sadan No. II MIDC, TTC, Industrial Area, Mahape, Navi Mumbai 400710
2	Global Holding Corporation Private Limited	201-A, 2nd Floor, Janmabhoomi Chambers Walchand Hirachand Marg, Ballard Estate Mumbai 400038
<b>Directors</b>		
1	Mr. Manoj G. Tirodkar (DIN: 00298407)	Buckley Court, 21st Floor, Nathalal Parekh Marg, Colaba, Mumbai, 400039, Maharashtra, India
2	Mr. N. Balasubramanian (DIN: 00288918)	71, Belmonte Towers, Mogul Lane, Mahim West, Mumbai 400016, Maharashtra, India
3	Mr. Milind K. Naik (DIN: 00276884)	15, Shanti Niketan Gurudeo CHS., Kashinath Dhuru Road. Veer Savarkar Marg, Opp Kirti College, Dadar West, Mumbai 400028. Maharashtra India
4	Mr. Charudatta K. Naik (DIN: 00225472)	15, Jumbo Society, 1st Road, TPS 4, Bandra West, Mumbai- 400050, Maharashtra, India
5	Dr. Anand P. Patkar (DIN: 00634761)	52/53, Jayant Apartments, Marathe Marg, Prabhadevi, Mumbai- 400025, Maharashtra India
6	Mr. Vinod B. Agarwala (DIN: 01725158)	T. Madhav Kunj, Dixit Road, Vile Parle East, Mumbai - 400057, Maharashtra India
7	Mr. Vijay M. Vij (DIN: 02245470)	3, Pushpavilla, P.K. Road, Mulund (W) Mumbai- 400080, Maharashtra, India
8	Mrs. Sonali P. Choudhary (DIN: 07139326)	B-203, Silver Gardens, Marol Bazar, J.B. Nagar, Andheri East, Mumbai- 400059, Maharashtra, India

## 5.2 Chennai Network Infrastructure Limited ("Transferor Company" / "CNIL")

- The Transferor Company was incorporated on December 8, 2009 under the provisions of the Companies Act, 1956 under the name of "Chennai Network Infrastructure Limited" as Public Limited Company having Corporate Identification No. (CIN) U64203TN2009PLC073803. Permanent Account Number (PAN) of CNIL is AADCC8088Q.
- 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 and e-mail address is [cnilshares@gmail.com](mailto:cnilshares@gmail.com)
- The main objects of the Transferor Company as set out in its Memorandum of Association are as under:-
  - 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 fiber, 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), Pico cells, Femtocells, In building and Street level Optical Distributed Antenna System, Microwave networks, fiber 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 Center (LDCC) and Short Distance Charging Centers (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 Centers, 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 center 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, dialers, 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 center 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 3 G, 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 fiber, duct space, towers, switches, bandwidth, provisioning of satellite data, communication links including termination and onward connectivity through optical fiber 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 counseling 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.
- d) The Transferor Company commenced its business in the year 2009 and is *inter-alia* engaged in the business of providing the Shared Telecom Tower Infrastructure services in India. CNIL is one of the leading independent telecom tower infrastructure providers that deploys, owns and manages telecom towers and communication structures for all wireless telecom operators. The Transferor Company is registered as an Infrastructure Provider Category 1 (IP-1) with the Department of Telecommunications, Government of India.
- e) There is no change in name, registered office and objects of the Transferor Company during last five years
- f) The equity shares of CNIL are not listed on any Stock Exchange in India or elsewhere.
- g) The authorized, issued, subscribed and paid up share capital of the Transferor Company as on the June 30, 2017 is as follows:-

Particulars	Amount (Rs.)
<b>Authorised</b>	
1000,00,00,000 Equity Shares of Rs.10/- each	10000,00,00,000/-
10,00,00,000 Preference Shares of Rs.100/- each	1000,00,00,000/-
<b>TOTAL</b>	<b>11000,00,00,000/-</b>
<b>Issued, Subscribed and Paid – Up:</b>	
940,45,41,517 Equity Shares of Rs. 10/- each	9404,54,15,170/-
<b>TOTAL</b>	<b>9404,54,15,170/-</b>

Subsequent to June 30, 2017 there has been no change in the share capital of the Transferor Company.

- h) The details of the promoters and directors of the Transferor Company along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoters &amp; Promoter Group</b>		
1	GTL Limited	Global vision "Electronic Sadan No. II MIDC, TTC, Industrial Area, Mahape, Navi Mumbai 400710
2	Global Holding Corporation Private Limited	201-A, 2nd Floor, Janmabhoomi Chambers Walchand Hirachand Marg, Ballard Estate Mumbai 400038
3	Tower Trust – Sole Beneficiary is GTL Infrastructure Limited	Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038
<b>Directors</b>		
1	Mr. Manoj G. Tirodkar (DIN: 00298407)	Buckley Court, 21st Floor, Nathalal Parekh Marg, Colaba, Mumbai, 400039 Maharashtra, India
2	Mr. Milind P. Bengali (DIN: 02106224)	122, Atur Terraces, Cuffe Parade, Mumbai, 400005 Maharashtra, India
3	Mr. Milind K. Naik (DIN: 00276884)	15, Shanti Niketan Gurudeo CHS., Kashinath Dhuru Road. Veer Savarkar Marg, Opp Kirti College, Dadar West, Mumbai 400028 Maharashtra India
4	Mr. Gunasingh Sargurudas Duraiswamy (DIN: 02081210)	Vijay Nagari, Bldg No. 8, Flat No.16, Ghodbunder Road, Kasarwadavali, Thane (West) – 400601 Maharashtra, India
5	Mr. Prasanna M. Bidnurkar (DIN: 02887157)	Laxmi Vishnu Sadan, Maharashi Karve Road, Near Bedekar's Hospital, Naupada, Thane (West)- 400602 Maharashtra, India
6	Mr. Vijay M. Vij (DIN: 02245470)	3, Pushpavilla, P.K. Road, Mulund (W) Mumbai- 400080, Maharashtra, India
7	Ms. Sanjana S. Pawar (DIN: 07139311)	5, Shree Swami Samarth Nagar, Cow Lane, Girgaon, Mumbai, 400004, Maharashtra, India

- i) Information pertaining to Chennai Network Infrastructure Limited as per format specified for Abridge Prospectus as provided in Part D of Schedule VII of ICDR Regulations are enclosed to the Statement as Annexure-8
6. Relationship subsisting between the Companies who are Parties to the Scheme  
GTL Infra and CNIL are part of Global Group of Companies. CNIL is an associate & erstwhile subsidiary of GTL Infra.
7. At the meeting held on April 22, 2017, based on the recommendations of the Audit Committee, the Board of Directors of GTL Infra had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated April 22, 2017 issued by Haribhakti & Co., LLP, Chartered Accountants, an independent valuer, and Fairness Opinion dated April 22, 2017 issued by Ashika Capital Limited, a SEBI registered Merchant Banker.
8. The said Scheme of Arrangement was unanimously approved by all the Directors of GTL Infra and CNIL vide resolutions passed at their respective Board Meetings held on April 22, 2017.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

**(i) GTL Infra**

<b>Name of the Directors of GTL Infra present in the Meeting</b>	<b>Voted in Favour/ Against/ Abstain from voting</b>
Mr. Manoj G. Tirodkar (DIN: 00298407)	Favour
Mr. N. Balasubramanian (DIN: 00288918)	Favour
Mr. Milind K. Naik (DIN: 00276884)	Favour
Mr. Charudatta K. Naik (DIN: 00225472)	Favour
Dr. Anand P. Patkar (DIN: 00634761)	Favour
Mr. Vinod B. Agarwala (DIN: 01725158)	Favour
Mr. Vijay M. Vij (DIN: 02245470)	Favour
Mrs. Sonali P. Choudhary (DIN: 07139326)	Favour

**(ii) CNIL**

<b>Name of the Directors of GTL Infra present in the Meeting</b>	<b>Voted in Favour/ Against/ Abstain from voting</b>
Mr. Manoj G. Tirodkar (DIN: 00298407)	Favour
Mr. Milind P. Bengali (DIN: 02106224)	Favour
Mr. Milind K. Naik (DIN: 00276884)	Favour
Mr. Gunasingh Sargurudas Duraiswamy (DIN: 02081210)	Favour
Mr. Prasanna M. Bidnurkar (DIN: 02887157)	Favour
Mr. Vijay M. Vij (DIN: 02245470)	Favour
Ms. Sanjana S. Pawar (DIN: 07139311)	Favour

**9. Details of the Scheme**

- a) The Scheme provides for amalgamation of Chennai Network Infrastructure Limited into GTL Infrastructure Limited.
- b) "Appointed Date" shall be April 1, 2016.
- c) "Effective Date" means the last of the dates on which conditions and matters referred to in Clause 21 of this Scheme occur or have been fulfilled or have been waived by the Board and the certified copies of the orders of the National Company Law Board, Mumbai Bench and the National Company Law Board, Chennai Bench, sanctioning this Scheme under Sections 230 to 232 of the Act are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu.
- d) Consideration of 1 (One) fully paid-up Equity Share of face value of Rs. 10/- (Rupees Ten only) each of GTL Infrastructure Limited to be issued to the shareholders of the Chennai Network Infrastructure Limited for every 1 (One) fully paid-up Equity Share of the face value of Rs.10/- (Rupees Ten Only) each held by them in Chennai Network Infrastructure Limited under this Scheme.
- e. In 2011, the Transferee Company and the Transferor Company had undergone a Corporate Debt Restructuring ("CDR") program based on which the lenders of the Company had restructured the outstanding debt obligations in line with the then applicable forecasts and revenue projections. Post implementation of the CDR, the financial performance and prospects of the Transferee Company and the Transferor Company were adversely impacted due to external developments, which were beyond the control of the management. To address the current debt issues, the CDR lenders of the Transferee Company and the Transferor Company, at a meeting of the Joint Lender Forum ("JLF") held on September 20, 2016, had unanimously agreed to invoke the Strategic Debt Restructuring Scheme for the Transferee Company and the Transferor Company. In terms of the CDR package of the Transferee Company and the Transferor Company and as per original sanction terms laid down by lenders and further under SDR Scheme, merger of the Transferor Company with the Transferee Company was envisaged. Accordingly, the requisite majority of CDR Lenders in Joint Lenders Forum meeting held on April 5, 2017 in-principally approved the merger.

**f. Rationale of the Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others**

The Board of the Transferor Company and the Board of the Transferee Company believe in the following rationale for the Scheme of Merger ("Scheme") to be made between the Transferor Company and the Transferee Company:

- i The Scheme 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.
- ii 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.

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 230 to 232 and other relevant provisions of the Act.

**g. Purpose of the Scheme**

- i The Scheme will provide for the amalgamation of the Transferor Company with GTL Infra / the Transferee Company and adjustments to the reserves of the Transferee Company in the manner more particularly set out therein, pursuant to relevant provisions of the Act.
- ii The Scheme will also provide for various other matters consequential, supplemental, and/ or otherwise integrally connected herewith.

**h. Salient Features of the Scheme**

- i. Upon the coming into effect of the Scheme and with effect from the 1st April, 2016 ("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 230 to 232 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 Applicant Company by virtue of and in the manner provided in the Scheme.
- ii. All the assets and properties of the Transferor Company of whatsoever nature and wheresoever situate, shall, under the provisions of Sections 230 to 232 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.
- iii. 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 230 to 232 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. Such Liabilities shall constitute obligations of Transferee Company which shall at least rank on a pari passu basis with all other existing liabilities and obligations of the Transferee Company towards its existing lenders or in such order of priority as may be specifically agreed between the erstwhile lenders of the Transferor Company and the existing lenders of the Transferee Company.
- iv. All the Encumbrances, if any, created by the Transferor Company on the Appointed Date and after the Appointed Date and up to the Effective Date in terms of the Scheme, over the assets and properties of the Transferor Company or any part thereof, shall stand transferred to the Transferee Company by virtue of the Scheme, provided that in so far as any Encumbrances that secure or relate to the liabilities of the Transferor Company, the encumbrances shall, continue to relate and attach to such assets of the Transferor Company or any part thereof to which they are related or attached prior to and/or after the Effective Date of the Scheme in terms of the Corporate Debt Restructuring ("CDR") and security documents as executed at the time of CDR for creating such encumbrances, (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). However, in relation to any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme, the Encumbrance of the lenders of the Transferor Company and the Transferee Company shall rank pari passu for the purposes of the satisfaction of the debts;

- v. 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 of the Scheme 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, (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).
- vi. 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 of the Scheme shall not cede and shall be deemed to have not ceded the charges and Encumbrances in respect of the assets and properties to which they relate as of the effective date of the Scheme and shall continue to encumber such assets and properties of the Transferor Company and Transferee Company respectively. Provided that on and from the Effective Date, the secured lenders to the Transferor Company and Transferee Company (including the Rupee Lenders) shall have a pari passu charge on (a) all current assets of the Transferee Company including the cash flows of the Transferee Company for which the Transferee Company shall only be required to maintain a single combined trust and retention account as required under the respective CDR and security documents as executed at the time of CDR for creating such encumbrances of the Transferor Company and the Transferee Company; and (b) any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme
- vi. On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, pursuant to the provisions of Sections 230 to 232 of the Act.

#### **viii. Consideration**

- a) In consideration of the amalgamation of the Transferor Company with the Transferee Company, in terms of and on the coming into effect of the Scheme, the Transferee Company shall, without any further application, act, deed or instrument, issue and allot to each of the shareholders of the Transferor Company holding equity shares of the Transferor Company 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 "GTL Infra Shares") for every, 1 (One) fully paid-up equity share 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. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is 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 181,57,22,400 (One Hundred Eighty One Crore Fifty Seven Lakh Twenty Two Thousand Four Hundred only) 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 stand effectively cancelled.
- 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 Transferee Company shall stand suitably increased consequent on the issue of the GIL Shares. It is clarified that no special resolution under Section 62 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 the Scheme and on the members of the Transferee Company approving the 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 the Scheme.
- d) The Company is in process of restructuring its Foreign Currency Convertible Bonds. The Share Exchange Ratio has been calculated basis the estimated diluted equity share capital of Transferee Company (~Rs. 51.00 billion), assuming conversion of compulsorily convertible bonds post restructuring of the Foreign Currency Convertible Bonds

#### **ix. Authorised Share Capital**

- a) 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 Rs.11000,00,00,000/- (Rupees Eleven Thousand Crore only) comprising of 1000,00,00,000 (One Thousand Crore) equity shares of Rs.10/- (Rupees Ten only) and 10,00,00,000 (Ten Crore) preference shares of Rs.100/- (Rupees Hundred only) each 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.

- b) Accordingly, in terms of this Scheme, the authorized share capital of the Transferee Company shall stand enhanced to an amount of Rs.18000,00,00,000/- (Rupees Eighteen Thousand Crore only) divided into 1600,00,00,000 (One Thousand Six Hundred Crore) equity shares of Rs.10/- (Rupees Ten only) each and 20,00,00,000 (Twenty Crore) Preference Shares of Rs.100/- (Rupees One Hundred only) each and Clause V (a) of the Memorandum of Association and Article 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.18000,00,00,000/- (Rupees Eighteen Thousand Crore only) divided into 1600,00,00,000 (One Thousand Six Hundred Crore) equity shares of Rs.10/- (Rupees Ten) each and 20,00,00,000 (Twenty Crore) Preference Shares of Rs.100/- (Rupees One Hundred only) each."

Article 3 (a) of the Articles of Association:

"The Authorised Share Capital of the Company is Rs.18000,00,00,000/- (Rupees Eighteen Thousand Crore only) divided into 1600,00,00,000 (One Thousand Six Hundred Crore) equity shares of Rs.10/- (Rupees Ten only) each and 20,00,00,000 (Twenty Crore) Preference Shares of Rs.100/- (Rupees One Hundred only) 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."

**x. 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 business as carried on by it as on the date of filing this Scheme with the National Company Law Tribunal;
  - ⇒ if the same is provided in this Scheme; or
  - ⇒ if written consent of the Transferee Company has been obtained or as disclosed in the accounts of the Transferor Company.
- b) The Transferor Company shall not, without the prior consent in writing of the Board of the Transferee Company, undertake any new business.
- c) 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.
- xi. On and from the Effective Date of the Scheme, 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.

- xii. 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.
- xiii. 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.
- xiv. On and from the Effective Date of this Scheme, 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 of this Scheme.
- xv. The Transferor Company, the Transferee Company and their respective members and creditors shall comply with SDR Scheme in time bound manner.
- xvi. Upon coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the effective date of this Scheme, 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.
- xvii. 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.

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

#### **10. Summary of Valuation Reports including basis of valuation and Fairness opinions**

- i Summary of Valuation Reports obtained from Haribhakti & Co. LLP, Chartered Accountants, an independent valuer.  
  
The valuer has considered Discounted Cash flow method under Income approach and Market price method and comparable companies multiple method under Market approach for valuation exercise. They have assigned appropriate weights to each methodology under the Market Approach and Income Approach to arrive at value for GTL Infra and CNIL.
  - ii Fairness Opinion obtained from Ashika Capital Limited, Merchant Banker.  
  
The Merchant Banker are of the opinion that the Share Exchange Ratio considered for the purpose of amalgamation of CNIL with GTL Infra as per the Scheme is fair and reasonable to the equity Shareholders.
  - iii The valuation reports are available for inspection at the Registered office of the Applicant Company.
  - iv A copy of the Valuation Report and Fairness Opinion are enclosed as Annexure 2 and Annexure 3 respectively.
11. Statutory Auditors of the Applicant Company, M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants had vide certificate dated April 22, 2017 confirmed that the accounting treatment proposed in the Scheme of arrangement is in accordance with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.
12. The proposed Scheme, was placed before the Audit Committee of the Applicant Company at its meeting held on April 22, 2017. The Audit Committee of the Applicant Company took into account the Valuation Report dated April 22, 2017, issued by Haribhakti & Co. LLP, Chartered Accountants and the Fairness Opinion, dated April 22, 2017, issued by Ashika Capital Limited, a Category I Merchant Banker, appointed for this purpose by the Applicant Company. The Audit Committee of the Applicant Company based on the aforesaid, *inter alia*, recommended the Scheme to the Board of Directors of the Applicant Company for its favourable consideration.

**13. Approvals / Sanctions/ No-Objections from Regulatory or any Governmental Authorities**

- i The Company has received, in terms of Regulation 37 of SEBI LODR Regulations, Observation Letters dated September 1, 2017 both from the NSE and BSE. Copies of the said letters are enclosed as Annexure-4.
- ii As required by the SEBI Circular, GTL Infra has filed the Complaints Reports with the NSE and BSE. After filing of the Complaint Reports, GTL Infra has not received any complaint. Copies of the said reports are enclosed as Annexure - 5.
- iii The Company has received approval from Competition Commission of India ("CCI") in terms of Section 31(1) of Competition Act, 2002 vide its letter dated June 15, 2017.

**14. Amounts due to unsecured creditors as on June 30, 2017 (provisional)**

Particulars of amounts due to Unsecured Creditors from respective Companies involved in the Scheme as at June 30, 2017 are detailed herein:

<b>Name of Company</b>	<b>Amount (in Rs.)</b>
GTL Infrastructure Limited	1660,16,33,739
Chennai Network Infrastructure Limited	79,71,51,277

**15. Effect of the Scheme on various parties****a) Directors & Key Managerial Personnel (KMPs)**

The Directors or KMPs of the respective Companies or their relatives involved in the Scheme do not have any other interest in the Scheme except to the extent of their shareholding, if any, in the respective Companies. Further, none of the Directors, Key managerial personnel and/or relatives of the directors / KMPs of the respective Companies involved in the Scheme is concerned or interested, financially or otherwise, in the proposed Scheme. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons. The Directors and KMPs of the Transferor Company shall cease to be Directors and/or KMP consequent to dissolution of Transferor Company upon the Scheme being effective.

**Details of the present Directors and Key Managerial Personnel (KMP) and their respective equity shareholding as on date in other Applicant Companies are as follows:**

**GTL Infrastructure Limited**

<b>Name of Director</b>	<b>Designation</b>	<b>Equity shares held in</b>	
		<b>Applicant Company</b>	<b>Transferor Company</b>
Mr. Manoj G. Tirodkar (DIN: 00298407)	Chairman	5,897,783	NIL
Mr. N. Balasubramanian (DIN: 00288918)	Vice Chairman	5,00,000	NIL
Mr. Milind K. Naik (DIN: 00276884)	Whole- Time Director	19,000	NIL
Mr. Charudatta K. Naik (DIN: 00225472)	Director	13,25,900	NIL
Mr.. Anand P. Patkar (DIN: 00634761)	Director	1,00,000	NIL
Mr. Vijay M. Vij (DIN: 02245470)	Director	63,500	NIL
Mr. Vinod B. Agarwala (DIN: 01725158)	Director	459,000	NIL
Mrs. Sonali P. Choudhary (DIN: 07139326)	Director	67,500	NIL
<b>Key Managerial Personnel</b>			
Mr. Laxmikant Y. Desai	Chief Financial Officer	26,976	NIL
Mr. Nitesh A. Mhatre	Company Secretary	NIL	NIL

## Chennai Network Infrastructure Limited

Name of Director	Designation	Equity shares held in	
		Applicant Company	Transferor Company
Mr. Manoj G. Tirodkar (DIN: 00298407)	Chairman	5,897,783	NIL
Mr. Milind P. Bengali (DIN: 02106224)	Whole – Time Director	NIL	NIL
Mr. Milind K. Naik (DIN: 00276884)	Director	19,000	NIL
Mr. Gunasingh Sargurudas Duraiswamy (DIN: 02081210)	Director	90,000	NIL
Mr. Prasanna M. Bidnurkar (DIN: 02887157)	Director	35,500	NIL
Mr. Vijay M. Vij (DIN: 02245470)	Director	63,500	NIL
Ms. Sanjana S. Pawar (DIN: 07139311)	Director	NIL	NIL
<b>Key Managerial Personnel</b>			
Mr. Ajit M. Shanbhag	Chief Financial Officer	NIL	NIL
Mr. Rajesh B. Shetty	Company Secretary	NIL	NIL

### b) Promoter & Non-Promoter Equity Shareholders of GTL Infra and CNIL

Equity shareholders of CNIL shall be eligible for issuance of Shares of GTL Infra based on the valuation report obtained from Haribhakti & Co. LLP, Chartered Accountants, an independent valuer. The Transferee Company is holding 181,57,22,400 equity shares of Rs. 10 each in the Transferor Company through Trust, in which the Transferee Company is sole beneficiary. Pursuant to Scheme of Arrangement & the provisions of the Act, equity shares held by Trust shall stand effectively cancelled. Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

- c) **Creditors** – The rights and interests of secured creditors and unsecured creditors including Foreign Currency Convertible Bondholders of the Transferee Company or the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner post the Scheme.
- d) **Bondholder Trustee**- The Trustees of unsecured Foreign Currency Convertible Bonds of the Transferee Company shall continue to remain Trustee and accordingly, will not be affected by the Scheme in any manner.
- e) **Depositors / Deposit Trustees**- As of date, the Transferee Company and/or Transferor Company has not accepted any deposits, therefore, the effect of the Scheme on any such public deposit holders or deposit trustee does not arise.
- f) **Employees**- On and from the Effective Date of this Scheme, 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 of this Scheme.

With effect from the Effective Date of this Scheme, the Transferee Company shall credit each of the employees of the Transferor Company 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 of this Scheme for the purposes of eligibility for, vesting and accrual of, and entitlement (whether immediate, prospective or contingent) to all retirement, retrenchment and other benefits.

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 are concerned (collectively the “Funds”), upon the effective date of this Scheme, 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.

## 16. CAPITAL STRUCTURE PRE AND POST SCHEME

### GTL Infrastructure limited

	Pre-Scheme as on April 22, 2017		Post- Scheme(Expected)	
	No. of Shares	Amount (in Rs.)	No. of Shares	Amount (in Rs.)
<b>Authorised Share Capital:</b>				
Equity shares of Rs. 10 each	600,00,00,000	6000,00,00,000/-	1600,00,00,000	16000,00,00,000/-
preference shares of Rs.100/- each	10,00,00,000	1000,00,00,000/-	20,00,00,000	2000,00,00,000/-
<b>Total</b>		<b>7000,00,00,000/-</b>		<b>18000,00,00,000/-</b>
<b>Issued Subscribed and Paid-up</b>				
Equity shares of Rs. 10 each	415,22,99,157	4152,29,91,570/-	1174,11,18,274	11741,11,82,740/-
<b>Total</b>		<b>4152,29,91,570/-</b>		<b>11741,11,82,740/-</b>

**Note 1.** Subsequent to June 30, 2017 the Applicant Company has allotted 4,88,268 and 5,42,52,000 equity shares of Rs. 10 each on July 13, 2017 and September 12, 2017 respectively upon conversion of FCCBs. Consequently the Issued, Subscribed and Paid-up Capital of the Applicant Company has increased to Rs. 4207,03,94,250/-

**Note 2.** The above shareholding does not include equity shares to be issued / allotted upon conversion of outstanding Foreign Currency Convertible Bonds.

### Chennai Network Infrastructure Limited

	Pre-Scheme as on April 22, 2017	
	No. of Shares	Amount (in Rs.)
<b>Authorised Share Capital:</b>		
Equity shares of Rs. 10 each	1000,00,00,000	10000,00,00,000/-
preference shares of Rs.100/- each	10,00,00,000	1000,00,00,000
<b>Total</b>		<b>11000,00,00,000/-</b>
<b>Issued Subscribed and Paid-up</b>		
Equity shares of Rs. 10 each	940,45,41,517	9404,54,15,170/-
<b>Total</b>		<b>9404,54,15,170/-</b>

**Note:** 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

## 17. SHAREHOLDING PRE AND POST SCHEME

The pre and post Scheme shareholding patterns of the respective companies involved in the Scheme as on June 30, 2017 is as follows:

### GTL Infra

Sr. No.	Category of Shareholder	Pre-Shareholding		Post-Shareholding	
		No. of shares held	% of total no. of shares	No. of shares held	% of total no. of shares
<b>A</b>	<b>Promoter &amp; Promoter Group</b>				
1	Indian	0	0	0	0
a	Individuals/Hindu undivided Family	0	0	0	0
b	Bodies Corporate	628,826,075	15.14	2,389,649,881	20.35
	<b>Sub-total (A)(1)</b>	<b>628,826,075</b>	<b>15.14</b>	<b>2,389,649,881</b>	<b>20.35</b>
<b>2</b>	<b>Foreign</b>				
a	Bodies Corporate	0	0	0	0
	<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	628,826,075	15.14	2,389,649,881	20.35
<b>B</b>	<b>Public Shareholding</b>				
1	Institutions				
a	Mutual Funds	214	0.00	214	0.00
b	Foreign Portfolio Investors	282,914,040	6.81	282,914,040	2.41
c	Financial Institutions/ Banks	2,534,629,828	61.04	7,683,425,163	65.44
d	Insurance Companies	69,842,498	1.68	426,953,586	3.64
e	Venture Capital Funds	0	0	0	0
f	Alternate Investment Funds	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>2,887,386,580</b>	<b>69.54</b>	<b>8,393,293,003</b>	<b>71.49</b>
2	Central Government	0	0	0	0
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3</b>	<b>Non-Institutions</b>				

Sr. No.	Category of Shareholder	Pre-Shareholding		Post-Shareholding	
		No. of shares held	% of total no. of shares	No. of shares held	% of total no. of shares
a	i. Individual shareholders holding nominal share capital upto to Rs.2 lakh	174,198,184	4.2	174,198,184	1.48
	ii. Individual shareholders holding nominal share capital excess of Rs.2 lakh	264,233,008	6.36	269,233,008	2.29
b	NBFCs registered with RBI	0	0	0	0
c	Overseas Depositories (holding DRs) (balancing)	0	0	0	0
d	Employee Trusts	0	0	0	0
e.	Others	197,655,310	4.76	514,744,198	4.38
	<b>Sub-Total (B)(3)</b>	<b>636,086,502</b>	<b>15.32</b>	<b>958,175,390</b>	<b>8.16</b>
	<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)+ (B)(3)</b>	<b>3,523,473,082</b>	<b>84.86</b>	<b>9,351,468,393</b>	<b>79.65</b>
	<b>Total</b>	<b>4,152,299,157</b>	<b>100.00</b>	<b>11,741,118,274</b>	<b>100.00</b>

**Note 1:** Total Number of equity shares does not include 181,57,22,400 equity shares held by GTL Infrastructure Limited through Tower Trust in Chennai Network Infrastructure Limited, since upon coming into effect of the Scheme, such equity shares shall stand effectively cancelled pursuant to the provisions of the Scheme and the Act.

**Note 2:** The above shareholding does not include equity shares to be issued / allotted upon conversion of outstanding Foreign Currency Convertible Bonds issued and to be issued.

**Note 3:** Subsequent to June 30, 2017 the Applicant Company has allotted 4,88,268 and 54,25,20,00 equity shares of Rs. 10 each on July 13, 2017 and September 12, 2017 respectively upon conversion of FCCBs. Consequently the Issued, Subscribed and Paid-up Capital of the Applicant Company has increased to Rs. 4207,03,94,250/-

#### CNIL

Sr. No.	Category of Shareholder	Pre Arrangement % to Share Capital
1	Promoter & Promoter Group	38.03
2	Banks	49.62
3	Financial Institutions	8.92
4	Bodies Corporate	3.37
5	Resident Individuals	0.05
	Total	100.00

**Note:** 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

18. The copy of draft scheme has been filed with the Registrar of Companies.
19. No investigation proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against the Applicant Company.
20. Inspection of the following documents will be open for inspection by the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of the Company at the registered office of the Applicant Company between 10:00 A.M. (1000 hours IST) and 12:30 P.M. (1230 hours IST) on all working days, except Saturdays, Sundays and Public Holidays up to one day prior to the date of the meeting:
  - (a) Copy of the Order dated September 8, 2017 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, in the Company Scheme Application No. 864 of 2017, directing the convening of the meeting of the Unsecured Creditors (Including Unsecured Foreign Currency Convertible Bondholders) of the Applicant Company.
  - (b) Copy of Company Scheme Application No. 864 of 2017
  - (c) Scheme of Arrangement.
  - (d) Memorandum of Association and Articles of Association of the Applicant Company and the Transferor Company.
  - (e) Copy of Annual Reports of the Applicant Company and Transferor Company for the financial year ended March 31, 2017.
  - (f) Copy of Certificate issued jointly by M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants dated April 22, 2017 confirming that the accounting treatment proposed in the Scheme of arrangement is in accordance with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.
  - (g) Copy of Valuation Report dated April 22, 2017 issued by Haribhakti & Co. LLP, Chartered Accountants.

- (h) Copy of Fairness Opinion dated April 22, 2017 issued by Ashika Capital Limited.
- (i) Copy of Observation letters dated September 1, 2017 respectively issued by National Stock Exchange of India Limited and BSE Limited.
- (j) Register of Directors Shareholding of Applicant Company and Transferor Company.
- (k) Copies of the resolution dated April 22, 2017 passed by the respective Board of Directors of the Applicant Company and Transferor Company approving the Scheme of Arrangement;
- (l) Copy of Audit Committee report dated April 22, 2017 recommending Scheme of Arrangement of Applicant Company;
- (m) Copy of Report adopted by the Board of Directors of Applicant Company and Transferor Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the Scheme of Arrangement, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Applicant Company at 3<sup>rd</sup> Floor, "Global Vision", Electronic Sadan No. II MIDC, TTC Industrial Area, Mahape, Navi Mumbai - 400710, Maharashtra, India.

**Vinod B. Agarwala**  
Chairman appointed for the Meeting

**Place:** Mumbai

**Dated this** 15<sup>th</sup> day of September, 2017

**Registered Office:**

3<sup>rd</sup> Floor, "Global Vision", Electronic Sadan No.II MIDC,  
TTC Industrial Area, Mahape, Navi Mumbai - 400710,  
Maharashtra, India

**Tel:** 022 27673500, **Fax:** 022 27673666,

**E-mail:** [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com) **Website:** [www.gtlinfra.com](http://www.gtlinfra.com)



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

**Annexure 1**

**A. INTRODUCTION AND DESCRIPTION OF THE COMPANIES**

1. **CHENNAI NETWORK INFRASTRUCTURE LIMITED** (hereinafter referred to as the “**CNIL**” or the **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 Old No. 34/1, DL New No 403 L, 7th Floor Samson Towers, Pantheon Road, Egmore, Chennai 600 008. 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**” or the **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 3rd Floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710. Since November 9, 2006, the equity shares of the Transferee Company have been listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**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, 19.31% (Nineteen Decimal Thirty One per cent) is held by Tower Trust, (“**Trust**”) through its trustees, Mr. Vijay Vij and Mr. D. S. Gunasingh (collectively, the “**Trustees**”). The Transferee Company is the beneficiary of the Trust.

**B. BACKGROUND**

In 2011, the Transferee Company and the Transferor Company had undergone a Corporate Debt Restructuring (“**CDR**”) program based on which the lenders of the Company had restructured the outstanding debt obligations in line with the then applicable forecasts and revenue projections. Post implementation of the CDR, the financial performance and prospects of the Transferee Company and the Transferor Company were adversely impacted due to external developments, which were beyond the control of the management. To address the current debt issues, the CDR lenders of the Transferee Company and the Transferor Company, at a meeting of the Joint Lender Forum (“**JLF**”) held on September 20, 2016, had unanimously agreed to invoke the Strategic Debt Restructuring Scheme for the Transferee Company and the Transferor Company. In terms of the CDR package of the Transferee Company and the Transferor Company and as per original sanction terms laid down by lenders and further under SDR Scheme, merger of the Transferor Company with the Transferee Company was envisaged.

**C. RATIONALE OF THE SCHEME**

The Board of the Transferor Company and the Board of the Transferee Company believe in the following rationale for the Scheme of Merger (“**Scheme**”) to be made between the Transferor Company and the Transferee Company:

1. The Scheme 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.

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 230 to 232 and other relevant provisions of the Act.

## **D. PURPOSE OF THE SCHEME**

1. The Scheme will provide for the amalgamation of the Transferor Company with GIL / the Transferee Company and adjustments to the reserves of the Transferee Company in the manner more particularly set out therein, pursuant to relevant provisions of the Act.
2. The Scheme will also provide 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, 2013 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.2 “Appointed Date” shall mean April 01, 2016 or such other date as may be approved by the National Company Law Tribunal.
- 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 Old No. 34/1, DL New No 403 L, 7th Floor Samson Towers, Pantheon Road, Egmore, Chennai 600 008 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 and indemnities 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 21 of this Scheme occur or have been fulfilled or have been waived by the Board and the certified copies of the orders of the National Company Law Board, Mumbai Bench and the National Company Law Board, Chennai Bench, sanctioning this Scheme under Sections 230 to 232 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 executorial 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 **"National Company Law Tribunal"** shall mean the National Company Law Board, Mumbai Bench having jurisdiction in relation to the Transferee Company and the National Company Law Board, Chennai Bench 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 230 to 232 and other relevant provisions of the Act; and **"National Company Law Board"** 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 **"Rupee Lenders"** shall collectively mean the existing rupee lenders of the Transferor Company as listed in Part A of Schedule I of the Scheme, and, the existing rupee lenders of the Transferee Company as listed in Part B of Schedule I of the Scheme;
- 1.11 **"Scheme of Arrangement"** or **"Scheme"** or **"this Scheme"** or **"the Scheme"** shall mean this Scheme of Arrangement under Sections 230 to 232 of the Act in its present form or with any modification(s) or amendment(s) made under relevant Clause of this Scheme;
- 1.12 **"SDR Scheme"** shall mean the Scheme for Strategic Debt Restructuring (i) as prescribed under the guidelines issued by the Reserve Bank of India dated June 8, 2015 (Circular Number RBI/2014-15/627) and amendments thereto; and (ii) in accordance with terms and conditions as enclosed in Annexure –I separately.

## 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

The Scheme shall come into operation on and from the Appointed Date.

## 4. SHARE CAPITAL

- 4.1 The share capital of the Transferor Company as on April 17, 2017 is as follows:

Particulars	Amount (In Rs.)
<b>Authorised Share Capital</b>	
1000,00,00,000 equity shares of Rs.10/- each	10000,00,00,000/-
10,00,00,000 preference shares of Rs.100/- each	1000,00,00,000/-
<b>Total</b>	11000,00,00,000/-
<b>Issued Subscribed and Paid-up</b>	
940,45,41,517 equity shares of Rs.10/- each	9404,54,15,170/-
<b>Total</b>	9404,54,15,170/-

4.2 The share capital of the Transferee Company as on April 17, 2017 is as follows:

Particulars	Amount (In Rs.)
<b>Authorised Share Capital</b>	
600,00,00,000 equity shares of Rs.10/- each	6000,00,00,000/-
10,00,00,000 preference shares of Rs.100/- each	1000,00,00,000/-
<b>Total</b>	7000,00,00,000/-
<b>Issued Subscribed and Paid-up</b>	
415,22,99,157 equity shares of Rs.10/- each fully paid up	4152,29,91,570/-
<b>Total</b>	4152,29,91,570/-

## 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

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 230 to 232 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 the 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:

- All the assets and properties of the Transferor Company of whatsoever nature and wheresoever situate, shall, under the provisions of Sections 230 to 232 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.
- 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.
- 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).
- 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.
- 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 230 to 232 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 230 to 232 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 230 to 232 of the Act and all other applicable provisions, if any of the Act. However, such amalgamation of the assets and properties of the Transferor Company into the Transferee Company shall not be deemed to affect the rights of the secured lenders of the Transferor Company and the Transferee Company respectively and the rights of the lenders in relation to all the charges created on the assets and properties of the Transferor Company and the Transferee Company shall be deemed to survive the amalgamation as they existed prior to the Appointed Date, as provided for in Clause 5.4 of this Scheme.

### **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 230 to 232 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. Such Liabilities shall constitute obligations of Transferee Company which shall at least rank on a pari passu basis with all other existing liabilities and obligations of the Transferee Company towards its existing lenders or in such order of priority as may be specifically agreed between the erstwhile lenders of the Transferor Company and the existing lenders of the Transferee Company.



- 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 230 to 232 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 the 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 the Scheme, over the assets and properties of the Transferor Company or any part thereof, shall stand transferred to the Transferee Company by virtue of the Scheme, provided that in so far as any Encumbrances that secure or relate to the liabilities of the Transferor Company, the encumbrances shall, continue to relate and attach to such assets of the Transferor Company or any part thereof to which they are related or attached prior to and/or after the Effective Date of the Scheme in terms of the Corporate Debt Restructuring ("CDR") and security documents as executed at the time of CDR for creating such encumbrances, (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). However, in relation to any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme, the Encumbrance of the lenders of the Transferor Company and the Transferee Company shall rank pari passu for the purposes of the satisfaction of the debts.
- 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 of the Scheme 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, (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).
- 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 of the Scheme shall not cede and shall be deemed to have not ceded the charges and Encumbrances in respect of the assets and properties to which they relate as of the effective date of the Scheme and shall continue to encumber such assets and properties of the Transferor Company and Transferee Company respectively. Provided that on and from the Effective Date, the secured lenders to the Transferor Company and Transferee Company (including the Rupee Lenders) shall have a pari passu charge on (a) all current assets of the Transferee Company including the cash flows of the Transferee Company for which the Transferee Company shall only be required to maintain a single combined trust and retention account as required under the respective CDR and security documents as executed at the time of CDR for creating such encumbrances of the Transferor Company and the Transferee Company; and (b) any assets



or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme.

- 5.4.5 Subject to clause 5.2.2., 5.4.1, 5.4.2, 5.4.3, 5.4.4 and any other particular provisions if any, in the Scheme, any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company shall continue to be construed as a reference to the Transferor Company and any reference in any security documents or arrangements (to which the Transferee Company is a party) to the assets of 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 the Scheme, the Transferee Company alone shall be liable to perform, as per the terms of the 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 provided in the Scheme, no other term or condition of the liabilities transferred to the Transferee Company will be modified by virtue of the Scheme except to the extent that such amendment is required by statute, expressly or by necessary implication or are as prescribed by the relevant authorities.
- 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 230 to 232 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 the Scheme, the Transferee Company shall, without any further application, act, deed or instrument, issue and allot to each of the shareholders of the Transferor Company holding equity shares of the Transferor Company 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, 1 (One) fully paid-up equity share 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. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is 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 181,57,22,400 (One Hundred Eighty One Crore Fifty Seven Lakh Twenty Two Thousand Four Hundred only) 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 stand cancelled.
- 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 62 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 the Scheme and on the members of the Transferee Company approving the 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 the Scheme.
- 7.4 The Company is in process of restructuring its Foreign Currency Convertible Bonds. The Share Exchange Ratio has been calculated basis the estimated diluted equity share capital of Transferee Company (~Rs. 51.00 billion), assuming conversion of compulsorily convertible bonds post restructuring of the Foreign Currency Convertible Bonds.

- 7.5 The provisions of this Clause shall be applicable in relation to the fresh issue of equity shares of the Transferee Company:
- 7.5.1 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.
- 7.5.2 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.
- 7.5.3 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.
- 7.5.4 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.
- 7.5.5 The GIL Shares of the Transferee Company issued in terms of the 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.
- 7.5.6 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.
- 7.5.7 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.

## **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 Rs.11000,00,00,000/- (Rupees Eleven Thousand Crore only) comprising of 1000,00,00,000 (One Thousand Crore) equity shares of Rs.10/- (Rupees Ten only) and 10,00,00,000 (Ten Crore) preference shares of Rs.100/- (Rupees Hundred only) each 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.18000,00,00,000/- (Rupees Eighteen Thousand Crore only) divided into 1600,00,00,000 (One Thousand Six Hundred Crore) equity shares of Rs.10/- (Rupees Ten only) each and 20,00,00,000 (Twenty Crore) Preference Shares of Rs.100/- (Rupees One Hundred only) each and Clause V (a) of the Memorandum of Association and Article 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.18000,00,00,000/- (Rupees Eighteen Thousand Crore only) divided into 1600,00,00,000 (One Thousand Six Hundred Crore) equity shares of Rs.10/- (Rupees Ten) each and 20,00,00,000 (Twenty Crore) Preference Shares of Rs.100/- (Rupees One Hundred only) each."
- Article 3 (a) of the Articles of Association:
- "The Authorised Share Capital of the Company is Rs.18000,00,00,000/- (Rupees Eighteen Thousand Crore only) divided into 1600,00,00,000 (One Thousand Six Hundred Crore) equity shares of Rs.10/- (Rupees Ten only) each and 20,00,00,000 (Twenty Crore) Preference Shares of Rs.100/- (Rupees One Hundred only) 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 - IV**

### **GENERAL CLAUSES**

#### **11. CONDUCT OF BUSINESS**

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

11.1.1 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:

- (a) 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 National Company Law Tribunal;
- (b) if the same is provided in this Scheme; or
- (c) if written consent of the Transferee Company has been obtained or as disclosed in the accounts of the Transferor Company.

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

11.1.3 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 of the Scheme, 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 aforesaid Clause, 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 of the Scheme, 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 of this Scheme, 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 of this Scheme.

14.2 With effect from the Effective Date of this Scheme, the Transferee Company shall credit each of the employees of the Transferor Company 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 of this Scheme 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 are concerned (collectively the "**Funds**"), upon the effective date of this Scheme, 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 the Scheme, the transfer and vesting of the Transferor Company under the 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 of this Scheme, 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 - V**

### **TREATMENT**

## **16. ACCOUNTING TREATMENT**

- 16.1 The amalgamation shall be accounted for in the books of the Transferee Company in accordance with the "pooling of interests method" prescribed under IndAS 103 "Business Combinations" and/or such other IndAS as may be relevant. Accordingly:
- 16.1.1 All the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form in the books of the Transferee Company.
- 16.1.2 The face value of equity shares issued by the Transferee Company to the Equity Shareholders of the Transferor Company pursuant to this Scheme shall be recorded as equity share capital of the Transferee Company in accordance with the applicable IndAS.
- 16.1.3 The balance of the retained earnings appearing in the financial statements of the Transferor Company (as appearing in the books of accounts of the Transferor Company) shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company. Alternatively, at the option of the Board of the Transferee Company, the same shall be transferred to general reserve, if any, of the Transferee Company.
- 16.1.4 The excess, if any, between the amount recorded as share capital issued by the Transferee Company and the amount of share capital of the Transferor Company shall be transferred to capital reserve in the books of the Transferee Company and such reserve shall be free reserve for being used accordingly except by way of distribution of dividend.
- 16.1.5 The Reconstruction Reserve in the books of Transferee Company as on the Appointed Date shall be reclassified as Capital Reserve.
- 16.1.6 Any inter-company payables/receivables (including loans, advances or debtors etc.) shall be cancelled.
- 16.1.7 In case of any differences in accounting policies between the Transferee Company and the Transferor Company, impact of the same will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of harmonious accounting policies.
- 16.1.8 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 National Company Law Tribunals 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 - VI**

### **GENERAL TERMS AND CONDITIONS**

#### **18. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL**

- 18.1 The Transferor Company and the Transferee Company shall with all reasonable dispatch make applications and file petitions, under Sections 230 to 232 and other relevant provisions of the Act, to / before each of the National Company Law Tribunal 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 National Company Law Tribunal.
- 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 National Company Law Tribunal for the sanctioning of the Scheme under the provisions of Sections 230 to 232 and any other applicable provisions (if any) of the Act for the court orders for enabling this Scheme to come into effect.

#### **19. SDR SCHEME**

The Transferor Company, the Transferee Company and their respective members and creditors shall comply with SDR Scheme in time bound manner.

#### **20. MODIFICATION / AMENDMENT TO THE SCHEME**

- 20.1 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 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 the 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.
- 20.2 For the purpose of giving effect to the 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 the Scheme.

#### **21. COMING INTO EFFECT**

- 21.1 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 of this Scheme:-
- 21.1.1 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 National Company Law Tribunals and the requisite sanctions and orders of the National Company Law Tribunals being obtained;
- 21.1.2 the transferee entity will take approval of public shareholders through postal ballot and e-voting for the proposed Scheme of Arrangement of Chennai Network Infrastructure Limited and GTL Infrastructure Limited in terms of para 9 (a) of SEBI circular no. CFD/DIL3/CIR/2017/21, dated March 10, 2017.
- 21.1.3 the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it in terms of para 9 (b) of SEBI circular no. CFD/DIL3/CIR/2017/21, dated March 10, 2017.
- 21.1.4 the filing of the necessary certified copies of the orders of the National Company Law Tribunals with the Registrar of Companies, Maharashtra and/or Registrar of Companies, Tamil Nadu, as the case may be;
- 21.1.5 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
- 21.1.6 such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
- 21.2 The Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:-
- the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders, shall be obtained or passed referred to in the Scheme; and
  - the orders of the National Company Law Tribunals are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu, as the case may be.



## **22. VALIDITY OF EXISTING RESOLUTIONS**

Upon coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the effective date of this Scheme, 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.

## **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.

### **SCHEDULE I**

#### **Part A – List of Rupees lenders of the Transferor Company**

1. Andhra Bank
2. Bank Of Baroda
3. Bank Of India
4. Canara Bank
5. Central Bank Of India
6. Corporation Bank
7. ICICI Bank Limited
8. IDBI Bank Limited
9. Indian Overseas Bank
10. Life Insurance Corporation of India
11. Oriental Bank Of Commerce
12. Punjab National Bank
13. Union Bank Of India

#### **Part B – List of Rupees lenders of the Transferee Company**

1. Andhra Bank
2. Axis Bank Limited
3. Bank of Baroda
4. Bank of India
5. Canara Bank
6. Central Bank of India
7. Corporation Bank
8. Dena Bank
9. IDBI Bank Limited
10. Indian Bank
11. Indian Overseas Bank
12. Life Insurance Corporation of India
13. Oriental Bank of Commerce
14. Punjab National Bank
15. State Bank of India (Erstwhile State Bank of Bikaner & Jaipur)
16. State Bank of India
17. State Bank of India (Erstwhile State Bank of Patiala)
18. State Bank of India (Erstwhile State Bank of Travancore)
19. Union Bank of India
20. United Bank of India
21. Vijaya Bank

### **ANNEXURE – I of the Scheme**

Executed Term Sheets between the Transferor Company and its JLF lenders and between Transferee Company and its JLF lenders to be annexed separately

**HARIBHAKTI & CO. LLP**

Chartered Accountants

Ref: CFAS-2/R-635/0423/B

22<sup>nd</sup> April 2017**The Board of Directors****GTL Infrastructure Ltd.**

3rd Floor, "Global Vision"

Electronic Sadan No.II

MIDC, TTC Industrial Area

Mahape, Navi Mumbai - 400710

**The Board of Directors****Chennai Network Infrastructure Ltd.**

Door No. 34/1 DL, New No.403/L,

Samson Tower, 7th Floor,

Pantheon Road, Egmore

Tamil Nadu - 600008

**Re: Recommendation of Share Exchange Ratio for the purpose of Proposed Merger of Chennai Network Infrastructure Limited into GTL Infrastructure Limited**

Dear Sirs,

We, Haribhakti & Co. LLP ("H&Co."), have been appointed vide letter dated 7 November 2016 to undertake the valuation of GTL Infrastructure Limited ("GTL Infra") and valuation of Chennai Network Infrastructure Limited ("CNIL") (hereinafter collectively referred to as "the Companies") and to recommend Share Exchange Ratio ("Share Exchange Ratio") for the purpose mentioned in para 1 below. We are pleased to present herewith our report on the same.

1. Scope and Purpose of Valuation
  - 1.1. We understand that the managements of the Companies are proposing to merge CNIL into GTL Infra, with effect from the Appointed Date of 1 April, 2016. This is proposed to be achieved by a Scheme of Amalgamation under the provisions of Sections 230 - 232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme").
  - 1.2. We understand from the management of the Companies that post implementation of Strategic Debt Restructuring ("SDR"), 19.53% of the total paid-up capital of CNIL will be held by Tower Trust ("Trust"). GTL Infra is the sole beneficiary of the Trust. On the Scheme becoming effective, the equity shares held by Trust into CNIL will be cancelled;
  - 1.3. GTL Infra and CNIL are, inter alia, engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers
  - 1.4. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter.

## 2. Sources of Information

For the purpose of this report, we have relied upon the following sources of information as provided by the management of GTL Infra and CNIL:



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## 2.1. GTL Infra

- Audited Financial statements of GTL Infra for the Financial Year ended 31 March 2016;
- Provisional financial statements for the period ended 31 December 2016;
- Financial projections of GTL Infra from 1 January 2017 to 31 March 2022;
- Management Representation Letter dated 10 April 2017;
- Revised shareholding pattern and issued, subscribed and paid up share capital of GTL Infra for the purpose of this valuation exercise.

## 2.2. CNIL

- Audited Financial statements of CNIL for the Financial Year ended 31 March 2013, 2014, 2015 and 2016;
- Provisional financial statements for the period ended 31 December 2016;
- Financial projections of CNIL from 1 January 2017 to 31 March 2022;
- Management Representation Letter dated 10<sup>th</sup> April 2017;
- Revised shareholding pattern and issued, subscribed and paid up share capital of CNIL for the purpose of this valuation exercise.

## 2.3. Draft scheme of amalgamation between CNIL and GTL Infra;

## 2.4. Relevant data and information provided to us by the representatives of CNIL and GTL Infra in written or oral form or in form of soft copy;

## 2.5. Discussions with the representatives of CNIL and GTL Infra regarding the past, current & future business projections of CNIL and GTL Infra.

## 2.6. Information provided by leading database sources, market research reports and other published data.

## 3. Exclusions and Limitations

### 3.1. Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

### 3.2. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of GTL Infra and CNIL.



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- 3.3. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out herein which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.4. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us. We have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of GTL Infra and CNIL. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.5. This report and the information contained herein are intended for the sole use of Board of Directors of GTL Infra and CNIL and only in connection with the purpose of the proposed merger as aforesaid including for the purpose of obtaining requisite approvals. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued. We will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without our written consent.
- 3.6. Further, this report is necessarily based on financial, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. This report exclusively focuses on the valuation of companies proposed to be merged pursuant to the Scheme of Amalgamation and the share exchange ratio and do not address any other issues such as the underlying business decision to recommend the transaction or its commercial merits. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if information provided to us changes.
- 3.7. This report is based on the specific information received from sources mentioned herein and discussions with the management/representatives of GTL Infra and CNIL. We have assumed that no information has been withheld that could have influenced the purpose of our report.
- 3.8. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither ourselves, nor any of our Directors, Officers or Employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report.



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- 3.9. For the present valuation exercise, we have relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by us.
- 3.10. In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by us from the Companies.
- 3.11. The fee for this engagement is not contingent upon the results of the report.
- 3.12. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.13. This report does not in any way constitute a recommendation by us to any shareholders as to whether such shareholders should approve or reject the said Proposed Merger. We urge you to read this report and methodology and other details stated herein carefully and entirely.
- 3.14. Our recommendation is based on the estimates of future financial performance as projected by the management, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 3.15. This report is subject to the laws of India.
- 3.16. This report is prepared for the Board of Directors of GTL Infra and CNIL and to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, stock exchanges where shares of GTL Infra are listed, the shareholders of the Companies, Registrar of Companies, Regional Director, Official Liquidator, High Court of the state where the registered office of GTL Infra and CNIL is located and disclosed on the GTL Infra website if required under any applicable laws in India, in connection with the scheme of amalgamation.
4. Brief Background - GTL INFRA
- 4.1. GTL Infrastructure Limited ("GTL Infra"), is a company incorporated on 4 February, 2004, under the provisions of the Companies Act, 1956. GTL Infra is, inter alia, engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers



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- 4.2. GTL Infra is in the business of shared passive telecom infrastructure in India. GTL Infra is an independent tower company in India. It is registered with the Department of Telecommunications as an infrastructure Provider in Category I (IP-I).
- 4.3. Equity Shares of GTL Infra are listed on BSE limited ("BSE") and National Stock Exchange limited ("NSE").
- 4.4. The issued, subscribed and paid up share capital of GTL Infra as on 31 December 2016 stood at INR 24,600.80 Mn divided into 2,460.08 Mn equity shares of INR 10/- each fully paid up.
- 4.5. As represented to us by the management and representatives of GTL Infra the issued, subscribed and paid up capital has undergone changes post 31 December 2016 on account of conversion of debt instruments and borrowings. Accordingly, we have been informed to consider the revised issued, subscribed and paid up capital of GTL Infra for the current valuation exercise to be INR 50,918 Mn divided in to 5,091.80 Mn shares.
5. Brief Background - CNIL
  - 5.1. CNIL, is a company incorporated on 8 December, 2009, under the provisions of the Companies Act, 1956. CNIL is, inter alia, engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers
  - 5.2. The issued, subscribed and paid up share capital of CNIL as on 31 December 2016 stood at INR 65,955.9 Mn divided into 6,595.59 Mn equity shares of INR 10/- each fully paid up.
  - 5.3. As represented to us by the management and representatives of CNIL, the issued, subscribed and paid up capital has undergone changes post 31 December 2016 on account of conversion of debt instruments and borrowings. Accordingly, we have been informed to consider the revised issued, subscribed and paid up capital of CNIL for the current valuation exercise to be INR 94,045 Mn divided in to 9404.54 Mn shares.
6. Valuation Approach
  - 6.1. Arriving at the share exchange ratio would require determining the fair value of equity shares of GTL Infra and CNIL as at 31 December 2016 (the "Valuation Date"). These values are to be determined independently but on relative basis, and without considering the current transaction.
  - 6.2. We have been provided with financial information up to 31 December 2016 for GTL Infra and CNIL. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our report. The managements of GTL Infra and CNIL have informed us that they do not have any information which is not in public domain and which is likely to result in any events which are unusual or not in normal course of business in the future. The current valuation does not factor impact of any event which is



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unusual or not in normal course of business and not known to the market. Further the management and representatives of the Companies has informed us that all material information impacting the Companies has been disclosed in press releases/to us and as per their best understanding.

- 6.3. We have relied on the representation provided by the management and representatives of Companies for the revised issued, subscribed and paid up capital of the Companies for the current valuation exercise.
- 6.4. We have relied on the above while arriving at the fair exchange ratio for the proposed amalgamation.
- 6.5. There are three generally accepted approaches to valuation:
  - (a) "Cost" approach
  - (b) "Income" approach
  - (c) "Market" approach

### Cost Approach

- 6.6. The Cost approach focuses on the net worth or net assets of a company. The Net Assets Value ("NAV") Method, widely used under the Cost approach, considers the assets and liabilities as stated at their book values. The net assets, after reducing the dues to the preference shareholders, and contingent liabilities, if any, represent the value of the company to the equity shareholders.
- 6.7. In the present case we have not considered Cost Approach for valuation exercise.

### Income Approach

- 6.8. The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow ("DCF") Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.
- 6.9. Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter.
- 6.10. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.
- 6.11. To the equity value so arrived, adjustments need to be made for the value of investments, debt and contingent assets/liabilities, if any, in order to arrive at the value for the equity



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shareholders. The total value for the equity holders so arrived has to be then divided by the number of equity shares in order to work out the value per equity share.

- 6.12. We have considered the Free Cash Flow to Firm ("FCFF") under DCF Method for valuation of GTL Infra and CNIL. The free cash flow available to the enterprise in the explicit period and those in perpetuity are discounted by discounting factor based on weighted average cost of capital.

### Market Approach

- 6.13. Under the Market approach, the valuation is based on the market value of the company in case of listed companies or/and comparable companies trading or transaction multiples of comparable companies. The Market approach generally reflects the investors' perception about the true worth of the company.

### Market Price ("MP") Method

- 6.14. Under the "Market" Approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded.
- 6.15. Since the shares of GTL Infra are listed on NSE and BSE (recognized stock exchange in India) and are freely & frequently traded on such exchanges, we have considered the market price method for valuation of GTL Infra. Since the shares of CNIL are not listed on recognized stock exchange in India, we have not considered this approach for valuation of CNIL.

### Comparable Companies Multiple ("CCM")

- 6.16. Under this method, value of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifested through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.
- 6.17. In the present case, we have considered earnings based valuation multiples based on the comparable listed companies for the valuation of CNIL.

## 7. Conclusion

- 7.1. The basis of merger of CNIL into GTL Infra would have to be determined after considering all the factors and methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses



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Continuation Sheet

## HARIBHAKTI & CO. LLP

Chartered Accountants

of the Companies. Though different values have been arrived at under each of the above methodologies, for the purpose of recommending the share exchange ratios of equity shares it is necessary to arrive at a single value for the share of the Companies. It is however, important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of share exchange ratios.

- 7.2. We have considered DCF Method under Income Approach and for current valuation for both the Companies. We have considered Market price Method for GTL Infra and CCM Method for CNIL. We have assigned appropriate weights to values arrived under Market Approach and Income Approach for the Companies.
- 7.3. The fair share exchange ratio of equity shares of GTL Infra and CNIL has been arrived on the basis of a relative equity valuation for GTL Infra and CNIL based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.
- 7.4. On consideration of all the relevant facts and circumstances, fair ratio of exchange in the event of merger of CNIL with GTL Infra would be:

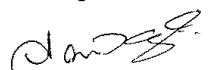
**1 (One) equity share of GTL Infra of INR 10 each fully paid up for every 1 (One) equity shares of CNIL of INR 10 each fully paid up.**

Yours faithfully,

For Haribhakti & Co LLP

Chartered Accountants

Firm Registration No.103523W/W100048



Partner

Name: Manoj Daga

Membership No.: 048523

Place: Mumbai

7<sup>th</sup> June 2017

**The Board of Directors**  
**GTL Infrastructure Ltd**  
 3<sup>rd</sup> Floor, Global Vision  
 Electronic Sadan No.II  
 MIDC, TTC Industrial Area  
 Mahape, Navi Mumbai – 400710

**The Board of Directors**  
**Chennai Network Infrastructure Ltd**  
 Door No.34/1 DL, New No. 403/L,  
 Samson Tower, 7<sup>th</sup> Floor,  
 Pantheon Road, Egmore,  
 Tamil Nadu – 600008

Sub: Report issued on Recommendation of share exchange ratio for merger GTL Infrastructure Ltd and Chennai Network Infrastructure Ltd

Dear Sir,

We Haribhakti & Co. LLP ("H&Co.") have been appointed by GTL Infrastructure Ltd ("GIL") vide letter dated 7<sup>th</sup> November 2016 to undertake valuation of GTL Infrastructure Ltd and valuation of Chennai Network Infrastructure Ltd ("CNIL") and to recommend Share Exchange Ratio for the purpose of proposed merger of CNIL into GIL.

We have received a specific request from you based on the requirement of the stock exchanges in India. In this regard, please find below the valuation workings which formed the basis of determining the exchange ratio referred to in our said report.

**Computation of Fair Share Exchange Ratio**

Valuation Approach	GIL		CNIL	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	2.9	0%	4.9	0%
Income Approach	6.4	50%	6.9	50%
Market Approach	6.0	50%	5.6	50%
<b>Relative Value per Share</b>	<b>6.2</b>		<b>6.3</b>	
<b>Exchange Ratio (rounded off)</b>			<b>1:1</b>	

**RATIO:**

**1 (one) equity share of GIL of INR 10 each fully paid up for every 1 (one) equity share of CNIL of INR 10 each fully paid up**

Yours faithfully,  
 For **Haribhakti & Co. LLP**  
 Chartered Accountant

Firm Registration No. 103523W / W100048



Manoj Daga

Partner

Membership No.: 048523

Haribhakti & Co. LLP, Chartered Accountants (converted on 17th June, 2014 from a firm Haribhakti & Co. FRN: 103523W)  
 Registered offices: 705, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059, India Tel: 91 22 66729999 Fax: +91 22 6672 9777  
 Other offices: Ahmedabad, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, New Delhi, Pune.



## ASHIKA CAPITAL LTD.

CIN: U30009WB2000PLC091674  
SEBI Authorised Merchant Banker  
SEBI Registration No.: INM 000010536

*Strictly Private & Confidential*

April 22, 2017  
ACL: MUM: 2017-18: 0004

To  
The Board of Directors,  
GTL Infrastructure Limited,  
Global Vision, Electronic Sadan – II,  
MIDC, TTC Industrial Area,  
Mahape,  
Navi Mumbai – 400710.

To  
The Board of Directors,  
Chennai Network Infrastructure Limited,  
Door No. 34/1 DL, New No. 403/L,  
7<sup>th</sup> Floor Samson Towers,  
Pantheon Road, Egmore,  
Chennai-600008.

Dear Sir/Madam,

Ref: Fairness Opinion on the Proposed Scheme of Arrangement and Amalgamation between GTL Infrastructure Limited ('GIL') and Chennai Network Infrastructure Limited ('CNIL')

We, Ashika Capital Limited ('Ashika'), refer to the Engagement Letter dated April 11, 2017, wherein the management of the GIL has appointed us to issue a Fairness Opinion on the Share Exchange Ratio on the Amalgamation (as defined below) recommend by Haribhakti & Co. LLP ('Valuer') in their Valuation Report being issued in respect of the proposed Scheme of Arrangement and Amalgamation amongst GTL Infrastructure Limited ('GIL') and Chennai Network Infrastructure Limited ('CNIL') and their respective Shareholders and Creditors ('Scheme') under Sections 230 to Section 232 and other applicable provisions, if any, of the Companies Act, 2013.

We understand that, under the Scheme, the management of GTL and CNIL are contemplating that, upon the coming into effect of the Scheme and with effect from the Appointed Date, as defined in the Scheme, the Chennai Network Infrastructure Limited ('Transferor Company') shall be and stand amalgamated with and shall be deemed to have been amalgamated with the GTL Infrastructure Limited ('Transferee Company') [Amalgamation] pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013 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 the Scheme.



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1008, 10th Floor, Raheja Centre  
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### Brief Background:

*Chennai Network Infrastructure Limited* ("CNIL" or "Transferor Company"), is a company incorporated on December 8, 2009 under the provisions of the Companies Act, 1956 and has its registered office at Old No. 34/1, DL New No 403 L, 7th Floor Samson Towers, Pantheon Road, Egmore, Chennai 600 008. 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.

*GTL Infrastructure Limited* ("GIL" or "Transferee Company"), is a company incorporated on February 4, 2004, under the provisions of the Companies Act, 1956 and has its registered office at 3rd Floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710. Since November 9, 2006, the equity shares of the Transferee Company have been listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("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, 27.53% (Twenty Seven Decimal Fifty Three per cent) is held by Tower Trust, ("Trust") through its trustees, Mr. Vijay Vij and Mr. D. S. Gunasingh (collectively, the "Trustees"). The Transferee Company is the beneficiary of the Trust.

In 2011, the Transferee Company and the Transferor Company had undergone a Corporate Debt Restructuring ("CDR") program based on which the lenders of the Company had restructured the outstanding debt obligations in line with the then applicable forecasts and revenue projections. Post implementation of the CDR, the financial performance and prospects of the Transferee Company and the Transferor Company were adversely impacted due to external developments, which were beyond the control of the management. To address the current debt issues, the CDR lenders of the Transferee Company and the Transferor Company, at a meeting of the Joint Lender Forum ("JLF") held on September 20, 2016, had unanimously agreed to invoke the Strategic Debt Restructuring Scheme for the Transferee Company and the Transferor Company. In terms of the CDR package of the Transferee Company and the Transferor Company and as per original sanction terms laid down by lenders and further under SDR Scheme, merger of the Transferor Company with the Transferee Company was envisaged.



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### Scope & Purpose:

The Transferee Company has appointed Haribhakti & Co. LLP ('Valuer') to carry out the valuation of GIL & CNIL and recommend the Share Exchange Ratio for the Amalgamation.

For arriving at the value of GIL, the Valuer has used Discounted Cash Flow Method (DCF) & Market Price Method and for CNIL, Discounted Cash Flow Method (DCF) & Comparable Companies Method have been used.

The Valuer vide its Draft Valuation Report dated April 20, 2017 & Final Valuation Report dated April 22, 2017 ('Valuation Report') has recommended that the equity shareholders of CNIL will be entitled to receive 1 equity share of face of INR 10/- each of GIL of Rs. 10/- each for every 1 equity shares of face of INR 10/-each held in CNIL.

The Transferee Company in terms of the Engagement Letter has appointed Ashika Capital Limited to examine the Valuation Report and such other information provided by GIL and issue a fairness opinion on the Share Exchange Ratio in respect of the proposed Amalgamation ('Fairness Opinion').

We have reviewed the methodologies as mentioned above adopted by the Valuer for arriving at the fair valuation of the equity shares of the Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches, for determining their respective share prices and to recommend the Share Exchange Ratio.

Scope of this Fairness Opinion includes commenting only on the fairness of the Share Exchange Ratio recommended by the Valuer and not on the fairness or economic rationale of the Scheme.

This Fairness Opinion is addressed to the Board of Directors of "GIL" & "CNIL". This Fairness Opinion is subject to the scope, assumptions, exclusions, scope limitations and declarations detailed hereinafter. As such the Fairness Opinion is to be read in totality not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

This Fairness Opinion has been issued only for the purpose of opting on the fairness of the Share Exchange Ratio for the Amalgamation under the proposed Scheme and should not be used for any other purpose.



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### Sources of Information:

For the purpose of examination and for arriving at the opinion, we have relied upon the following sources of information provided by the management of the companies:

1. Draft Scheme of Arrangement and Amalgamation.
2. Draft Valuation Report (as issued by Haribhakti & Co. LLP dated April 20, 2017), Final Valuation Report (as issued by Haribhakti & Co. LLP dated April 22, 2017) and extensive discussions held with the Valuer to understand the valuation methodologies.
3. Business and Financial information provided by the Company.
4. Audited Financial Statements of GIL & CNIL for the financial year ended FY 2015-16.
5. Provisional Profit and Loss Account and Balance Sheets of GIL and CNIL as on December 31, 2016.
6. Financial projections of GIL & CNIL from 1<sup>st</sup> Jan 2017 to 31<sup>st</sup> March 2022.
7. Shareholding pattern of GIL and CNIL considering the shares issued under SDR. We have considered this number of post dilution of shares.
8. Website of Stock Exchanges with regard to Share Price Data of GIL
9. Other information provided by the company including information provided through their management representation letter dated April 10, 2017.

### Exclusions and Limitations:

We have relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of information that was provided or made available to us by the companies in all material respects for the purpose of this Fairness Opinion. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our Fairness Opinion.

This Fairness Opinion is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

This Fairness Opinion does not give any valuation or suggest any share exchange ratio. However, it is limited to provide its fairness opinion on the Valuation Report given by the Valuer.

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## ASHIKA CAPITAL LTD.

CIN: U30009WB2000PLC091674  
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SEBI Registration No.: INM 000010536

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We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this Share Entitlement Ratio.

### Conclusion:

Based on the above information and explanations provided to us and on examination of the Scheme we are of the opinion that the Share Exchange Ratio considered for the purpose of Amalgamation of CNIL with GIL as per the Scheme of Amalgamation is fair and reasonable to the equity Shareholders of GIL.

### Distribution of Fairness Opinion:

This Fairness Opinion is for the purpose of submission to Stock Exchanges and disclosure on GIL and Stock Exchange Websites as required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and shall not be disclosed or referred to publicly or to any third party other than the purpose as mentioned above.

In no circumstances, will Ashika or its directors, officers, employees and controlling persons of Ashika accept any responsibility or liability including any pecuniary or financial liability to any third party.

Thanking you,

For Ashika Capital Limited

Mihir Mehta  
Asst. Vice President-MBD



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E-mail: mbd@ashikagroup.com

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Ref: NSE/LIST/11573

September 01, 2017

The Company Secretary  
GTL Infrastructure Limited  
3rd Floor, "Global Vision",  
Electronic Sadan No II  
MIDC, TTC Industrial Area, Mahape  
Navi Mumbai – 400710

**Kind Attn: Mr. Nitesh A. Mhatre**

Dear Sir,

**Sub: Observation letter for Scheme of Arrangement between Chennai Network Infrastructure Limited and GTL Infrastructure Limited and their respective shareholders & creditors.**

This has reference to Scheme of Arrangement between Chennai Network Infrastructure Limited and GTL Infrastructure Limited and their respective shareholders & creditors submitted to NSE on May 09, 2017.

Based on our letter reference no Ref: NSE/LIST/10021 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI has vide letter dated August 31, 2017, has given following comments on the draft Scheme of Arrangement:

1. *Company to ensure that applicable information pertaining to unlisted entity CNIL is included in the format specified for abridged prospectus as specified in the circular.*
2. *Letter dated June 29, 2017 pertaining to GIL seeking approval by public shareholders through e-voting submitted to SEBI vide email dated June 29, 2017 may be disclosed on website of the company.*
3. *Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*
4. *Company shall duly comply with various provisions of the circulars.*
5. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
6. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of



Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from September 01, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the NCLT;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,  
For National Stock Exchange of India Limited

Divya Poojari  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

DCS/AMAL/SV/R37/904/2017-18

September 01, 2017

The Company Secretary  
**GTL Infrastructure Limited.**  
3rd Floor, "Global Vision", Electronic Sadan No.II,  
MIDC, TTC Industrial Area, Mahape,  
Navi Mumbai- 400710

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Chennai Network Infrastructure Ltd and GTL Infrastructure Limited.**

We are in receipt of Draft Scheme of Arrangement between Chennai Network Infrastructure Ltd and GTL Infrastructure Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated August 31, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- Company shall ensure that applicable information pertaining to unlisted entity CNIL is included in the format specified for abridged prospectus as specified in the circular.
- Letter dated June 29, 2017 pertaining to GIL seeking approval by public shareholders through e-voting may be disclosed on website of the company.
- Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:



(2)

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



**Nitin Pujari**  
Sr. Manager



**Sabah Vaze**  
Assoc. Manager



GIL/SE/Scheme/2017-18/33

June 09, 2017

The Manager  
Listing Compliance Department  
National Stock Exchange of India Ltd.,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 for the proposed Scheme of Arrangement of Chennai Network Infrastructure Limited (Transferor Company/CNIL) with GTL Infrastructure Limited (Transferee Company/ GIL)**

**Re: Complaint Report under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 read with SEBI Circular dated March 10, 2017**

Dear Sir,

This is with reference to the Application No. 11573 under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 for the captioned Scheme filed on May 9, 2017.

We are enclosing herewith the Complaints Report as per SEBI Circular dated March 10, 2017 as Annexure I.

Kindly take the same on your records and acknowledge the receipt.

Thanking You,

Yours truly,  
For GTL Infrastructure Limited

**Nitesh A. Mhatre**  
Company Secretary

**Milind K. Naik**  
Whole - time Director

**ANNEXURE I**
**Complaints Report**
**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

Yours truly,  
For **GTL Infrastructure Limited**

*N. A. Mhatre*

**Nitesh A. Mhatre**  
Company Secretary & Compliance Officer



**GIL/SE/Scheme/2017-18/41**

**July 13, 2017**

The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 for the proposed Scheme of Arrangement of Chennai Network Infrastructure Limited (Transferor Company/CNIL) with GTL Infrastructure Limited (Transferee Company/ GIL)**

**Re: Complaint Report under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 read with SEBI Circular dated March 10, 2017**

Dear Sir,

This is with reference to the Application No. 56360 under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 for the captioned Scheme filed on June 19, 2017.

We are enclosing herewith the Complaints Report as per SEBI Circular dated March 10, 2017 as Annexure I.

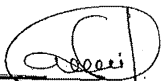
Kindly take the same on your records and acknowledge the receipt.

Thanking You,

Yours truly,  
For **GTL Infrastructure Limited**



**Nitesh A. Mhatre**  
Company Secretary



**Milind K. Naik**  
Whole – time Director

**ANNEXURE I**

**Complaints Report:**

**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

Yours Truly,  
For **GTL Infrastructure Limited**



**Nitesh A. Mhatre**  
**Company Secretary & Compliance Officer**

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GTL INFRASTRUCTURE LIMITED AT ITS MEETING HELD ON APRIL 22, 2017 AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

**1) Background**

- i A meeting of the Board of Directors of GTL Infrastructure Limited ("Board") was held on April 22, 2017 to consider and recommend the proposed Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company / CNIL") and GTL Infrastructure Limited ("Transferee Company" / "GTL Infra") and their respective shareholders and creditors ("Scheme").
- ii In terms of Section 232(2)(c) of Companies Act, 2013 (the "Act"), a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.
- iii While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):
  - a) Draft Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company / CNIL") and GTL Infrastructure Limited ("Transferee Company" / "GTL Infra") and their respective shareholders and creditors.
  - b) Copy of the Valuation Report of dated April 22, 2017 issued by Haribhakti & Co. LLP, Chartered Accountants on the proposed merger of CNIL with GTL Infra.
  - c) Copy of the Fairness Opinion dated April 22, 2017 issued by Ashika Capital Limited on the proposed merger of CNIL with GTL Infra.
  - d) Report of the Audit Committee dated April 22, 2017, recommending the Scheme to the Board for approval.

**2) Rationale of the Scheme**

- a) The Scheme 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.
- b) 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.
- c) 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 230 to 232 and other relevant provisions of the Act.

**3) Valuation**

The report on valuation has been obtained from Haribhakti & Co. LLP, Chartered Accountants, an independent valuer. The valuation report states that share exchange ratio would be 1 (One) equity share of GTL Infrastructure Limited of Rs. 10 each fully paid up for every 1 (One) equity share of Chennai Network Infrastructure Limited of Rs. 10/- each fully paid up. No special valuation difficulties were reported.

**4) Impact on key stakeholders**

- a) The Directors or Key Managerial Personnel ("KMP") of the Company or their relatives do not have any other interest in the Scheme except to the extent of their shareholding, if any, in the Company. Further, none of the Directors, KMP and/or relatives of the directors / KMPs of the Company is concerned or interested, financially or otherwise, in the proposed Scheme. The effect of the Scheme on interest of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interest of other persons.



- b) Equity shareholders of CNIL shall be eligible for issuance of Shares of GTL Infra based on the valuation report obtained from Haribhakti & Co. LLP, Chartered Accountants, an independent valuer. The Transferee Company is holding 181,57,22,400 equity shares of Rs. 10 each in the transferor Company through Trust, in which the transferee Company is sole beneficiary. Pursuant to the Scheme & the provisions of the Act, equity shares held by Trust shall stand effectively cancelled.
- c) Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CHENNAI NETWORK INFRASTRUCTURE LIMITED AT ITS MEETING HELD ON APRIL 22, 2017 AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

**1) Background**

- i. A meeting of the Board of Directors of Chennai Network Infrastructure Limited ("Board") was held on April 22, 2017 to consider and recommend the proposed Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company / CNIL") and GTL Infrastructure Limited ("Transferee Company" / "GTL Infra") and their respective shareholders and creditors ("Scheme").
- ii. In terms of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):
  - a) Draft Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company / CNIL") and GTL Infrastructure Limited ("Transferee Company" / "GTL Infra") and their respective shareholders and creditors.
  - b) Copy of the Valuation Report of dated April 22, 2017 issued by Haribhakti & Co. LLP, Chartered Accountants on the proposed merger of CNIL with GTL Infra.
  - c) Copy of the Fairness Opinion dated April 22, 2017 issued by Ashika Capital Limited on the proposed merger of CNIL with GTL Infra

**2) Rationale of the Scheme**

- a) The Scheme 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.
- b) 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.
- c) 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 230 to 232 and other relevant provisions of the Companies Act, 2013

**3) Valuation**

The report on valuation has been obtained from Haribhakti & Co. LLP, Chartered Accountants, an independent valuer. The valuation report states that share exchange ratio would be 1 (One) equity share of GTL Infrastructure Limited of Rs. 10 each fully paid up for every 1 (One) equity share of Chennai Network Infrastructure Limited of Rs. 10/- each fully paid up. No special valuation difficulties were reported.

**4) Impact on key stakeholders**

- a) The Directors or Key Managerial Personnel ("KMP") of the Company or their relatives do not have any other interest in the Scheme except to the extent of their shareholding, if any, in the Company. Further, none of the Directors, KMP and/or relatives of the directors / KMPs of the Company is concerned or interested, financially or otherwise, in the proposed Scheme. The effect of the Scheme on interest of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interest of other persons. The Directors and KMPs of the Transferor Company shall cease to be Directors and/or KMP consequent to dissolution of the Company upon the Scheme being effective.

- b) Equity shareholders of CNIL shall be eligible for issuance of Shares of GTL Infra based on the valuation report obtained from Haribhakti & Co. LLP, Chartered Accountants, an independent valuer. The Transferee Company is holding 181,57,22,400 equity shares of Rs. 10 each in the Transferor Company through Trust, in which the Transferee Company is the sole beneficiary. Pursuant to the Scheme & the provisions of the Companies Act 2013, equity shares held by Trust (the Transferee Company) shall stand effectively cancelled.
- c) Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

## UNAUDITED BALANCE SHEET AS AT JUNE 30, 2017 (PROVISIONAL)

	Notes	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	307460,20,216	313809,13,120
(b) Capital work-in-progress	3	7168,87,489	4332,10,375
(c) Other Intangible Assets	3	51,43,786	27,20,615
(d) Financial Assets			
(i) Investments	4	189681,51,707	189681,51,707
(ii) Loans	5	4124,39,658	3763,47,549
(e) Other Non-current Assets	6	5941,01,457	5950,26,523
		514427,44,313	517563,69,889
(2) Current Assets			
(a) Inventories	7	32,21,535	34,43,889
(b) Financial Assets			
(i) Investments	8	4087,84,417	598,37,827
(ii) Trade Receivables	9	7245,82,725	6474,68,657
(iii) Cash and Cash Equivalents	10	4792,12,904	3776,75,694
(iv) Bank Balances other than (iii) above	11	247,83,906	245,27,628
(v) Loans	12	1643,16,792	1741,28,924
(vi) Others	13	7224,31,642	5844,40,894
(c) Current Tax Assets (Net)	14	4113,95,136	5500,05,012
(d) Other Current Assets	15	2937,52,499	2646,54,611
		32324,81,555	26861,83,135
<b>Total Assets</b>		<b>546752,25,869</b>	<b>544425,53,024</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	415229,91,569	246008,33,500
(b) Other Equity	17	(251338,07,731)	(251721,41,880)
		163891,83,838	(5713,08,380)
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	183131,20,666	307347,18,173
(ii) Other Financial Liabilities	19	2993,56,072	2427,45,991
(b) Provisions	20	4913,52,743	4850,01,883
(c) Other non-current Liabilities	21	5781,02,074	5756,66,960
		196819,31,555	320381,33,008
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	22	6436,12,738	4071,71,173
(ii) Others Financial Liabilities	23	169712,20,612	214746,24,177
(b) Other Current Liabilities	24	9852,66,441	10902,71,279
(c) Provisions	25	40,10,684	36,61,770
		186041,10,475	229757,28,399
<b>Total Equity and Liabilities</b>		<b>546752,25,869</b>	<b>544425,53,024</b>
Significant Accounting Policies	2		
See accompanying Notes to the Financial Statements	1 to 35		

FOR GTL Infrastructure Limited

**Milind Naik**  
(Whole-time Director)  
DIN: 00276884

**GTL INFRASTRUCTURE LIMITED**

**UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2017**

	Notes	For the Quarter ended on June 30, 2017 Rupees	For the Quarter ended on March 31, 2017 Rupees	For the Quarter ended on June 30, 2016 Rupees	For the Year ended on March 31, 2017 Rupees
<b>INCOME :</b>					
Revenue from Operations	27	<b>25787,27,014</b>	25619,29,333	23241,97,834	<b>95211,21,548</b>
Other Income	27	<b>3172,96,925</b>	795,91,010	290,21,806	<b>1492,07,740</b>
<b>Total Revenue</b>		<b>28960,23,940</b>	26415,20,343	23532,19,639	<b>96703,29,289</b>
<b>EXPENSES :</b>					
Infrastructure Operation & Maintenance Cost	28	<b>12833,94,072</b>	10751,02,495	12108,00,872	<b>45516,07,158</b>
Employee Benefits Expense	29	<b>427,76,577</b>	585,99,002	759,30,123	<b>2186,94,514</b>
Finance Costs	30	<b>7948,33,877</b>	11663,23,122	10787,65,037	<b>45870,32,479</b>
Depreciation/Impairment and Amortization Expenses	3	<b>6514,69,831</b>	5869,13,447	6230,84,295	<b>23912,50,483</b>
Bad Debts and Provision for Trade Receivables	31	-	1,50,379	1943,71,913	<b>2146,76,095</b>
Exchange Differences (Net)	32	<b>679,47,608</b>	(4758,80,622)	3668,48,196	<b>2226,73,898</b>
Other Expenses	33	<b>1305,31,295</b>	1542,20,295	1535,08,550	<b>5054,67,577</b>
<b>Total</b>		<b>29709,53,260</b>	25654,28,119	37033,08,985	<b>126914,02,204</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>(749,29,321)</b>	760,92,224	(13500,89,346)	<b>(30210,72,915)</b>
Exceptional Item		-	-	-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(749,29,321)</b>	760,92,224	(13500,89,346)	<b>(30210,72,915)</b>
Tax Expenses		-	-	-	-
<b>PROFIT/(LOSS) BEFORE SHARE IN LOSS OF ASSOCIATE</b>		<b>(749,29,321)</b>	760,92,224	(13500,89,346)	<b>(30210,72,915)</b>
<b>Shares In Loss of Associate</b>		-	-	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(749,29,321)</b>	760,92,224	(13500,89,346)	<b>(30210,72,915)</b>
<b>Other Comprehensive Income</b>					
(A) (I) Items that will not be reclassified to Profit or Loss					
(i) Remeasurement of the defined benefit plans		<b>9,32,098</b>	39,72,933	27,77,514	<b>43,71,855</b>
(ii) Shares in Loss of Associate		-	-	-	-
(B) Items that will be reclassified to Profit or Loss		-	-	-	-
<b>Total Other Comprehensive Income</b>		<b>(9,32,098)</b>	(39,72,933)	(27,77,514)	<b>(43,71,855)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(758,61,419)</b>	721,19,291	(13528,66,860)	<b>(30254,44,770)</b>
<b>Earnings Per Equity Share of Rs.10 each</b>	42				
<b>Basic and Diluted</b>		<b>(0.02)</b>	0.03	(0.58)	<b>(1.26)</b>
<b>Significant Accounting Policies</b>	2				
<b>See accompanying Notes to the Financial Statements</b>	1 to 35				

**FOR GTL Infrastructure Limited**

**Milind Naik**  
(Whole-time Director)  
DIN: 00276884

## NOTE - 1 CORPORATE INFORMATION

GTL Infrastructure Limited (GIL) is domiciled and incorporated in India under the provision of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The registered office of the Company is located at Global Vision, 3rd Floor, Electronic Sadan II, MIDC TTC Industrial Area, Mahape, Navi Mumbai- 400 710, India.

The Company is in the business of passive infrastructure sharing which is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple telecom operators as well providing energy management solutions.

### 2. Basis of preparation and presentation

The financial statements of the Company have been prepared on a going concern basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value
- Defined Benefit Plans- measured at Fair Value

The preparation of the financial statements requires management to make estimates and underlying assumptions. Actual results could vary from these estimates. The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

The Company's financial statements are presented in Indian Rupees (INR) which is its functional and presentation currency.

### 2 (A) Significant Accounting Policies

#### 2.1. Property, Plant & Equipment

- On transition to Ind AS, the Company has elected to continue with the previous GAAP carrying values as deemed cost for all items of property, plant and equipment.
- Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost, any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
- The tangible assets at cellular sites, which are ready for use during the particular month are capitalised on the last day of the month.
- Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.
- Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets as prescribed in schedule II to the Companies Act, 2013 except in respect of following Fixed Assets where the assessed useful life is different than that prescribed in Schedule II.

Asset	Years
Network Operation Assets	9
Air Conditioners	9
Electrical and Power Supply Equipment	9
Office Equipment	3
Furniture and fittings	5
Vehicles	5

The management believes that the useful lives as given above represent the period over which these assets are expected to be used

- The towers have been depreciated on straight line method at the rate of 2.72% per annum based on useful life of 35 years in terms of specific approval received from the Ministry of Corporate Affairs, Government of India vide Order no.45/2/2010-CL-III dated May 26, 2010 issued under Section 205(2)(d) of the Companies Act, 1956. The approval continues to be valid vide letter no.51/9/2014-CL-III dated September 19, 2014 received from Ministry of Corporate Affairs, Government of India.



- (g) Further, In respect of Fixed Assets whose actual cost does not exceed Rs. 5,000, depreciation is provided at 100% in the year of addition
- (h) The leasehold improvements have been depreciated over the lease period.
- (i) The revised carrying amount of the assets identified as impaired have been depreciated over residual useful life of the respective assets
- (j) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (k) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

## **2.2. Intangible Assets**

On transition to Ind AS, the Company has elected to continue with the previous GAAP carrying values as deemed cost.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and loss when the asset is derecognised.

The Company amortises intangible assets using the straight line method based on useful lives estimated by the management as mentioned below:

Computer Software	3 years
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## **2.3. Impairment of Non-Financial Assets**

At each balance sheet, the Company assesses whether there is any indication that any property, plant and equipment and intangible asset may be impaired, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGUs to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **2.4. Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## **2.5. Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, funds in transit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## **2.6. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## **I) Financial assets**

### **A. Initial recognition and measurement**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss are adjusted to the fair value on initial recognition. Purchase and sale of financial asset are recognised using trade date accounting i.e. the date that the Company commits to purchase or sell the asset.

### **B. Subsequent measurement**

#### **i) Financial Assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category applies to Trade and other receivables, Security deposits, Other advance, Loan and advances to related parties, Unbilled Income, Interest Receivable etc.

#### **ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**

A financial asset is subsequently measured at Fair Value through other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified debts to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **iii) Financial Assets at Fair Value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss

### **C. Equity investments**

All equity investments other than investment in Subsidiary and Associate are measured at fair value, with value changes recognised in Statement of Profit and loss except for those equity investments for which the Company has elected to present the value changes in 'other comprehensive income'

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

### **D. Investment in subsidiaries and associates**

The Company has accounted for its investments in subsidiaries and associates at cost in financial statements

### **E. Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **F. Impairment of financial assets**

The Company assesses impairment based on expected credit loss (ECL) model to the following

- a) Financial assets at amortised cost
- b) Financial assets measured at fair value through Profit or Loss Account

The Company follows simplified approach for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risks. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

The Company uses historical cost experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

## **II. Financial liabilities**

### **A. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **B. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **a) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### **b) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**c) Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**d) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**III. Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) contract that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**IV. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**V. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.7. Provisions, Contingent Liabilities, Contingent Assets and Commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

## **2.8. Fair value measurement**

“The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.”

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

## **2.9. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the proceeds are being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the Government.

Revenue from operations includes revenue for use of infrastructure facilities and energy revenue for the provision of energy for operation sites. Revenue for use of infrastructure (which is termed as “Revenue from Telecom / Network Infrastructure Facilities”) and revenue from Energy and Other Re-imbursements is recognized as and when services are rendered, on a monthly basis as per the contractual terms under agreements entered with customers. The Company has ascertained that the revenue for use of infrastructure facilities is structured to increase in line with expected inflationary increase in cost of the Company and hence, not straight-lined.

### **Interest income**

Interest Income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

### **Dividends**

Income from dividends is recognised when the Company’s right to receive the dividend has been established.

## **2.10. Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **i. Company as a lessee**

#### **Operating lease:**

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**ii. Company as a lessor**

Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected increase in inflationary cost; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

**2.11. Employee benefits**

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the year when the employees render the services.

Post-Employment Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the other Comprehensive Income.

**2.12. Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Foreign exchange differences arising on translation of liabilities assumed before April 01, 2016 which are considered as long-term foreign currency monetary items are capitalised, if related to acquisition of fixed assets, or transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

**2.13. Borrowing Costs**

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



## 2.14. Taxes

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

## 2.15. Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) is the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

## 2.16. Current and Non Current Classification

"The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA)."

"An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current."

"A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current."

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

## 2(B) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

### b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of trade receivables and determining whether a provision against those receivables is required. Factors considered in assessing the recoverability of trade receivables include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take in the future years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### d) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

### e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### f) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

g) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable income together with future tax planning strategies. The Company does not expect availability of future taxable income sufficient to utilise its deferred tax assets. Further details on taxes are disclosed in note 46.

i) Asset retirement obligations

The Company has recognised a provision for asset retirement obligations associated with telecommunication towers. Such Provision is recognised in respect of dismantling of infrastructure equipment and restoration of sites under operating leases, the costs for which are expected to be incurred at the end of the lease term, based on the estimate provided by the internal technical experts. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

The Company estimates that the costs would be incurred at the end of the lease term and calculates the provision using the DCF method based on the discount rate that approximates interest rate of risk free borrowings and current estimate of asset retirement obligation duly adjusted for expected inflationary increase in related costs.

**GTL INFRASTRUCTURE LIMITED**  
NOTES TO THE FINANCIAL STATEMENT

**NOTE-3**

(a) Property , Plant and Equipment

Particular	Tangible Assets					Total
	Land	Buildings	Plant and Equipments	Office Equipments	Furniture & Fixtures	Vehicles
<b>DEEMED COST</b>						
As at April 1,2017	605,56,198	14722,04,117	298411,56,523	14,54,758	26,48,224	28,93,301
Additions	-	-	637,46,120	3,53,275	-	-
Disposals/ Adjustments	-	-	3409,99,287	-	-	-
<b>As at June 30, 2017</b>	<b>605,56,198</b>	<b>14722,04,117</b>	<b>295639,03,355</b>	<b>18,08,033</b>	<b>26,48,224</b>	<b>28,93,301</b>
<b>DEPRECIATION / AMORTISATION</b>						
As at April 1,2017	-	-	-	-	-	-
Depreciation Charged For The Year	-	647,14,066	5871,51,401	6,07,402	3,41,395	2,03,797
Disposals/ Adjustments	-	-	2950,25,048	-	-	-
<b>As at June 30, 2017</b>	<b>-</b>	<b>647,14,066</b>	<b>2921,26,353</b>	<b>6,07,402</b>	<b>3,41,395</b>	<b>2,03,797</b>
<b>NET BOOK VALUE</b>						
<b>As at June 30, 2017</b>	<b>605,56,198</b>	<b>14074,90,052</b>	<b>292717,77,002</b>	<b>12,00,632</b>	<b>23,06,829</b>	<b>26,89,503</b>
						<b>307460,20,216</b>

(b) Capital work-in-progress

Particulars	As at June 30, 2017	As at March 31, 2017
Capital Work-in-progress	7168,87,489	4332,10,375

(c) Other Intangible Assets

Particulars	Software Licenses
<b>DEEMED COST</b>	
As at April 1,2017	27,20,615
Additions	39,71,400
Disposals/ Adjustments	-
As at June 30, 2017	66,92,015
<b>DEPRECIATION / AMORTISATION</b>	
As at April 1,2017	-
Depreciation Charged For The Year	15,48,229
Disposals/ Adjustments	-
As at June 30, 2017	15,48,229
<b>NET BOOK VALUE</b>	
As at June 30, 2017	51,43,786

**GTL INFRASTRUCTURE LIMITED**  
NOTES TO THE FINANCIAL STATEMENT

**Note - 4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**

(Long-term, Trade)

	Number		Face Value (Rupees)	As at June 30, 2017	As at March 31, 2017
	As at June 30, 2017	As at March 31, 2017			
Particulars Unquoted					
<b>Investment in Subsidiary (Carried at Cost)</b> Investment in Corpus of Tower Trust (A Beneficiary Trust) (Refer Note 4.1)					
<b>Investment in Associate (Carried at Cost)</b> Deemed Investment in Chennai Network Infrastructure Limited (Refer Note 4.2)					
<b>Others</b> In Equity Shares Others - Fully Paid up <b>(Carried at Fair Value through Profit &amp; Loss)</b> Global Rural NETCO Ltd.	<b>332,50,000</b>	332,50,000			
			10.00		
			<b>TOTAL</b>	<b>189681,51,707</b>	<b>189681,51,707</b>

Aggregate Amount of Unquoted Investments

**189681,51,707**      189681,51,707

4.1 "The Company is the sole beneficiary in the Tower Trust and has contributed Rs. 1,81,572 Lakhs towards the Corpus of the said Trust. The Trust has invested the aforesaid amount in an Associate "Chennai Network Infrastructure Ltd." (CNIL) a special purpose vehicle (SPV) and holds 1,81,57,22,400 Equity Shares of Rs. 10 each (Previous year 1,81,57,22,400) representing 27.53% (Previous Year 27.53%) of total issued and paid up Equity Share Capital of CNIL as on June 30, 2017. Although CNIL has incurred cash losses and its net worth has been substantially eroded, as per the management, the Company's equity interest in the Associate based on its business plans as on June 30, 2017 support the carrying value of such investment. The Company considers its above investment as strategic and long term in nature. Management believes, decline in the value of its long term investment in Associate is of temporary in nature and hence no provision for diminution in value of the above investment is considered necessary."

4.2 The fair values of the Company's financial guarantee obligations are determined by using DCF method using Rate of commission at which guarantees would have been issued for unrelated parties and Incremental Borrowing Rate.

**Note -5 Loans**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Deposit Given		4124,39,658		3763,47,549
<b>Total</b>		<b>4124,39,658</b>		<b>3763,47,549</b>

\* Includes Rs. 2,16,00,000 (Previous Year Rs. 2,16,00,000) with a related party

**Note -6 Other Non-Current Assets**

(Unsecured, Considered good unless otherwise stated)

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Capital advances				
- Considered good	5172,22,164		5201,98,455	
- Considered Doubtful			-	
	5172,22,164		5201,98,455	
Less: Provision for doubtful advances			-	
		5172,22,164		5201,98,455
Prepaid Expenses		171,83,478		147,37,301
Other Advance*		596,95,815		600,90,767
<b>Total</b>		<b>5941,01,457</b>		<b>5950,26,523</b>

\* Includes amount paid under protest & refund receivable from Sales Tax Authorities.

**Note -7 Inventories**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Stores, Spares and Consumables		32,21,535		34,43,889
<b>Total</b>		<b>32,21,535</b>		<b>34,43,889</b>

Refer Note No. 2.4 for basis of valuation

# **NOTE - 8 CURRENT FINANCIAL ASSETS (INVESTMENTS)**

(Other than Trade)

					As at June 30, 2017 Rupees	As at March 31, 2017 Rupees
Investment (Carried at Fair Value through Profit & Loss)						
<b>Unquoted</b>						
In Unit of Mutual Funds						
<b>AXIS LIQUID FUND - DIRECT GROWTH</b>					436,21,806	1,04,136
SBI PREMIER LIQUID FUND - DIRECT PLAN - GROWTH					2118,87,482	376,02,397
TATA LIQUID FUND DIRECT PLAN - GROWTH					350,63,031	
<b>UNION KBC LIQUID FUND GROWTH - DIRECT PLAN</b>					1182,12,098	221,31,294
IND (AS) Adjustments (NAV)					-	-
<b>TOTAL</b>					<b>4087,84,417</b>	<b>598,37,827</b>

Note:

Aggregate Amount of Unquoted Investments

**4087,84,417**

**598,37,827**



**Note -9 Trade Receivables**

(Unsecured, subject to confirmation and Considered good unless otherwise stated)

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Trade Receivables				
- Considered good	7245,82,725		6474,68,657	
- Considered Doubtful	3148,52,616		4661,19,526	
	10394,35,341		11135,88,182	
Provision for doubtful receivables	3148,52,616		4661,19,526	
		7245,82,725		6474,68,657
<b>Total</b>		<b>7245,82,725</b>		<b>6474,68,657</b>

**Note -10 Cash and Cash Equivalents**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Cash and cash equivalents				
Balances with Banks:				
- in current accounts	4776,38,694		3772,83,616	
- cheques in hand	11,38,248		-	
Cash on hand	4,35,963		3,92,079	
		4792,12,904		3776,75,694
<b>Total</b>		<b>4792,12,904</b>		<b>3776,75,694</b>

**Note -11 Other Bank Balances**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
- Pledged as Margin Money	152,83,149		150,43,714	
- Others	95,00,756		94,83,913	
		247,83,906		245,27,628
<b>Total</b>		<b>247,83,906</b>		<b>245,27,628</b>

Includes Rs. 18,975 (Previous year Rs. 1,00,181) having maturity period of more than 12 months.

**Note -12 Loans**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Loan and advances to related parties		1169,68,488		1286,59,121
Deposits		473,48,305		454,69,803
<b>Total</b>		<b>1643,16,792</b>		<b>1741,28,924</b>

**Note -13 Others Current Financial Assets**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Unbilled Income		7217,11,401		5839,13,672
Interest Receivable		7,20,241		5,27,222
<b>Total</b>		<b>7224,31,642</b>		<b>5844,40,894</b>

**Note -14 Current Tax Assets (Net)**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Advance income-tax (net of provision for taxation)		4113,95,136		5500,05,012
<b>Total</b>		<b>4113,95,136</b>		<b>5500,05,012</b>

**Note -15 Other Current Assets**

(Unsecured, Considered good unless otherwise stated)

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Cenvat / Service Tax input credit entitelments		946,12,542		430,21,556
Prepaid expenses		403,11,000		353,03,666
Receivable towards redemption of Investment				
Other Advances *				
- Considered good	1588,28,957		1863,29,389	

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
- Considered Doubtful			7,35,374	
	<b>1588,28,957</b>		1870,64,763	
Less: Provision for doubtful advances			7,35,374	
		<b>1588,28,957</b>		1863,29,389
Total		<b>2937,52,499</b>		2646,54,611

\* Mainly relating to advances to suppliers, employees and Interest receivables

#### Note -16 Equity Share Capital

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Authorised				
6,00,00,00,000 (Previous Year 6,00,00,00,000) Equity Shares of Rs. 10 each		<b>600000,00,000</b>		600000,00,000
10,00,00,000 (Previous Year 10,00,00,000) Preference Shares of Rs.100 each		<b>100000,00,000</b>		100000,00,000
		<b>700000,00,000</b>		700000,00,000
Issued, subscribed and fully paid-up				
4,15,22,99,157 (Previous Year 2,46,00,83,350) Equity Shares of Rs. 10 each fully paid-up		<b>415229,91,569</b>		246008,33,500
<b>Total</b>		<b>415229,91,569</b>		246008,33,500

#### 16.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	As At June 30, 2017		As At March 31, 2017	
	Number	Rupees	Number	Rupees
Equity Shares at the beginning of the Year	<b>24600,83,350</b>	<b>246008,33,500</b>	24600,83,350	246008,33,500
Issued during the Year				
- On conversion of Foreign Currency Convertible Bonds (Refer Note - 18.4)	-	-	-	-
- On conversion of Debt into Equity under SDR Scheme	<b>16922,15,807</b>	<b>169221,58,070</b>		
Equity Shares at the end of the Year	<b>41522,99,157</b>	<b>415229,91,570</b>	24600,83,350	246008,33,500

#### 16.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 16.3 Shares reserved for issue under options:

The Foreign Currency Convertible Bonds (FCCB) holders have the option to convert FCCB into 1,18,10,71,464 Equity Shares (Previous Year 1,18,10,71,464) (Refer Note No. 18.3)

#### 16.4 Details of shareholders holding more than 5% shares in the Company

Name of share holders	As At June 30, 2017		As At March 31, 2017	
	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital
GTL Limited	<b>3457,63,466</b>	<b>8.33%</b>	3457,63,466	14.05%
Global Holding Corpoartion Private Limited	<b>2830,62,609</b>	<b>6.82%</b>	2830,62,609	11.51%
ELM Park Fund Limited	-	<b>0.00%</b>	1619,76,510	6.58%
Indian Overseas Bank	<b>4561,54,195</b>	<b>10.99%</b>	1799,71,057	7.32%
Bank Of India	<b>2600,62,167</b>	<b>6.26%</b>		
Bank Of Baroda	<b>2514,29,890</b>	<b>6.06%</b>		
State Bank Of India	<b>2183,00,304</b>	<b>5.26%</b>		
Union Bank of India	<b>3393,77,231</b>	<b>8.17%</b>		

## Note -17 Other Equity

	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
<b>Reconstruction Reserve</b>	<b>1993,02,121</b>	1993,02,121
Balance as per last Balance Sheet		
( Created in terms of the Scheme of Arrangement )		
<b>Capital Reserve</b>	<b>1846,00,000</b>	1846,00,000
Balance as per last Balance Sheet		
( On Forfeiture of Preferential Convertible Warrants )		
<b>Securities premium account</b>		
Balance as per last Balance Sheet	<b>42916,47,824</b>	51355,43,665
Add : Addition during the Year		
<b>- IND (AS) Adjustments</b>	<b>16900,56,726</b>	13526,65,193
- On Issue of Equity Shares		-
	<b>59817,04,550</b>	64882,08,857
Less: Redemption Premium on Foreign Currency Convertible Bonds (FCCB)	<b>(850,44,231)</b>	4214,60,076
Less: FCCB Issue Expenses		-
	<b>(850,44,231)</b>	4214,60,076
Balance as per last Balance Sheet	<b>60667,48,781</b>	60667,48,781
<b>Equity Component of Compound Financial Instruments</b>	<b>-</b>	13111,62,366
<b>Foreign Currency Monetary Item Translation Difference Account</b>	<b>(1554,91,630)</b>	(2696,87,198)
<b>Surplus/ (Deficit) in the Statement of Profit &amp; Loss</b>		
Balance as per last Balance Sheet	<b>(326642,67,949)</b>	(296388,23,179)
Loss for the Year	<b>(758,61,419)</b>	(30254,44,770)
	<b>(327401,29,368)</b>	(326642,67,949)
<b>Total</b>	<b>(251338,07,731)</b>	(251721,41,880)

## Note -18 Borrowings

	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
<b>Secured Loans</b>		
Rupee Term Loans from		
- Banks	<b>176037,78,351</b>	296354,83,428
- Financial Institution	<b>4080,04,795</b>	7892,33,409
	<b>180117,83,146</b>	304247,16,837
Foreign Currency Term Loan from		
- Financial Institution	<b>3013,37,520</b>	3100,01,336
	<b>183131,20,666</b>	307347,18,173
<b>Total</b>	<b>183131,20,666</b>	307347,18,173

### 18.1 (A) Rupee Term Loans from Banks & Financial Institutions are secured by way of

- Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.
- Sponsor support from Global Holding Corporation Private Limited (GHC) and guarantee of Mr. Manoj Tirodkar (Promoter) towards debt servicing of CDR Lenders and personal guarantee aggregating to Rs. 6,01,04,00,000 by Mr. Manoj Tirodkar.

### (B) Foreign Currency Term Loan from Financial Institutions is secured by way of

Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.

### 18.2 Terms of Repayment

- Rupee Term Loans from Banks and Financial Institutions and Current Maturities of Long-term borrowings having an effective yield of 10.75% over the tenure of the facility aggregating to Rs. 16,51,67,41,556 are repayable in 40 structured quarterly instalments ending on June 30, 2026

The Maturity Profile of these loans is as set below:

<b>2018-19</b>	<b>2019-20</b>	2020-21	2021-22
<b>12933,60,468</b>	<b>14781,26,248</b>	16628,92,028	20324,23,592
<b>2022-23</b>	<b>2023-24</b>	2024-25	2025-26
<b>23095,72,264</b>	<b>23095,72,264</b>	23095,72,264	24019,55,154
<b>2026-27</b>			
<b>7192,67,274</b>			

- (ii) Rupee Term Loans from Banks having an Interest rate of 8% p.a aggregating to Rs. 1,05,24,47,780 are repayable only after the Final Settlement date of all other restructured Loans, i.e., June 30, 2026.
- (iii) The Foreign Currency Term Loan and Current Maturities of Long term borrowings relating to Foreign Currency Term Loan are repayable in 24 equated quarterly instalments of Euro 3,75,000 starting from June 15 , 2013 and ending on March 15 , 2021. The loan carries Interest rate of 3 months Euribor+200 bps.

### 18.3 Foreign Currency Convertible Bonds (FCCBs):

- (i) In terms of Offering Circular dated October 17, 2012 ("Offering Circular"), on November 8, 2012 outstanding Foreign Currency Convertible Bonds (FCCBs) of USD 228,300,000 together with premium of USD 90,986,000 on them aggregating to USD 319,286,000 were restructured by way of cashless exchange with 111,740 Zero Coupon Compulsorily Convertible Bonds due 2017 (Series A) and 207,546 Interest Bearing Convertible Bonds due 2017 (Series B) of USD 1,000 each.
- (ii) Series A and Series B Bondholders have an option to convert these bonds into equity shares at a fixed exchange ratio of 1 USD=Rs. 54.252 at any time upto the Close of Business on November 2, 2017 ("Maturity Date") except during the 'closed period' as defined in the 'Offering Circular'.
- (iii) Series A Bonds of USD 111,740,000 are compulsorily convertible into equity shares. Each Series A bond is convertible into 5425.20 fully paid up equity shares of Rs. 10 each. As on June 30, 2017, 24,168 Series A Bonds were outstanding.
- (iv) The Series B Bonds of USD 207,546,000 are interest bearing optionally convertible bonds. Each bond carries an Interest at the rate of 0.5335% p.a. payable semi annually on the outstanding principal plus the margin for period under consideration with effect from November 8, 2013 as defined in Offering Circular. The Conversion Price shall be determined in terms of 'Offering Circular'. As on date, applicable Conversion Price for each Bond is Rs. 10 per equity share, accordingly Series B Bondholder have an option to convert each bond into 5,425.20 fully paid up equity shares of Rs. 10 each. As on June 30, 2017, 1,93,533 Series B Bonds were outstanding.
- (v) Unless previously converted, redeemed, repurchased or cancelled, the Company will redeem each Series B Bond at 114.5047% of its principal amount on the maturity date i.e November 9, 2017.

18.4 The details of overdue Principal and interest payable as at June 30, 2017 is as follows:

(Amount In Rs.)

Particulars	Total Overdue	Ageing		
		0-30 Days	31-60 Days	> 60 Days
Principal Payable on Term Loan from Financial Institution*	1383,92,419	276,78,484	-	1107,13,935
Interest Payable on Term Loan from Financial Institution**	144,53,839	23,62,512	-	120,91,327
Interest Payable on FCCB***	3150,63,201	-	3150,63,201	-

\* Included in Current Maturities of Long-Term Borrowings (Refer Note - 23)

\*\* Shown as Interest accrued and due on Borrowings (Refer Note - 23)

\*\*\* Shown as Interest accrued and due on FCCB (Refer Note - 23)

### Note -19 Other non-current Financial Liabilities

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Interest accrued but not due on borrowings*				-
Deposits from customers		2993,56,072		2427,45,991
<b>Total</b>		<b>2993,56,072</b>		<b>2427,45,991</b>

### Note -20 Provisions

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Provision for compensated absences		113,52,152		114,62,372
Asset Retirement Obligation		4800,00,591		4735,39,511
<b>Total</b>		<b>4913,52,743</b>		<b>4850,01,883</b>

### Note -21 Other non-current Liabilities

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Advance Revenue		1456,07,299		1296,56,722
Financial Guarantee Obligation		4324,94,775		4460,10,237
<b>Total</b>		<b>5781,02,074</b>		<b>5756,66,960</b>

**Note -22 Trade Payables**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Suppliers for goods and services				
- Micro,Small & Medium Enterprises		-		18,35,003
- Others		6436,12,738		4053,36,170
<b>Total</b>		<b>6436,12,738</b>		<b>4071,71,173</b>

**Note -23 Other Current Financial Liabilities**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Current maturities of long-term borrowings (Refer Note - 18.4)				
- Rupee Term Loans from Banks and Financial Institutions	3233,40,117		35859,80,759	
- Foreign Currency Convertible Bonds (Refer Note - 18.3)	143986,62,957		144169,35,263	
- Foreign Currency Term Loans from Financial Institutions	2491,06,354		2090,61,360	
		149711,09,428		182119,77,382
Interest accrued and due on borrowings (Refer Note - 18.4)		144,53,839		14542,40,368
Interest accrued and due on FCCB		3150,63,201		-
Interest accrued but not due on FCCB		1037,48,671		2519,22,510
Deposits from customers		3981,03,505		3961,32,572
Creditors for Capital goods		2481,95,678		1600,59,120
Other Payable*		9205,46,291		10002,92,225
<b>Total</b>		<b>169712,20,612</b>		<b>214746,24,177</b>

\* Mainly includes Provision towards salary, restructuring and other expenses payable.

**Note -24 Other Current Liabilities**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Unearned revenue		8226,02,435		637,43,352
Income received in advance				8564,30,298
Advance Revenue		370,54,879		317,83,246
Advance received from customer		490,00,199		572,22,194
Financial Gurantee Obligation		540,61,847		540,61,847
Statutory dues		225,47,081		270,30,342
<b>Total</b>		<b>9852,66,441</b>		<b>10902,71,279</b>

**Note -25 Provisions**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Provision for compensated absences		12,81,969		9,72,040
Asset Retirement Obligation		27,28,714		26,89,730
<b>Total</b>		<b>40,10,683</b>		<b>36,61,770</b>

**Note -26 Revenue from Operations**

	For the Quarter ended on June 30, 2017 Rupees	For the Quarter ended on March 31, 2017 Rupees	For the Quarter ended on June 30, 2016 Rupees	For the Year ended on March 31, 2017 Rupees
Revenue from Telecom/Network Infrastructure Facilities	17081,78,110	16876,63,701	15464,44,933	63293,29,091
Energy and Other Re-imbursements	8705,48,904	8742,65,632	7777,52,900	31917,92,457
	<b>25787,27,014</b>	<b>25619,29,333</b>	<b>23241,97,834</b>	<b>95211,21,548</b>

**Note -27 Other Income**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Fair Value Gain on financial instruments at fair value through Profit & Loss	2963,64,137	50,01,859	25,02,716	109,00,971
Interest Income	73,34,605	599,31,575	107,52,402	786,11,623
Guarantee Commission	135,15,462	135,15,462	135,15,462	540,61,848
Miscellaneous Income	82,722	11,42,114	22,51,226	56,33,298
<b>Total</b>	<b>3172,96,925</b>	<b>795,91,010</b>	<b>290,21,806</b>	<b>1492,07,740</b>

**Note -28 Infrastructure Operation & Maintenance Cost (Net)**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Site Rentals	2304,87,273	2160,54,083	2137,04,091	8667,22,974
Power, Fuel and Maintenance Charges	9599,02,831	7693,34,292	8805,84,709	32946,80,546
Repairs and Maintenance to Plant and Equipments	269,82,012	257,08,490	376,78,846	1247,76,610
Stores & Spares consumption	3,03,737	3,82,248	10,36,692	23,70,757
Other Operating Expenditure	657,18,219	636,23,382	777,96,534	2630,56,272
<b>Total</b>	<b>12833,94,072</b>	<b>10751,02,495</b>	<b>12108,00,872</b>	<b>45516,07,158</b>

**28.1 Stores & Spares consumption includes:**

	2017-18		2016-17	
	Rupees	% of Total consumed	Rupees	% of Total consumed
Imported	NIL	NIL	NIL	NIL
Indigenous	3,03,737	100%	23,70,757	100%

**Note -29 Employee Benefits Expense**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Salaries and Allowances	333,71,195	562,85,101	672,25,807	1833,25,654
Contribution to Provident Fund, Gratuity fund and Other Funds	80,15,351	10,92,113	77,64,470	313,47,118
Employee Welfare and other amenities	13,90,031	12,21,788	9,39,846	40,21,742
<b>Total</b>	<b>427,76,577</b>	<b>585,99,002</b>	<b>759,30,123</b>	<b>2186,94,514</b>

29.1 Salaries and Allowances include remuneration to Whole Time Director of Rs. 49,70,616 (previous year Rs 49,70,616) for which applied for the approval of Central Government.

**29.2 Employee Benefits:**

As per Accounting Standard 15 "Employee Benefits" the disclosure of Employee Benefit, as defined in Accounting Standard are given below:

**Defined Contribution Plan**

(Amount in Rs)

Particulars	For the QTR ended June 30, 2017	For the year ended March 31, 2017
Employer's Contribution to Provident fund	49,17,337	192,52,662
Employer's Contribution to Pension fund	14,51,288	59,43,160
<b>Total</b>	<b>63,68,625</b>	<b>251,95,822</b>

**Defined Benefit Plan**

The employee's Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust maintained with Life Insurance Corporation of India [LIC]. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognised in same manner as gratuity.

a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(Amount in Rs)

Particulars	Gratuity Funded	
	As at June 30, 2017	As at March 31, 2017
Defined Benefit Obligation at beginning of the Year	555,36,076	474,95,358
Current Service Cost	15,39,032	52,51,960
Current Interest Cost	10,12,145	38,18,627
Actuarial (Gain) / Loss	6,71,998	47,11,823
Liability Transfer In		-
Liability Transfer Out		-
(Gains)/Losses on Curtailment		-
Actuarial (Gains)/Losses on Obligation - Due to Experience	(7,19,303)	-
Benefits paid	(18,66,655)	(57,41,692)
Defined Benefit Obligation at the end of the Period / Year	561,73,293	555,36,076

b. Reconciliation of opening & closing balances of fair value of plan assets

Particulars	Gratuity Funded	
	As at June 30, 2017	As at March 31, 2017
Fair Value of Plan Asset at beginning of the Year	686,57,882	586,80,732
Interest Income	12,51,290	47,17,931
Expected Return on Plan Assets	(9,79,403)	3,39,968
Actuarial Gain/ (Loss)		
Contributions	14,44,536	81,98,488
Fund Transfer In		27,28,070
Fund Transfer out		-2,65,615
Benefits paid	(18,66,655)	-57,41,692
Fair Value of Plan Asset at the end of the Period / Year	685,07,650	686,57,882

c. Reconciliation of present value of obligations & fair value of plan assets

Particulars	Gratuity Funded	
	As at June 30, 2017	As at March 31, 2017
Fair Value of Plan Asset at the end of the Period / Year	685,07,650	686,57,882
Present Value of Defined Benefit Obligation at end of the Period / Year	561,73,293	555,36,076
Liability/ (Asset) recognised in the Balance Sheet	(123,34,357)	(131,21,806)

d. Expense Recognised During the year

Particulars	Gratuity Funded	
	As at June 30, 2017	As at March 31, 2017
Current Service Cost	15,39,032	52,51,960
Net Interest Cost	(2,39,145)	(8,99,304)
(Gains)/Losses on Curtailment/Settlement	-	-
Actuarial (Gain)/ Loss	-	43,71,855
Return on plan assets	-	-
Net Cost Recognised in Statement of Profit and Loss Account	12,99,887	87,24,511

e. Assumptions used to determine the defined benefit obligation

Particulars	Gratuity Funded	
	As at June 30, 2017	As at March 31, 2017
Mortality Table	Indian Assured Lives mortality(2006-08) Ultimate	Indian Assured Lives mortality(2006-08) Ultimate
Discount Rate(p.a.)	7.16%	8.04%
Estimated rate of return on Plan Assets(p.a.)	7.16%	8.04%
Expected rate of increase in salary(p.a.)	5.00%	5.00%

The estimates of rate of increase in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return of Plan Assets is determined considering several applicable factors. Mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.



f. The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	Gratuity Funded	
	As at June 30, 2017	As at March 31, 2017
Insurance Fund	685,07,650	586,80,732

Maturity Analysis of Projected Defined Benefit Obligation is done considering future salary ,attrition &death in respective year for members as mentioned above.

#### Note -30 Finance Costs

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Interest	7921,45,248	11622,40,713	10762,78,910	45765,84,809
Other Borrowing Costs	26,88,629	40,82,409	24,86,127	104,47,670
Total	7948,33,877	11663,23,122	10787,65,037	45870,32,479

#### Note -31 Bad Debts and Provision for Trade Receivables

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Balances Written Off (Net)		34096,05,784	2595,75,538	48587,48,145
Less: Provision for Doubtful Debts/Advances Written Back	1,51,266,909	(34094,55,405)	(2595,75,538)	(48585,97,766)
Provision for Trade Receivables and Energy Recoverables	(1,51,266,909)	-	1943,71,913	2145,25,716
	-	1,50,379	1943,71,913	2146,76,095

#### Note -32 Exchange Differences (Net)

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Exchange differences (net)	679,47,608	(4758,80,622)	3668,48,196	2226,73,898
	679,47,608	(4758,80,622)	3668,48,196	2226,73,898

#### Note -33 Other Expenses

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Rent	137,55,158	123,89,276	124,42,619	504,68,743
Property Tax Including Rates and Taxes - Others	7,83,698	299,06,239	7,43,812	373,81,550
Electricity	28,25,106	11,48,982	19,76,035	68,07,639
Repairs and Maintenance				
- Office Building	-	-	1,40,000	33,664
- Office Equipments	14,49,538	6,53,315	6,36,345	27,29,534
- Others	16,457	6,04,125	4,00,610	10,30,735
Insurance Premium	28,08,393	25,54,511	29,86,837	120,47,095
Communication Cost	17,98,224	13,11,214	15,20,226	62,93,441
Travel and Conveyance	173,64,485	165,24,460	142,95,444	546,31,913
Legal and Professional Charges	384,40,626	269,29,810	324,54,569	1009,05,641
SDR, Merger and Other related Expenses	127,97,900	125,48,900	-	235,84,961
Payment to Auditors	16,75,000	16,75,000	16,75,000	67,00,000
Office Expenses	86,50,859	74,12,156	71,89,272	302,09,789
Printing and Stationery	8,30,595	15,22,133	5,80,144	46,83,536
Corporate Branding & Promotions	39,84,233	1,60,822	66,39,598	188,98,209
Directors' Sitting Fees	42,75,000	34,84,750	28,39,125	128,31,250

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31, 2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Loss on Sale of Fixed Assets (Net)	90,21,336	238,37,394	592,52,792	<b>985,63,138</b>
Miscellaneous Expenses	100,54,687	115,57,209	77,36,121	<b>376,66,740</b>
<b>Total</b>	<b>1305,31,295</b>	<b>1542,20,295</b>	<b>1535,08,550</b>	<b>5054,67,577</b>

### 33.1 Auditor's Remuneration includes

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31, 2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Audit Fees	7,50,000	7,50,000	7,50,000	<b>30,00,000</b>
Tax Audit Fees	3,00,000	3,00,000	3,00,000	<b>12,00,000</b>
Certification Fees	6,25,000	6,25,000	6,25,000	<b>25,00,000</b>
<b>Total</b>	<b>16,75,000</b>	<b>16,75,000</b>	<b>16,75,000</b>	<b>67,00,000</b>

### 34. Earnings Per Share(Basic and Diluted)

Particulars	For the Quarter ended June'17	For the Quarter ended June'16
Net profit /(Loss) after tax attributable to Equity Share holders. (Rs lacs)	(749,29,321)	(13500,89,346)
Weighted average no. of equity shares outstanding	39105,54,042	23363,88,793
Basic & Diluted Earning Per Share of Rs.10 Each (Rs.)	(0.02)	(0.58)
Weighted average no. of equity shares outstanding for Basic & diluted EPS	39105,54,042	23363,88,793

35. The figures in respect of the previous period have been regrouped/restated/rearranged/reclassified wherever necessary, to make them comparable with that of the current period.

FOR GTL Infrastructure Limited

**Milind Naik**  
(Whole-time Director)  
DIN: 00276884

**CHENNAI NETWORK INFRASTRUCTURE LIMITED**

UNAUDITED BALANCE SHEET AS AT JUNE 30, 2017 (PROVISIONAL)

	Notes	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property , Plant and Equipment	3	<b>603649,18,719</b>	614581,19,989
(b) Capital work-in-progress	3	<b>10396,15,056</b>	4047,13,053
(c) Intangible assets	3	<b>62795,42,006</b>	63995,41,654
(d) Financial Assets			
(i) Investments	4	-	-
(ii) Loans	5	<b>5742,50,591</b>	5451,25,850
(e) Other Non-current Taxes	6	<b>100,81,686</b>	226,47,237
(f) Other Non-current assets	7	<b>5881,47,847</b>	5755,83,296
		<b>688565,55,905</b>	<b>694057,31,079</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Investments	8	<b>14168,55,450</b>	5364,69,838
(ii) Trade receivables	9	<b>6935,79,923</b>	7841,68,634
(iii) Cash and cash equivalents	10	<b>2589,91,002</b>	3268,38,355
(iv) Bank Balances other than (iii) above	11	<b>4879,80,251</b>	4985,96,156
(v) Loans	12	<b>1542,79,469</b>	1431,19,150
(vi) Others	13	<b>7974,10,564</b>	6383,72,062
(b) Current Taxes	14	<b>115,54,417</b>	1954,49,530
(c) Other current assets	15	<b>8307,10,392</b>	8860,03,286
		<b>46513,61,466</b>	40090,17,010
<b>Total Assets</b>		<b>735079,17,371</b>	734147,48,089
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	16	<b>940454,15,170</b>	659558,61,240
(b) Other Equity		<b>(494504,30,608)</b>	(498204,12,487)
		<b>445949,84,562</b>	161354,48,753
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	<b>245787,11,897</b>	467508,27,465
(ii) Other financial liabilities	18	<b>5071,77,504</b>	4544,51,370
(b) Provisions	19	<b>7053,84,672</b>	6932,06,937
(c) Other non-current liabilities	20	<b>3730,76,835</b>	3606,31,710
		<b>261643,50,908</b>	482591,17,482
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	21	<b>3388,41,602</b>	2573,10,520
(ii) Other financial liabilities	22	<b>17408,14,788</b>	79232,27,505
(b) Other current liabilities	23	<b>6367,72,938</b>	8077,07,721
(c) Provisions	24	<b>321,52,572</b>	319,36,108
		<b>27485,81,901</b>	90201,81,853
<b>Total Equity and Liabilities</b>		<b>735079,17,371</b>	734147,48,089
Significant Accounting Policies	2		
Notes to Financial Statements	1 to 34		

FOR Chennai Network Infrastructure Limited

**MILIND BENGALI**  
(Whole-time Director)  
DIN: 02106224

**CHENNAI NETWORK INFRASTRUCTURE LIMITED**

**UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2017 (PROVISIONAL)**

	Notes	For the Quarter ended on June 30, 2017 Rupees	For the Quarter ended on March 31, 2017 Rupees	For the Quarter ended on June 30, 2016 Rupees	For the Year ended on March 31, 2017 Rupees
<b>INCOME :</b>					
Revenue from Operations	25	<b>36686,49,240</b>	36148,31,647	30579,19,099	<b>133393,48,237</b>
Other Income	26	<b>6312,12,487</b>	632,15,211	230,91,640	<b>1385,95,119</b>
<b>Total Revenue</b>		<b>42998,61,727</b>	36780,46,859	30810,10,739	<b>134779,43,356</b>
<b>EXPENSES :</b>					
Infrastructure Operation & Maintenance Cost	27	<b>16297,51,388</b>	14788,24,317	14472,36,631	<b>58401,64,439</b>
Employee Benefits Expense	28	<b>856,67,705</b>	1358,87,642	1173,90,033	<b>3838,59,560</b>
Finance Costs	29	<b>7612,66,504</b>	14100,15,126	13808,68,970	<b>56619,94,115</b>
Depreciation/Impairment and amortization expenses	3	<b>13327,31,182</b>	12223,83,825	13377,94,503	<b>50353,69,174</b>
Bad Debts and Provision for Trade Receivables	30	<b>11,69,978</b>	2100,04,279	2631,18,770	<b>4849,95,903</b>
Exchange Differences (Net)	31	-	-	27,357	-
Other Expenses	32	<b>1192,47,686</b>	1838,86,763	1186,59,840	<b>4825,23,173</b>
<b>Total</b>		<b>39298,34,443</b>	46410,01,952	46650,96,105	<b>178889,06,364</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>3700,27,284</b>	(9629,55,094)	(15840,85,366)	<b>(44109,63,008)</b>
Exceptional Item		-	-	65000,00,000	<b>65000,00,000</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>3700,27,284</b>	(9629,55,094)	(80840,85,366)	<b>(109109,63,008)</b>
<b>Tax Expense:</b>					
- Current Year		-	-	-	-
- Deferred Tax		-	-	-	-
<b>PROFIT/(LOSS) FOR THE PERIOD/YEAR</b>		<b>3700,27,284</b>	(9629,55,094)	(80840,85,366)	<b>(109109,63,008)</b>
Other Comprehensive Income					
(A) (I) Items that will not be reclassified to Profit or Loss					
(i) Remeasurement of the defined benefit plans		<b>45,406</b>	(3,51,310)	27,925	<b>68,863</b>
(ii) Others					
(B) (I) Items that will be reclassified to Profit or Loss					
(i) Others					
Total Other Comprehensive Income		<b>(45,406)</b>	3,51,310	(27,925)	<b>(68,863)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>		<b>3699,81,878</b>	(9626,03,784)	(80841,13,291)	<b>(109110,31,871)</b>
Earnings Per Equity Share of Rs.10 each	33				
Basic and Diluted		0.04	(0.16)	(0.25)	(0.72)
Significant Accounting Policies	2				
Notes to Financial Statements	1 to 34				

**FOR Chennai Network Infrastructure Limited**

**MILIND BENGALI**  
**(Whole-time Director)**  
**DIN: 02106224**

## NOTE - 1 Corporate Information

Chennai Network Infrastructure Limited (CNIL) is domiciled and incorporated in India under the provision of the Companies Act. The registered office of the Company is located at Old No. 34/1 DL New No. 403/L, Samson Tower, 7th Floor, Pantheon Road, Egmore, Chennai, Tamilnadu, India PIN - 600008.

The Company is in the business of sharing passive telecom infrastructure comprising of shelters, DG Sets, Battery, towers etc. These are capable of hosting active network components of various technologies of the customers. The Company also provides comprehensive & cost effective energy management solutions to these customers.

### 2. Basis of preparation and presentation

The financial statements of the Company have been prepared on a going concern basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value
- Defined Benefit Plans- measured at Fair Value

The preparation of the financial statements requires management to make estimates and underlying assumptions. Actual results could vary from these estimates. The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

The Company's financial statements are presented in Indian Rupees (INR) which is its functional and presentation currency.

### 2 (A) Significant Accounting Policies

#### 2.1. Property, Plant & Equipment

- On transition to Ind AS, the Company has elected to continue with the previous GAAP carrying values as deemed cost for all items of property, plant and equipment.
- Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost, any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
- The tangible assets at cellular sites, which are ready for use during the particular month are capitalised on the last day of the month.
- Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.
- Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets as prescribed in schedule II to the Companies Act, 2013 except in respect of following Fixed Assets where the assessed useful life is different than that prescribed in Schedule II.

Asset	Years
Network Operation Assets	9
Air Conditioners	9
Electrical and Power Supply Equipment	9
Office Equipment	3
Furniture and fittings	5
Vehicles	5

The management believes that the useful lives as given above represent the period over which these assets are expected to be used

- The towers have been depreciated on straight line method at the rate of 2.72% per annum based on useful life of 35 years in terms of specific approval received from the Ministry of Corporate Affairs, Government of India vide Order no.45/2010-CL-III dated May 26, 2010 issued under Section 205(2) (d) of the Companies

Act, 1956. The approval continues to be valid vide letter no.51/9/2014-CL-III dated September 19, 2014 received from Ministry of Corporate Affairs, Government of India.

- (g) Further, In respect of Fixed Assets whose actual cost does not exceed Rs. 5,000, depreciation is provided at 100% in the year of addition
- (h) The leasehold improvements have been depreciated over the lease period.
- (i) The revised carrying amount of the assets identified as impaired have been depreciated over residual useful life of the respective assets
- (j) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (k) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

## **2.2. Intangible Assets**

On transition to Ind AS, the Company has elected to continue with the previous GAAP carrying values as deemed cost.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and loss when the asset is derecognised.

The Company amortises intangible assets using the straight line method based on useful lives estimated by the management as mentioned below:

Customer Contracts	20 years
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## **2.3. Impairment of Non-Financial Assets**

At each balance sheet, the Company assesses whether there is any indication that any property, plant and equipment and intangible asset may be impaired, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGUs to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **2.4. Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, funds in transit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## **2.5. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **I) Financial assets**

- A. Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss are adjusted to the fair value on initial recognition. Purchase and sale of financial asset are recognised using trade date accounting i.e. the date that the Company commits to purchase or sell the asset.

## **B. Subsequent measurement**

### **i) Financial Assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category applies to Trade and other receivables, Security deposits, Other advance, Loan and advances to related parties, Unbilled Income, Interest Receivable etc.

### **ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**

A financial asset is subsequently measured at Fair Value through other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified debts to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **iii) Financial Assets at Fair Value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss

## **C. Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **D. Impairment of financial assets**

The Company assesses impairment based on expected credit loss (ECL) model to the following

- a) Financial assets at amortised cost
- b) Financial assets measured at fair value through Profit or Loss Account

The Company follows simplified approach for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risks. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

The Company uses historical cost experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of instrument improves such that there is no longer a significant



increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

## **II. Financial liabilities**

### **A. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **B. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **a) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### **b) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### **c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## **III. Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) contract that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a

party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### **IV. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **V. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **2.6. Provisions, Contingent Liabilities, Contingent Assets and Commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### **2.7. Fair value measurement**

"The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability."

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

## **2.8. Revenue recognition**

Revenue from operations includes revenue from Telecom/ Network Infrastructure Facilities and revenue from Energy and Other Reimbursements.

### **2.9.1 Revenue from Energy and Other Reimbursements**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the proceeds are being received. Revenue is being measured at contractual value at consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the Government,

### **2.9.2 Revenue from Telecom/ Network Infrastructure Facilities (Refer Note 2.10)**

Interest income

Interest Income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Income from dividends is recognised when the Company's right to receive the dividend has been established.

## **2.9. Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **i. Company as a lessee**

#### **Operating lease:**

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **ii. Company as a lessor**

#### **Operating lease:**

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected increase in inflationary cost; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

## **2.10. Employee benefits**

### **Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the year when the employees render the services.

Post-Employment Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

#### Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the other Comprehensive Income.

### **2.11. Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

### **2.12. Borrowing Costs**

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **2.13. Taxes**

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

In respect of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

### **2.14. Earnings per share**

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) is the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

## 2.15. Current and Non Current Classification

"The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA)."

"An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current."

"A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current."

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

## 2 (B) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

### b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of trade receivables and determining whether a provision against those receivables is required. Factors considered in assessing the recoverability of trade receivables include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take in the future years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**d) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**g) Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**h) Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable income together with future tax planning strategies. The Company does not expect availability of future taxable income sufficient to utilise its deferred tax assets. Further details on taxes are disclosed in note 46.

**i) Asset retirement obligations**

The Company has recognised a provision for asset retirement obligations associated with telecommunication towers. Such Provision is recognised in respect of dismantling of infrastructure equipment and restoration of sites under operating leases, the costs for which are expected to be incurred at the end of the lease term, based on the estimate provided by the internal technical experts. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

The Company estimates that the costs would be incurred at the end of the lease term and calculates the provision using the DCF method based on the discount rate that approximates interest rate of risk free borrowings and current estimate of asset retirement obligation duly adjusted for expected inflationary increase in related costs.

# CHENNAI NETWORK INFRASTRUCTURE LIMITED

## NOTES TO THE FINANCIAL STATEMENT

### NOTE-3

- (a) Property , Plant and Equipment
- (b) Capital work-in-progress
- (c) Other Intangible Assets

Particular	Tangible Assets		Buildings	Plant and Equipments	Vehicles	Total	Intangible Assets
	Land						
<b>DEEMED COST</b>							
As at April 1,2017	37,99,500	15552,74,644		598985,83,781	4,62,063	614581,19,989	63995,41,654
Additions	-	-		1241,28,607	-	1241,28,607	-
Deductions/ Adjustments	-	57,72,777		1146,27,198	-	1203,99,976	-
<b>As at June 30, 2017</b>	<b>37,99,500</b>	<b>15495,01,867</b>		<b>599080,85,190</b>	<b>4,62,063</b>	<b>614618,48,620</b>	<b>63995,41,654</b>
<b>DEPRECIATION / AMORTISATION</b>							
As at April 1,2017	-	-		-	-	-	-
Depreciation Charged For The Year	-	804,76,499		11322,10,635	44,401	12127,31,534	1199,99,648
Deductions/ Adjustments	-	11,72,352		224,71,229	-	236,43,581	-
<b>As at June 30, 2017</b>	<b>-</b>	<b>793,04,147</b>		<b>11097,39,406</b>	<b>44,401</b>	<b>11890,87,954</b>	<b>1199,99,648</b>
<b>IMPAIRMENT</b>							
As at June 30, 2017	-	23,14,959		898,43,093	-	921,58,052	-
<b>NET BOOK VALUE</b>							
As at June 30, 2017	<b>37,99,500</b>	<b>14725,12,680</b>		<b>58881,88,877</b>	<b>4,17,662</b>	<b>603649,18,719</b>	<b>62795,42,006</b>

Particulars	As at June 30, 2017	As at March 31, 2017
Capital Work-in-progress	10396,15,056	4047,13,053

3.1 Capital Work-in-Progress includes:

Materials at sites including cost of services amounting to Rs. 1,03,96,15,056 (Previous Year Rs. 40,47,13,053)

3.2 During the year the Company has disposed off CWIP of Rs. NIL for Rs. NIL. (Previous Year Rs. 1,17,00,630 for Rs. 1,17,00,264)



**CHENNAI NETWORK INFRASTRUCTURE LTD**

NOTES TO THE FINANCIAL STATEMENT

**Note - 4 NON-CURRENT FINANCIAL ASSETS (INVESTMENTS)**

(Long-Term Other than Trade)

	Number		Face Value (Rupees)	As at June 30, 2017	As at March 31, 2017
	As at June 30, 2017	As at March 31, 2017			
Unquoted 0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) in GTL Limited - An Associate of the Company	6500,00,000	6500,00,000	10	65,00,000,000 (65000,00,000)	65,00,000,000 (65000,00,000)
<b>TOTAL</b>				-	-

Aggregate Amount of Unquoted Investments

-

-

**Note -5 Loans**

(Unsecured)

	<b>As At June 30, 2017</b>		<b>As At March 31, 2017</b>	
	<b>Rupees</b>		<b>Rupees</b>	
Security deposit (Refer Note No. 5.1)		<b>5742,50,591</b>		5451,25,850
<b>Total</b>		<b>5742,50,591</b>		5451,25,850

5.1 Security Deposit includes entitlements of Rs. 34,48,02,201 and Rs. 9,51,11,240 towards Electricity Deposits and site Rental Deposits respectively which are in the process of being transferred in the name of the Company.

**Note - 6 Other non-current Taxes**

	<b>As At June 30, 2017</b>		<b>As At March 31, 2017</b>	
	<b>Rupees</b>		<b>Rupees</b>	
Security deposit (Refer Note No. 5.1)		<b>100,81,686</b>		226,47,237
<b>Total</b>		<b>100,81,686</b>		226,47,237

**Note - 7 Other non-current assets**

	<b>As At June 30, 2017</b>		<b>As At March 31, 2017</b>	
	<b>Rupees</b>		<b>Rupees</b>	
Capital advances (Refer Note No. - 7.1)		<b>5091,74,416</b>		4935,92,812
Prepaid Expenses		<b>789,73,431</b>		819,90,484
<b>Total</b>		<b>5881,47,847</b>		5755,83,296

7.1 Capital Advances includes advance given to Associate Companies Rs. NIL (Previous Year Rs. 3,01,63,336)

**NOTE - 8 CURRENT FINANCIAL ASSETS (INVESTMENTS)**

(Other than Trade)

Unquoted	As at June 30, 2017	Member As at March 31, 2017	Face Value (Rs.)	As at June 30, 2017		As at March 31, 2017	
				Rupees		Rupees	
In Unit of Mutual Funds	3,750	3,750	1,000	68,09,047	67,62,564		
AXIS LIQUID FUND - DIRECT GROWTH	1,31,587	-	1,000	2501,28,023	-		
BARODA PIONEER LIQUID FUND - PLAN B - GROWTH	1,25,628	-	1,000	2514,35,564	-		
CANARA ROBECO LIQUID - DIRECT PLAN - GROWTH	1,01,271	63,231	1,000	2626,44,640	1613,85,113		
SBI PREMIER LIQUID FUND - DIRECT PLAN - GROWTH	-	1,19,033	1,000	-	3510,31,562		
LIC NOMURA MF LIQUID FUND - DIRECT - GROWTH PLAN	93,775	-	1,000	2811,00,020	-		
LIC MF LIQUID FUND - DIRECT PLAN - GROWTH	1,60,272	10,638	1,000	2646,99,240	172,90,598		
UNION KBC LIQUID FUND GROWTH - DIRECT PLAN	36,957	-	1,000	1000,38,916	-		
UTI LIQUID CASH PLAN - INSTITUTIONAL DIRECT PLAN - GROWTH				14168,55,450	-		5364,69,838
				14168,55,450			5364,69,838

Note:

Aggregate Amount of Unquoted Investments

**14168,55,450**      5364,69,838

**Note -9 Trade receivables**

(Unsecured)

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
- Considered good	6935,79,923		7841,68,634	
- Considered Doubtful	1087,05,095		1997,20,882	
	8022,85,017		9838,89,516	
Provision for doubtful receivables	1087,05,095		1997,20,882	
		6935,79,923		7841,68,634
<b>Total</b>		<b>6935,79,923</b>		<b>7841,68,634</b>

9.1 The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

**Note -10 Cash and cash equivalents**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Cash and cash equivalents				
Balances with Banks:				
- in Current accounts	2586,28,861		3264,67,921	
Cheques in hand (Since realised)	93,834		-	
Cash on hand	2,68,307		3,70,434	
		2589,91,002		3268,38,355
<b>Total</b>		<b>2589,91,002</b>		<b>3268,38,355</b>

**Note -11 Other bank balances**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Other bank balances				
Fixed Deposits with Banks	1,316		1,316	
Fixed Deposits with Banks for procurement of assets under project	4765,55,699		4872,96,814	
Fixed Deposits with Banks held as Security for Sales Tax	114,23,236		112,98,026	
		4879,80,251		4985,96,156
<b>Total</b>		<b>4879,80,251</b>		<b>4985,96,156</b>

**Note -12 Loans**

(Unsecured)

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Deposits Given		1542,79,469		1431,19,150
<b>Total</b>		<b>1542,79,469</b>		<b>1431,19,150</b>

**Note -13 Other current financial assets**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Unbilled Income		5464,53,193		3875,61,615
Other Receivables (Unsecured, Considered good) (Refer Note No.13.1 )		2457,98,236		2457,98,236
Expenses Recoverable		25,28,103		25,28,103
Interest Receivables		26,31,032		24,84,108
<b>Total</b>		<b>7974,10,564</b>		<b>6383,72,062</b>

13.1 Other Receivables includes Rs. 24,57,98,236 (Previous Year Rs. 24,57,98,236) receivable pursuant to Aircel Settlement

**Note -14 Current Taxes**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Advance Income-Tax (net of provision for taxation)		115,54,417		1954,49,530
<b>Total</b>		<b>115,54,417</b>		<b>1954,49,530</b>

**Note -15 Other current assets**

(Unsecured, Considered good unless otherwise stated)

	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
Other Receivables	5307,08,093	6619,68,309
Cenvat / Service Tax input credit entitlements	1876,58,648	1239,56,769
Prepaid expenses	1123,43,651	1000,78,211
<b>Total</b>	<b>8307,10,392</b>	<b>8860,03,289</b>

**Note -16 Share capital**

	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
<b>Authorised</b>		
10,00,00,00,000 Equity Shares (Previous Year 7,00,00,00,000 Equity Shares) of Rs.10 each	1000000,00,000	1000000,00,000
10,00,00,000 Preference Shares (Previous Year 10,00,00,000 Preference Shares) of Rs. 100 each	100000,00,000	100000,00,000
	1100000,00,000	1100000,00,000
<b>Issued, subscribed and fully paid-up</b>		
9,40,45,41,517 Equity Shares (Previous Year 6,59,55,86,124 Equity Shares) of Rs. 10 each fully paid-up	940454,15,170	659558,61,240
<b>Total</b>	<b>940454,15,170</b>	<b>659558,61,240</b>

**16.1 Reconciliation of the Shares Outstanding at the beginning and at the end of the Year**

	As At June 30, 2017		As At March 31, 2017	
	Number	Rupees	Number	Rupees
Equity Shares at the beginning of the Period/Year	65955,86,124	659558,61,240	65955,86,124	659558,61,240
Add: Addition During the Period on account of SDR	28089,55,393	280895,53,930	-	-
Equity Shares at the end of the Period/Year	94045,41,517	940454,15,170	65955,86,124	659558,61,240

**16.2 Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**16.3 Details of shareholders holding more than 5% shares in the company**

	As At June 30, 2017		As At March 31, 2017	
Name of Share Holders	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital
Tower Trust (GTL Infrastructure Limited is the Sole Beneficiary) (Holding Company upto December 19, 2012)	18157,22,400	19.31%	18157,22,400	27.53%
GTL Limited	17007,42,399	18.08%	17007,42,399	25.79%
IFCI Ltd	4819,90,245	5.12%	4819,90,245	7.31%
Central Bank of India	7706,73,293	8.19%	3494,25,645	5.30%
ICICI Bank Ltd	5485,75,037	5.83%	1790,00,000	2.71%
Union Bank of India	5353,92,445	5.69%	2221,07,888	3.37%

**Other Equity**

	As At June 30, 2017 Rupees	As At March 31, 2017 Rupees
Surplus/ (Deficit)		
Balance as per last Balance Sheet	(498204,12,487)	(389093,80,615)
Profit/(Loss) for the Year	3699,81,878	(109110,31,871)
	(494504,30,608)	(498204,12,487)
<b>Total</b>	<b>(494504,30,608)</b>	<b>(498204,12,487)</b>

**Note -17 Borrowings**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
<b>Secured Loans</b>				
Rupee Term Loans from				
- Banks	228364,39,064		428959,54,431	
- Financial Institutions	17422,72,833		38548,73,034	
		<b>245787,11,897</b>		467508,27,465
<b>Total</b>		<b>245787,11,897</b>		467508,27,465

17.1 Term Loans from Banks & Financial Institutions are Secured by way of

- (i) Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company (Except for ICICI Bank Limited who shall have Second Charge on the said security towards repayment of Principal) and Corporate guarantee issued by GTL Infrastructure Limited in favour of Corporation Bank and Central Bank of India for Rs. 8,31,00,00,000.
- (ii) Sponsor support from Global Holding Corporation Private Limited (GHC) and guarantee of Mr. Manoj Tirodkar (Promoter) towards debt servicing of CDR Lenders.

17.2 Terms of Repayment

- (i) Rupee Term Loans from Banks (Other than ICICI Bank Limited) , Financial Institutions and current maturities of Long-term borrowings having an effective yield of 10.75 % over the tenure of the facility. Outstanding Loan amount of Rs. 20,70,49,87,508/- repayable in quarterly instalments as per the terms of CDR.

The Maturity Profile is as set below:

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	14628,52,378	18004,33,696	22505,42,120
<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
24755,96,332	27006,50,545	30382,31,863	30382,31,863
<b>2025-26</b>	<b>2026-27</b>		
30382,31,863	9002,16,848		

- (ii) Rupee Term Loans from ICICI Bank Limited and current maturities of Long-term borrowings having an effective yield of 8 % over the tenure of the facility. Outstanding Loan amount of Rs. 3,12,35,06,298/- repayable in quarterly instalments as per the terms of CDR are as follows:

The Maturity Profile is as set below:

	<b>2018-19</b>	<b>2019-20</b>
	2518,95,669	3190,67,848
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
3358,60,892	3694,46,981	4030,33,071
<b>2024-25</b>	<b>2025-26</b>	2026-27
4366,19,160	4366,19,160	1511,37,402

**Note -18 Other financial liabilities**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Deposits from customers		<b>5071,77,504</b>		4544,51,370
<b>Total</b>		<b>5071,77,504</b>		4544,51,370

**Note -19 Provisions**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Assets Retirement Obligation		<b>7053,84,672</b>		6932,06,937
<b>Total</b>		<b>7053,84,672</b>		6932,06,937

**Note -20 Other non-current liabilities**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Advance Revenue		<b>3730,76,835</b>		3606,31,710
<b>Total</b>		<b>3730,76,835</b>		3606,31,710

**Note -21 Trade payables**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Suppliers for Goods and Services		3388,41,602		2573,10,520
<b>Total</b>		<b>3388,41,602</b>		<b>2573,10,520</b>

21.1 Trade Payables includes Payable to Associate Company GTL Ltd. Rs. NIL (Previous Year Rs. 96,43,008)

21.2 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

**Note -22 Other financial liabilities**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Capex Creditors		5015,19,537		2714,04,739
Provision for Expenses (Net of Recoverable Expenses)		5789,10,312		6898,97,832
Current maturities of long-term borrowings				
- Rupee Term Loan from Banks and Financial Institutions		4286,87,012		36163,93,916
Dues to Banks		-		17074,03,548
Interest accrued and due on borrowings From Banks and Financial Institutions (Refer Note No. - 22.3)		-		14299,32,487
Interest accrued and due to Associate		49,84,410		2,51,211
Deposits from customers		682,84,099		750,53,840
Accrued Salaries and Employee Benefits		10,43,687		14,20,486
Other Payable (Refer Note No. - 22.4)		1573,85,731		1314,69,446
<b>Total</b>		<b>17408,14,788</b>		<b>79232,27,505</b>

22.1 Capex Creditors includes payable to Associate Company GTL Limited Rs. 13,85,46,830 (Previous Year Rs. 8,05,61,757)

22.2 Dues to Banks represents overdue Principal payable quarterly instalments for the period June'2016 to June'2017 of Rs. NIL (Previous Year Rs. 1,70,74,03,548)

22.3 Interest accrued and due on borrowings From Banks and Financial Institutions represents unpaid interest payable for the quarter ended June 30, 2017 of Rs. NIL (Previous Year Rs. 1,27,99,63,478) and Penal and overdue Interest of Rs. NIL for the period July'2014 to June'2017 (Previous Year Rs. 14,99,69,009)

22.4 Other Payables includes payable to Associates Company GTL Infrastructure Ltd. Rs. 11,16,97,441 (Previous Year Rs. 12,94,98,061).

**Note -23 Other current liabilities**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Advance received from customer		-		3412,33,891
Unearned Revenue		5475,30,536		3806,02,583
Advance Revenue		686,08,399		622,27,837
Others				
- Statutory Dues		206,34,003		236,43,410
<b>Total</b>		<b>6367,72,938</b>		<b>8077,07,721</b>

**Note -24 Provisions**

	As At June 30, 2017 Rupees		As At March 31, 2017 Rupees	
Assets Retirement Obligation		321,52,569		319,36,108
<b>Total</b>		<b>321,52,569</b>		<b>319,36,108</b>



**Note -25 Revenue from Operations**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Revenue from Telecom/Network Infrastructure Facilities	28353,96,061	28199,53,783	24292,98,581	105194,80,000
Energy and Other Re-imbursements	8275,68,360	7789,11,213	6282,74,412	27883,73,154
Other Operating Income	56,84,819	159,66,651	3,46,106	314,95,083
<b>Total</b>	<b>36686,49,240</b>	<b>36148,31,647</b>	<b>30579,19,099</b>	<b>133393,48,237</b>

**Note -26 Other Income**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Fair Value Gain on financial instruments at fair value through Profit & Loss	5886,30,545	50,01,319	91,25,603	240,17,603
Interest Income	400,27,210	584,38,013	137,90,037	1145,77,517
Miscellaneous Income	25,54,732	(2,24,120)	1,76,000	-
<b>Total</b>	<b>6312,12,487</b>	<b>632,15,211</b>	<b>230,91,640</b>	<b>1385,95,119</b>

**Note -27 Infrastructure Operation & Maintenance Cost (Net)**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Site Rentals	5944,49,819	5735,62,044	5458,12,141	22002,95,654
Power, Fuel and Maintenance Charges	8209,63,694	6823,76,340	6762,16,302	27472,33,676
Repairs and Maintenance to Plant and Equipments	589,80,877	620,92,858	599,90,417	2485,41,325
Other Operating Expenditure	1553,56,999	1607,93,076	1652,17,771	6440,93,783
<b>Total</b>	<b>16297,51,388</b>	<b>14788,24,317</b>	<b>14472,36,631</b>	<b>58401,64,439</b>

**Note -28 Employee Benefits Expense**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Salaries and Allowances	853,14,994	1350,83,223	1169,67,779	3821,01,973
Contribution to Gratuity Fund	49,457	5,44,627	56,929	4,66,895
Employee Welfare and other amenities	3,03,254	2,59,792	3,65,325	12,90,692
<b>Total</b>	<b>856,67,705</b>	<b>1358,87,642</b>	<b>1173,90,033</b>	<b>3838,59,560</b>

**Note -29 Finance Costs**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Interest	7601,04,915	14056,95,393	13777,35,378	56403,52,025
Other Borrowing Costs*	11,61,589	43,19,732	31,33,592	216,42,089
<b>Total</b>	<b>7612,66,504</b>	<b>14100,15,126</b>	<b>13808,68,970</b>	<b>56619,94,115</b>

**Note -30 Bad Debts and Provision for Trade Receivables**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Bad Debts and Energy unrecoverable	92,185,766	2197,46,115	2390,67,260	7241,37,196
Less: Provision for Doubtful Debts and Energy unrecoverable Written Back	(91,015,788)	(1415,50,518)	(2146,73,110)	(6215,40,332)
	11,69,978	-	-	-
Provision towards doubtful debts and Energy Recoverables	-	1318,08,682	2387,24,621	3823,99,039
	11,69,978	2100,04,279	2631,18,770	4849,95,903

**Note -31 Exchange Differences (Net)**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Exchange Differences (Net)	-	-	27,357	-
<b>Total</b>	-	-	27,357	-

**Note -32 Other Expenses**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Rent	196,19,155	173,48,132	152,86,239	646,01,059
Property Tax Including other Rates and Taxes	-	239,02,277	38,71,743	312,38,006
Electricity	42,31,898	25,31,875	27,51,749	111,36,070
Repairs and Maintenance				
- Others	-	9,65,619	8,78,284	18,23,887
Insurance Premium	83,46,548	88,45,526	54,32,244	298,66,340
Communication Cost	19,20,167	9,40,948	10,31,136	40,85,418
Travel and Conveyance	106,36,212	106,58,621	80,16,374	320,25,895
Legal and Professional Charges	437,97,271	336,45,371	597,06,222	1623,03,724
SDR, Merger and Other related Expenses	138,06,180	429,54,618	-	472,85,618
Payment to Auditors	7,74,250	7,50,000	7,64,500	30,39,050
Office Expenses	73,99,049	61,85,378	86,45,037	285,96,474
Printing and Stationery	6,09,353	2,93,001	4,15,395	14,58,114
Corporate Branding & Promotions	13,40,000	344,02,036	3,000	348,42,949
Directors' Sitting Fees	28,38,125	15,84,375	24,10,500	87,70,125
Loss on Sale of Fixed Assets (Net)	-	(45,31,718)	53,20,921	83,00,349
Miscellaneous Expenses	39,29,478	34,10,704	41,26,496	131,50,096
<b>Total</b>	<b>1192,47,686</b>	<b>1838,86,763</b>	<b>1186,59,840</b>	<b>4825,23,173</b>

**32.1 Auditor's Remuneration includes**

	For the Quarter ended on June 30, 2017	For the Quarter ended on March 31,2017	For the Quarter ended on June 30, 2016	For the Year ended on March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Audit Fees	6,25,000	6,25,000	6,25,000	25,00,000
Tax Audit Fees	1,25,000	1,25,000	1,25,000	5,00,000
Out of Pocket Expenses	24,250	-	-	39,050
	7,74,250	7,50,000	7,50,000	30,39,050

**33 Earning Per Share ( Basic & Diluted):**

Particulars	For the Quarter ended June'17	For the Quarter ended June'16
Net profit after tax attributable to Equity Share holders for Basic EPS(Rs.)	3700,27,284	(109109,63,008)
Weighted average number of equity shares outstanding for Basic EPS	90341,29,817	65955,86,124
<b>Basic Earning Per Share of Rs.10 Each (Rs.)</b>	<b>0.04</b>	<b>(0.72)</b>
Weighted average no. of equity shares outstanding for Basic EPS	90341,29,817	65955,86,124
Add:- Potential Equity Shares (Options)	NIL	NIL
Number of Shares used for Calculating Diluted EPS	90341,29,817	65955,86,124
<b>Diluted Earning Per Share of Rs.10 Each (Rs.)</b>	<b>0.04</b>	<b>(0.72)</b>

34 The figures in respect of the previous period have been regrouped/restated/rearranged/reclassified wherever necessary, to make them comparable with that of the current period.

**FOR Chennai Network Infrastructure Limited**

**MILIND BENGALI**  
(Whole-time Director)  
DIN: 02106224

This is an Abridged Prospectus prepared in connection with the proposed Scheme of Arrangement, pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 ('Act') and Rules made thereunder, amongst Chennai Network Infrastructure Limited ('CNIL' / 'Transferor Company'), GTL Infrastructure Limited ('GIL' / 'Transferee Company') and their respective Shareholders and Creditors ('Scheme').

This Abridged Prospectus, containing salient features of the Scheme, has been prepared in connection with the Scheme pursuant to and in compliance with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the disclosures in Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, to the extent applicable.

**THIS ABRIDGED PROSPECTUS CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This Abridged Prospectus dated September 14, 2017 is important and should be carefully read together with the Scheme and the Notice being sent to the shareholders of GTL Infrastructure Limited. The Scheme would also be available on the websites of the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

### CHENNAI NETWORK INFRASTRUCTURE LIMITED

**Registered Office:** Old No. 34/1 DL, New No.403/L, 7th Floor, Samson Tower, Pantheon Road, Egmore, Chennai-600 008, Tamil Nadu, India; Tel.: +91 44 28191229; Fax: +91 44 30289146;

**Corporate Office:** Global Vision, 3rd Floor, Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai-400 710, Maharashtra, India; Tel.: +91 22 27673500; Fax: +91 22 27673666;

**Contact Person:** Ajit Shanbhag, Chief Financial Officer; **E-mail:** [cnilshares@gmail.com](mailto:cnilshares@gmail.com)

**Corporate Identity Number (CIN):** U64203TN2009PLC073803

**PROMOTERS OF THE COMPANY: GTL INFRASTRUCTURE LIMITED THROUGH TOWER TRUST, GTL LIMITED AND GLOBAL HOLDING CORPORATION PRIVATE LIMITED**

### SCHEME / THE ISSUE / LISTING

The Scheme will provide for the amalgamation of the CNIL/Transferor Company with the GIL / Transferee Company, pursuant to the relevant provisions of the Act and Rules made thereunder.

In terms of and upon the coming into effect of the Scheme, pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Act and Rules made thereunder, with effect from the Effective Date (as defined in the Scheme) the Transferor Company shall be and stand amalgamated with and shall be deemed to have been amalgamated with the Transferee Company and the Transferor Company shall stand dissolved without winding-up.

In consideration, the Transferee Company shall issue and allot fully paid-up equity shares of the face value of Rs.10/- (Rupees Ten) each to the shareholders of the Transferor Company.

The existing equity shares of the Transferee Company are listed on BSE Limited, Mumbai ('BSE') and National Stock Exchange of India Limited, Mumbai ('NSE'). The equity shares of the Transferee Company to be issued in terms of the Scheme would be listed on BSE and NSE.

The Scheme is subject to the approvals from the applicable statutory and regulatory authorities, such as, among others, the Competition Commission of India ('CCI') and National Company Law Tribunal ('NCLT') and shall come into effect from the Effective Date, as defined under the Scheme. The approval of the CCI was received on June 15, 2017.

### GENERAL RISKS

Specific attention of the investors is invited to the section 'Rational of the Scheme' at Page 6 of this Abridged Prospectus. Further, Investors are advised to refer the section titled 'Internal Risk Factors' beginning on page 9 of this Abridged Prospectus.

## CERTAIN CONVENTIONS / FINANCIAL DATA

In the Abridged Prospectus, unless the context otherwise indicates, all references to 'CNIL' and the 'Company' are Chennai Network Infrastructure Limited and the terms we, us, our, are Chennai Network Infrastructure Limited, our Group Companies and Associates.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Scheme

### ***Certain Conventions***

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

### ***Financial Data***

Unless stated otherwise, the financial information and data in this Document is derived from Audited Financial Statements for the Financial Year ended March 31, 2017. We publish our financial statements in Indian Rupees.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular 'financial year' or 'fiscal year' or 'Fiscal' are to the 12 (twelve) month period ended March 31 of that year

In this Document, all the figures have been presented in Crores or in whole numbers, unless stated otherwise. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

### ***Currency of Presentation***

All references to 'Rs.' or 'INR' or 'Rupees' refer to Indian Rupees, the lawful currency of the Republic of India.

### ***Forward-Looking Statements***

This document contains certain forward looking statements, which are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

<b>Name and contact details of the Merchant Banker</b>	<b>Ashika Capital Limited</b> 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai: - 400 021. Tel: +91 22 66111700; Fax: +91 22 66111710 E-mail : mbd@ashikagroup.com; Website: www.ashikagroup.com SEBI Registration No.: INM000010536 Contact Person: Narendra Kumar Gamini
<b>Statutory Auditors of the Company</b>	M/s. Arvind Mahajan & Associates, Chartered Accountants (Firm Registration Number: 116096W)

## PROMOTERS

The Promoters of our Company are GTL Infrastructure Limited through Tower Trust, GTL Limited and Global Holding Corporation Private Limited. As on the date, our Promoters hold, in the aggregate, 3,57,65,46,206 Equity Shares, constituting 38.03% of the paid-up equity share capital of the Company.

## Details of our Promoters:

### (a) GTL Infrastructure Limited through Tower Trust:

#### Corporate Information

GTL Infrastructure Limited (GIL) was incorporated on February 4, 2004 under the provisions of the Companies Act, 1956 and its registered office is located at 3rd Floor, Global Vision, Electronic Sadan-II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai-400710. The Corporate Identification Number of GIL is L74210MH2004PLC144367. Investment in the Company is held by Tower Trust through its trustees Mr. Duraisamy Sargurudas Gunasing and Mr. Vijay Manohar Vij. Sole beneficiary of Tower Trust is GTL Infrastructure Limited.

As on date, the equity shares of GIL are listed at BSE (Security Code: 532775) and NSE (Symbol: GTLINFRA). The International Securities Identification Number (ISIN) of GIL is INE221H01019.

#### Nature of Business

GIL is India's leading independent Telecom Tower Company. GIL provides passive infrastructure on shared basis to Telecom Operators for hosting their active network components. The business model of passive infrastructure sharing is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple Telecom Operators. It is registered with the Department of Telecommunications, Government of India as an Infrastructure Provider Category I (IP-I).

#### Shareholding Pattern

Set forth below is the shareholding pattern of GIL, as on June 30, 2017:

S. No.	Category of Shareholders	Number of Equity Shares	Percentage (%)
<b>A</b>	<b>Promoter &amp; Promoter Group</b>	<b>62,88,26,075</b>	<b>15.14</b>
	GTL Limited	34,57,63,466	8.33
	Global Holding Corporation Private Limited	28,30,62,609	6.82
<b>B</b>	<b>Public</b>	<b>3,52,34,73,082</b>	<b>84.86</b>
	(i) Institutions		
	Mutual Funds	214	-
	Foreign Portfolio Investors	28,29,14,040	6.81
	Financial Institutions / Banks	2,53,46,29,828	61.04
	Insurance Companies	6,98,42,498	1.68
	(ii) Non-institutions	63,60,86,502	15.32
	<b>GRAND TOTAL (A+B)</b>	<b>4,15,22,99,157</b>	<b>100.00</b>

Note: After June 30, 2017, GIL has allotted 4,88,268 and 5,42,52,000 equity shares of Rs. 10 each on July 13, 2017 and September 12, 2017 respectively upon conversion of FCCBs. Consequently, the Issued, Subscribed and Paid-up Capital of GIL has increased to Rs. 42,07,03,94,250/-

Further as on June 30, 2017 there are 24,168 outstanding Series A Foreign Currency Convertible Bonds and 193,533 Series B Foreign Currency Convertible Bonds. The Company is in process of exchange of existing Series B Bonds with freshly issued Foreign Currency Convertible Bonds, subject to receipt of requisite statutory approvals.

#### Financial Performance

(All amounts are INR. in Crores except per share data or as otherwise stated)

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
	IND AS	IND AS	IGAAP
Equity Share Capital*	2460.08	2336.39	2325.15
Reserves and Surplus / Other Equity (excluding Revaluation Reserve)	(2517.21)	(2145.51)	(1537.97)
Total Income/Total Revenue	967.03	930.43	623.10
Total Comprehensive Income / Profit/(Loss) After Tax	(302.56)	(605.79)	(514.71)
Basic Earnings Per Share (in Rs.)	(1.26)	(2.60)	(2.22)

\* As on June 30, 2017 the Equity Share Capital stands at Rs.4152.30 Crores pursuant to allotment under Strategic Debt Restructuring (SDR).

**(B) GTL Limited:-***Corporate Information*

GTL Limited (GTL) was incorporated on December 23, 1987 under the provisions of the Companies Act, 1956 and its registered office is located at Global Vision, Electronic Sadan-II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Maharashtra-400710. The Corporate Identity Number (CIN) of the GTL is L40300MH1987PLC045657.

As on date the equity shares of GTL are listed at BSE Limited (Security Code: 500160) and National Stock Exchange of India Limited (Symbol: GTL). The International Securities Identification Number (ISIN) of GTL is INE043A01012.

*Nature of Business*

The Company's core service offerings revolve around Network and Network related services for Utilities, Telecom service providers and Original Equipment Manufacturers (OEMs).

The Company is serving the leading service providers and utilities across Asia Pacific, Europe and Middle East. The service areas and key areas of performance revolve around Network planning and design, Network Rollout, Managed Services, Consulting Solutions, Benchmarking / Optimization and Energy Management.

*Shareholding pattern*

Set forth below is the shareholding pattern of GTL, as on June 30, 2017:

S. No.	Category of Shareholders	Number of Equity Shares	Percentage (%)
<b>A</b>	<b>Promoter &amp; Promoter Group</b>	<b>4,75,79,994</b>	<b>30.25</b>
	Manoj Gajanan Tirodkar	1,85,99,435	11.82
	Global Holding Corporation Private Limited	2,89,80,559	18.42
<b>B</b>	<b>Public</b>	<b>10,97,16,787</b>	<b>69.75</b>
	(i) Institutions		
	Mutual Funds	164	-
	Foreign Portfolio Investors	2,566	-
	Financial Institutions / Banks	5,84,74,565	37.17
	Insurance Companies	13,07,259	0.83
	(ii) Non-institutions	49,93,22,33	31.74
	<b>GRAND TOTAL (A+B)</b>	<b>15,72,96,781</b>	<b>100</b>

*Financial Performance*

Brief financial information of GTL, extracted from its standalone audited financial statements for the financial year ended March 31, 2015, March 31, 2016 and March 31, 2017 is as follows:

(All amounts are INR. in Crores except per share data or as otherwise stated)

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
	IND AS	IND AS	IGAAP
Equity Share Capital	157.30	157.30	157.30
Preference Share Capital	650.00	650.00	650.00
Reserves and Surplus (excluding Revaluation Reserve)	(3,842.11)	(3211.81)	(798.31)
Total Revenue	1221.11	1241.65	2,069.41
Profit/(Loss) after tax	(629.86)	(2413.45)	(801.29)
Basic Earning Per Share (in Rs.)	(40.04)	(153.44)	(50.95)

**(c) Global Holding Corporation Private Limited:***Corporate Information*

Global Holding Corporation Private Limited (GHC) was incorporated on January 14, 1994, under the provisions of the Companies Act, 1956, in the name of GECS Holdings Limited. The name of the company was changed to Global Asset Holding Corporation Private Limited on February 16, 2006 and further changed to Global Holding Corporation Private Limited on February 22, 2008. The GHC is having its registered office at 201-A, 2nd Floor, Janmabhoomi Chambers, Walchand Hirachand Marg, Ballard Estate, Mumbai, Maharashtra-400038. The Corporate Identity Number (CIN) of the Company is U65990MH1994PTC076078.



### *Nature of Business*

The main objects of GHC are making investments in stocks, units, shares and securities.

GHC is the holding company of the Global Group, which includes GTL Limited and GTL Infrastructure Limited and Chennai Network Infrastructure Limited.

### *Shareholding Pattern*

Set forth below is the shareholding pattern of GHC, as on June 30, 2017:

Sr. No.	Category	Number of Equity Shares	Percentage (%)
1	Individual	912	0.01
2.	Trust	1,60,59,838	99.99
	<b>TOTAL</b>	<b>1,60,60,750</b>	<b>100.00</b>

### *Financial Performance*

Brief financial information of GHC, extracted from its standalone audited financial statements for the financial year ended March 31, 2014, March 31, 2015 and March 31, 2016, is as follows:

(All amounts are INR. in Crores except per share data or as otherwise stated)

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
	IGAAP	IGAAP	IGAAP
Equity Share Capital	16.06	16.06	16.06
Preference Share Capital	31.58	31.58	31.58
Reserves and Surplus (excluding Revaluation Reserve)	207.39	313.80	436.31
Total Revenue	0.00	0.00	11.10
Profit/(Loss) after tax	(106.41)	(122.51)	(208.56)
Basic Earning Per Share (in Rs.)	(66.25)	(76.28)	(129.86)

## **BUSINESS OVERVIEW**

### ***Business Overview***

Chennai Network Infrastructure Limited (CNIL) is a pioneer in the Shared Telecom Tower Infrastructure services in India. The Company was formed as a Special Purpose Vehicle (SPV) to acquire the tower portfolio business of Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited (Aircel). The Company is one of the leading independent telecom tower infrastructure provider that deploy, own and manage telecom towers and communication structures for all wireless telecom operators. We are registered as an Infrastructure Provider-Category-I (IP-I) with the Department of Telecommunication (DoT), Government of India.

The Company is in the business of sharing passive telecom infrastructure comprising of shelters, DG Sets, Battery, Towers, etc. capable of hosting active network components of various technologies of the customers. The Company also provides comprehensive and cost effective energy management solutions to the customers. Our business model of infrastructure sharing is based on building, owning, operating and maintaining the passive telecom infrastructure sites capable of hosting multiple service providers. The Company has a portfolio of towers located across India that will help bringing in connectivity at affordable prices to the poorest of poor, creating a positive impact on Indian economy.

## Growth Drivers

Independent Tower Companies are expected to grow, bolstered by the rollout of 3G/4G networks, exploding data usage and the increased focus of Telcos on operational prudence. Tower Companies are no longer looking just at tenancy but site level profitability and exploration of other growth avenues possibly with creative business models.

The growth of the Indian telecom tower market is expected to be driven primarily due to network upgrades & roll-out of 3G/4G data technology, explosion of data usage leading to increased infrastructure requirements and network upgrades, 'Digital India' initiative of Indian government, increased subscriber base in tier-2, tier-3 and rural areas and new customer segments.

## Key Growth Factors

<b>New Business area</b> <ul style="list-style-type: none"> <li>• Small cells</li> <li>• Fiberised Backhaul Network</li> <li>• Managed services</li> </ul>	<b>Innovative Site Acquisition &amp; Rollout Models</b> <ul style="list-style-type: none"> <li>• Site Development</li> <li>• Acquisition for Data Rollout</li> <li>• Innovation Street Level Coverage</li> <li>• Network Managed Services</li> </ul>
<b>Commercial Models and Opex Reduction</b> <ul style="list-style-type: none"> <li>• Pass through Vs. Fixed Fuel Costs</li> <li>• Overall Rental Cost Reduction</li> </ul>	<b>Energy Management</b> <ul style="list-style-type: none"> <li>• Clean Energy Source</li> <li>• Energy Efficient Equipments</li> <li>• Data Analytics Management Skill</li> </ul>
<b>New Team / Skill Development and O&amp;M Process Automation</b> <ul style="list-style-type: none"> <li>• R&amp;D and Innovation Skills</li> <li>• Site Analytics Management Skills</li> <li>• Automation of Non-Intelligent Processes</li> </ul>	<b>Newer Concepts like RAN Sharing and Network</b> <ul style="list-style-type: none"> <li>• Radio Access Network (RAN) Sharing</li> <li>• Network Cooperation (NETCO)</li> </ul>

## BACKGROUND AND RATIONAL OF THE SCHEME

In 2011, the Transferee Company and the Transferor Company had undergone a Corporate Debt Restructuring ('CDR') program based on which the lenders had restructured the outstanding debt obligations in line with the then applicable forecasts and revenue projections. Post implementation of the CDR, the financial performance and prospects of the Transferee Company and the Transferor Company were adversely impacted due to external developments, which were beyond the control of the management. To address the current debt issues, the CDR lenders of the Transferee Company and the Transferor Company, at a meeting of the Joint Lender Forum ('JLF') held on September 20, 2016, had unanimously agreed to invoke the Strategic Debt Restructuring Scheme ('SDR Scheme') for the Transferee Company and the Transferor Company. In terms of the CDR package of the Transferee Company and the Transferor Company and as per original sanction terms laid down by lenders and further under SDR Scheme, merger of the Transferor Company with the Transferee Company was envisaged. Accordingly, the requisite majority of CDR Lenders in Joint Lenders Forum meeting held on April 5, 2017 in-principally approved the merger.

The Board of Directors of the Transferor Company and the Transferee Company believe in the following rationale for the Scheme:

- (a) The Scheme 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.
- (b) 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

## OUR MANAGEMENT

### Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. As on the date, we have 7 (Seven) Directors on our Board out of which 1 is Executive Director and 6 are Non-executive Directors. Further, our Board consists of 3 Independent Directors.

The following table sets forth the details regarding the Board of Directors, as on date:

Sr. No.	Name, Designation, Status, Age, DIN, Address	Date of Appointment	Experience
a	<b>Manoj Gajanan Tirodkar</b> Designation: Chairman Status: Non-Executive and Non-Independent DIN: 00298407 <b>Address:</b> 21st Floor, Buckley Court, Nathalal Parekh Marg, Colaba, Mumbai-400039	29-Dec-2011	Mr. Tirodkar is a first-generation entrepreneur, highly acclaimed for introducing the concept of shared telecom infrastructure in India. He is the Founder and Chairman of Global Group and has been lauded with several awards and recognitions for his contribution to the industry. He is the first Indian to win the prestigious 'World Young Business Achiever Award 2000' (WYBA) presented by Worldcom Group. He has also been awarded with the Confederation of Indian Industry's (CII) Young Entrepreneur Trophy and Telecom Man of the year Award.
b	<b>Vijay Manohar Vij</b> Designation: Director Status: Non-Executive and Independent DIN: 02245470 <b>Address:</b> 3, Pushpavilla, P.K. Road, Mulund (West), Mumbai 400080.	28-Mar-2011	Mr. Vij is a practicing Chartered Accountant with over 21 years of experience in Taxation, Auditing and Consulting. He is an ardent finance professional and his forte lies in Direct Taxation, Valuations, Financial Modeling, Business Consultancy, System Implementation and M&A Advisory.
c	<b>Milind Kamalakar Naik</b> Designation: Director Status: Non-Executive and Non-Independent DIN: 00276884 <b>Address:</b> 15, Shanti Niketan Gurudeo CHS. ,Kashinath Dhuru Road, Veer Savarkar Marg, Opp. Kirti College, Dadar West Mumbai 400028	29-Dec-2011	Mr. Naik has been an integral part of the Global Group for over 26 years. He has extensive experience in telecom Industry. He is responsible for the overall Commercial, Operations and Cost Optimization measures for the Company.
d	<b>Duraisamy Sargurudas Gunasing</b> Designation: Director Status: Non-Executive and Independent DIN: 02081210 <b>Address:</b> Flat No.16, Bldg. No.8, Vijay Nagari, Ghodbunder Road, Kasarwadavali, Thane West-400601	29-Dec-2011	Mr. Gunasing has over 39 years of work experience in large corporate in the fields of Secretarial, Corporate Governance, Legal and Taxation. He is a graduate in Science and has done his Bachelor of Law (B.L.) and is a Company Secretary. He is presently engaged as an Advocate on Corporate Laws and other allied matters.
e	<b>Sanjana Santosh Pawar</b> Designation: Director Status: Non-Executive and Independent DIN: 07139311 <b>Address:</b> 5, Shree Swami, Samarth Nagar, Cow Lane, Girgaon, Mumbai - 400004	31-Mar-2015	Ms. Pawar is a Commerce Graduate and has also completed Maharashtra State Certificate in Information Technology (MS-CIT). She has worked with Shamrao Vithal Cooperative Bank and currently is associated with Yashwantrao Chavan Pratisthan, an NGO / educational institution.
f	<b>Prasanna Madhukar Bidnurkar</b> Designation: Director Status: Non-Executive and Non-Independent DIN: 02887157 <b>Address:</b> Laxmi Vishnu Sadan, Maharshi Karve Road, Near Bedekar's Hospital, Naupada, Thane (West), Thane 400602	22-Dec-2009	Mr. Prasanna Bidnurkar is a Commerce graduate and a Chartered Accountant with around 20 years of experience. He has previously worked as Senior Financial Analyst in EDS India Private Limited.

g	<b>Milind Prabhakar Bengali</b> Designation: Whole-time Director Status: Executive and Non-Independent DIN: 02106224 <b>Address:</b> 122, Atur Terraces, Cuffe Parade, Mumbai-400005	29-Dec-2011	Mr. Bengali has an experience of over 20 years in Telecom and ITES across Business Operations & Strategy, Sales & Marketing and Business & Market Development. Besides India he has lived and worked in North America and Africa. He is a Bachelor of Engineering and Master of Management Studies. He has previously worked with Aptech, Crompton Greaves and other companies in Thaper Group.
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## SHAREHOLDING PATTERN

Set forth below is the shareholding pattern of our Company, as on June 30, 2017:

S. No.	Category of Shareholders	Number of Equity Shares	Percentage (%)
<b>A</b>	<b>Promoters and Promoter Group</b>	<b>3,57,65,46,206</b>	<b>38.03</b>
	Tower Trust (sole beneficiary - GTL Infrastructure Limited)	1,81,57,22,400	19.31
	GTL Limited	1,70,07,42,399	18.08
	Global Holding Corporation Private Limited	6,00,81,407	0.64
<b>B</b>	<b>Public</b>	<b>5,82,79,95,311</b>	<b>61.97</b>
	Banks	4,66,68,05,090	49.62
	Financial Institutions	83,91,01,333	8.92
	Bodies Corporate	31,70,88,888	3.37
	Resident Individuals	50,00,000	0.05
	<b>GRAND TOTAL (A+B)</b>	<b>9,40,45,41,517</b>	<b>100.00</b>

## FINANCIAL INFORMATION

Brief financial information of CNIL, extracted from its standalone audited financial statements for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017, is as follows:

(All amounts are INR. in Crores except per share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	IND AS	IND AS	IGAAP	IGAAP	IGAAP
Total Income / Total Revenue	1347.79	1244.46	923.60	931.32	933.18
Profit before Depreciation, Interest, Exceptional item and Taxes	628.64	593.76	456.24	500.67	534.34
Profit/(Loss) before Taxes	(1091.10)	(498.24)	(665.35)	(1101.21)	(569.25)
Share Capital	6595.59	6595.59	6595.59	6595.59	6295.17
Reserves and Surplus/ other equity	(4982.04)	(3890.94)	(3374.37)	(2709.03)	(1607.82)
Miscellaneous Expenses	NIL	NIL	170.89	231.57	259.00
Networth	1613.54	2704.65	3050.33	3655.00	4428.35
Fixed Assets	6826.24	7124.05	7428.00	7803.06	7849.33
Basic Earnings Per Share (Rs.)	(0.72)	(0.76)	(1.01)	(1.72)	(1.34)
Diluted Earnings Per Share (Rs.)	(0.72)	(0.76)	(1.01)	(1.72)	(1.34)
Return on Networth (%)	(27.34)*	(18.42)	(21.81)	(30.13)	(13.00)

\*Excluding Exceptional item

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issue/ rights issue, if any, of the Company in the preceding 10 (Ten) years – Not Applicable.**

**Risks relating to Our Company and its business:****1) Operational Risks****➤ Supply Chain Risk**

The Company requires materials and services for tower up gradation and preventive maintenance of passive infrastructure. Delay in supplies of such materials and services, may impact smooth functioning of business operations resulting into penalties and claims for damages by customers

Additionally, suppliers may tighten credit and other terms that they may be extending to the Company thereby increasing the liquidity strain on the Company and hampering its ability to deliver projects and running operations on a timely basis.

The Company faces high operational level challenges for the energy management business like payment settlement issues, invoicing and addressing of concerns. In order to streamline the energy management operations, the Company is focusing on arranging fixed energy contracts with the customers.

**➤ Manpower Risks**

The Company has faced several challenges relating to the macro environment, the issues faced by the Telecom Sector and its previously unsustainable debt. With the conversion of debt into equity pursuant to the SDR Scheme, the issue of debt appears to have been addressed. However, the SDR scheme also envisages the induction of a new promoter. This transition may lead to increased levels of attrition, resulting in challenges in project execution and service delivery. This may also act as deterrent to recruitment of quality manpower to replace those who leave the Company for the any of the above reasons or otherwise.

**➤ Network Equipment Risks**

Network equipment such as diesel generators, battery bank, power supply equipment (SMPS) and air conditioner are ageing towards end of life. Improper functioning of these equipment may impact smooth functioning of business operations resulting into penalties and claims for damages by customers.

**➤ Goods and Services Tax ('GST')**

From July 01, 2017, the Government of India proposes to introduce a comprehensive national 'Goods and Services Tax', as applicable in India ('GST') regime that will simplify and harmonize the indirect tax regime. This GST regime will subsume most of the central and state indirect tax laws and levies into one unified rate structure. While both the Government of India and other state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, the Issuer is unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure might be affected by any disagreement between certain State governments, which could create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

**2) Strategic Risks****➤ Strategic Debt Restructuring Risk**

While the Company had been servicing its payment obligations to its lenders, the financial stress on the telecom sector in general made it necessary for the company to pare its debt to sustainable levels. The meeting held by The Board of Directors of the Company had recommended the invocation and implementation of the Strategic Debt Restructuring Scheme ('SDR') for the Company. At the meeting of the Joint Lender Forum ('JLF') held on September 20, 2016, invoked SDR Scheme and in terms thereof, part of outstanding debt of the Company was converted into equity shares such that JLF now holds 51% of the equity share capital of the Company (on a fully diluted basis).

Further, the SDR Scheme also envisages the merger of the Company into GTL Infrastructure Limited. It is proposed that the sale to a 'new promoter' be undertaken on a merged entity basis to extract maximum value.

### ➤ **Competitive Risks**

The competition is intense among the incumbent tower companies. The Company along with GTL Infrastructure is one of the largest independent tower companies in the country and should ideally be able to leverage this to gain more tenancies. The much awaited 4G network rollouts by operators should also provide opportunities for growth and the Company is a leading independent telecom infrastructure provider today. However, the Company could face stiff competition from tower companies that have strategic alliances with operators. However, given the fairly limited number of operators, the scope for collaboration is also limited.

### ➤ **Customer Concentration Risk**

Aircel is the Company's largest customer, contributing 16% of GIL's revenue and 61.50% of CNIL's revenue. Aircel accounts for 42.57% of the revenue of the combined entity.

- In ongoing judicial proceedings before the Supreme Court against the promoters of Aircel, the Supreme Court in its initial order threatened suspension of revenue being earned by Aircel from certain spectrum as a deterrent to procure the presence of its promoters before the relevant courts in India. Subsequently, upon review of its proposal, the Supreme Court is examining alternate means to ensure presence of the promoters of Aircel. Any order passed by the Supreme Court which adversely impacts Aircel, will materially impact both the Company and CNIL. The Company, CNIL and other affected parties have filled necessary legal representations before the Supreme Court to protect their respective interests.
- The Aircel Group and Reliance Communications signed an agreement in September, 2016 to merge their respective wireless Business. The merger will result in a combined entity with RCom and the promoters of Aircel holding 50% each. RCom has been delaying and defaulted on some of its payments to the Company. The Company believes that this is also the case with other vendors of RCom. As such, the Company has concerns regarding the merged entity's sustained ability to make timely payments to its vendors. Moreover, the Company is also concerned that the sponsor support undertaking pursuant to which the promoters of Aircel were financially supporting Aircel, may not continue post the merger. As a consequence, the Company envisaging to file objection in the proposed merger, seeking an unsecured creditors' meeting so as to procure assurance (to the Company's and its JLF's satisfaction) or an appropriate bankable commitment from RCom/ Aircel that the Company's interests will also be protected.

## **3) Industry Risks**

### ➤ **Operator Consolidation**

Initially, the telecom market in India was severely fragmented with more than 14 players at one point of time. The average revenue per user in India is amongst the lowest in the world. More so, in recent years, the industry has been through a phase of hyper-competition (especially in the last financial year), resulting in consolidation amongst operators with the possibility of phasing out many of the incumbent players. The consolidation of operators (such as the merger of Vodafone with Idea, Airtel with Telenor and Reliance Communications Limited ('RCom') with Aircel) may lead to co-location churn for tower companies due to consolidation and rationalization of network. The Company proposes to leverage existing lock-in arrangements in its contracts with operators to procure commitments for fresh towers or sites in lieu of towers or sites made redundant because of consolidation.

### ➤ **Liquidity Risk**

Pursuant to a tax dispute filed by various municipal corporations, in December 2016, the Supreme Court ordered that property tax may be levied on mobile towers. While, the industry is exploring options to challenge or review the order of the Supreme Court, the adverse ruling means significant additional costs for telecom and tower operators, resulting in a strain on liquidity. The Company has agreements with some of its customers for passing on the property tax liability and is currently negotiating similar rights with all its customers, so the Company may be in a position to recover to allow for maintenance of a reserve for payment of such statutory levies from available cash flows.

#### 4) Legal and Compliance Risk

Legal and compliance risk may arise from occasional non-adherence to timely deliverables and service level agreements (SLA), for the reasons mentioned above & some cases beyond company & management control is specially where certain operators default on their contractual obligation to pay in a timely manner. It takes adequate insurance cover to protect against possible liabilities from non-performance of contracts, reviewing them continually and initiating corrective action. As a policy, open-ended contracts with open-ended obligations are rejected. The Company is not regulated by the regulatory agency and faces the general regulatory environment that is prevalent in the country. However, the customers in the telecom sector are regulated by Telecom Regulatory Authority of India.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

**Except as stated below there has been no a) outstanding criminal proceedings b) actions taken by the statutory or regulatory authorities c) any litigation involving the Company, Promoters, Group Companies and/or any other person whose outcome could have material adverse effect on the position of our Company.**

##### A. Summary of outstanding litigations against and by the Company, as on March 31, 2017:

Nature of the Cases	No. of Cases Outstanding	Amount Involved (Rs. in Lakhs)
Criminal matters	Nil	Not Applicable
Civil matters	211	9052.03
Indirect Tax matters	14	15,627.07
Direct Tax matters	02	369.22
<b>Total</b>	<b>227</b>	<b>25,048.32</b>

**Note - Certain Legal issues are outstanding against the Company mainly in relation to the alleged non-compliance policies of Municipal Corporations, cases pending for permanent injunction, objections by the residents, disputes with site owners, in respect of which the accounts cannot be quantified at this stage and therefore the Contingent Liability in respect of this could not be determined.**

##### B. Brief details of top 5 material outstanding litigations against the Company and the amount involved:

S. No.	Summary	Opposite Party	Amount (Rs.)
1	South Delhi Municipal Corporation ('SDMC') has levied a Property Tax for the sites falling under SDMC. The same has been challenged before the Delhi High Court	South Delhi Municipal Corporation	3,58,27,678
2*	Petition has been filed seeking injunction order against levy of NOC charges to our telecom tower situated in the state of UP under chapter 12.2 (VI) of U.P. Urban Building Construction and Bye Laws 2008	State of UP & Ors.	36,43,15,000
3*	Petition has been filed seeking Injunction Order against operation & implementation of new cellular tower policy issued by Greater Noida Industrial Development Authority	State of UP & Ors.	32,61,45,000
4*	TN VAT- Writ petition filed before the Hon'ble High Court of Madras	VAT Authority	124,25,83,939
5*	Aircel Entities has challenged the Property Tax Demand Note and Final Notice issued by Pune Municipal Corporation amounting to Rs. 4,19,21,556/- for 39 sites out of which 35 sites were novated and transferred in favor of CNIL on 19th June 2010	Pune Municipal Corporation & Ors	4,19,21,556

\*CNIL was incorporated to acquire tower business of Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited (collectively referred to as 'Aircel Entities') and hence the litigations and outstanding liabilities were novated into CNIL.



- C. Regulatory Action, if any - disciplinary action taken by Securities and Exchange Board of India or Stock Exchanges in India against the Promoters/ Group Companies of the Company in the past 5 (five) financial years including outstanding action, if any:** None
- D. Outstanding criminal proceedings against the Promoters:** None

#### **DECLARATION BY THE COMPANY**

We hereby declare that all applicable provisions of the format of an Abridged Prospectus as set out in Part D of Schedule VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, have been complied with. We further certify that all statements with respect to us in this Document are true and correct.

**SIGNED BY THE WHOLE TIME DIRECTOR, CHIEF FINANCIAL OFFICER OF OUR COMPANY**

Date: September 14, 2017

Place: Navi Mumbai

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## NOTE

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## NOTE

This image shows a full page of blank handwriting practice paper. It features approximately 28 evenly spaced horizontal blue lines across the entire page, providing a guide for letter height and placement. The lines are uniform in color and thickness, set against a plain white background. There are no margins, text, or other markings present.



# GTL Infrastructure Limited

CIN: L74210MH2004PLC144367

Registered Office: 3<sup>rd</sup> Floor, "Global Vision" Electronic Sadan - II, MIDC TTC Industrial Area, Mahape, Navi Mumbai - 400 710, Maharashtra, India.

Tel: 022 27673500 Fax: 022 27673666,

E-mail: [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com) Website: [www.gtlinfra.com](http://www.gtlinfra.com)



## Before the National Company Law Tribunal, Bench at Mumbai Company Scheme Application no. 864 of 2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

AND

In the matter of Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company" / "CNIL") and GTL Infrastructure Limited ("Transferee Company" / "GTL Infra") and their respective shareholders and creditors.

### GTL INFRASTRUCTURE LIMITED

CIN: L74210MH2004PLC144367 a Company Incorporated )  
and registered under the Companies Act, 1956 and having its )  
registered office at 3<sup>rd</sup> floor, Global Vision, Electronic Sadan II, )  
MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710 )

... **APPLICANT COMPANY / TRANSFEE COMPANY**

### UNSECURED CREDITORS

#### PROXY FORM

I / We, \_\_\_\_\_, the undersigned unsecured creditor/s of GTL Infrastructure Limited, being the Applicant Company above named, do hereby appoint Mr. / Ms. \_\_\_\_\_ of \_\_\_\_\_ and failing him/ her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy, to act for me/ us/ at the at the meeting of Tribunal convened meeting of the Unsecured Creditors (including unsecured Foreign Currency Convertible Bondholders) of the GTL Infrastructure Limited, to be held at Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India, on Wednesday, the 1st day of November 2017 at 2.00 p.m. (1400 hours IST) for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between Chennai Network Infrastructure Limited ("Transferor Company" / "CNIL") and GTL Infrastructure Limited ("Transferee Company" / "GTL Infra") and their respective shareholders and creditors (the "Scheme") and 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 later case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification\*, as my/our proxy may approve.

(\* Strike out whatever is not applicable.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Name : \_\_\_\_\_

Address : \_\_\_\_\_

: \_\_\_\_\_

Affix  
Revenue  
Stamp

Signature of Unsecured Creditor:

Signature of Proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of GTL Infrastructure Limited at 3rd floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710, not less than 48 hours before the commencement of the meeting i.e. by 2.00 p.m. (1400 hours IST) on October 30, 2017.
2. All alterations made in the form of proxy should be initialed.
3. In case of multiple proxies, the proxy later in time shall be accepted.
4. Proxy need not be an unsecured creditor of GTL Infrastructure Limited.
5. No person shall be appointed as a proxy who is a minor.
6. The proxy of a unsecured creditor, blind or incapable of writing, would be accepted if such unsecured creditor has attach his /her signature or mark thereto in the presence of a witness who shall add to his/ her signature his/her description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he/she attach his/her signature or mark.
7. The proxy of a unsecured creditor, who does not know English would be accepted if it is executed in the manner prescribed in point no. 6 above and the witness certifies that it was explained to the unsecured creditor in the language known to him, and gives the unsecured creditor's name in English below the signature.

## GTL Infrastructure Limited

CIN: L74210MH2004PLC144367

**Registered Office:** 3<sup>rd</sup> Floor, "Global Vision" Electronic Sadan - II, MIDC TTC Industrial Area, Mahape, Navi Mumbai - 400 710, Maharashtra, India.

**Tel:** 022 27673500 **Fax:** 022 27673666,

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#### GTL INFRASTRUCTURE LIMITED

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and registered under the Companies Act, 1956 and having its )  
registered office at 3<sup>rd</sup> floor, Global Vision, Electronic Sadan II, )  
MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710 )

... **APPLICANT COMPANY / TRANSFEE COMPANY**

#### ATTENDANCE SLIP

##### NAME AND ADDRESS OF THE UNSECURED CREDITOR / PROXYHOLDER:

.....  
.....  
.....

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND  
OVER AT THE ENTRANCE OF THE MEETING HALL**

I/ We hereby record my/ our presence at Tribunal Convened Meeting of the Unsecured Creditors (including unsecured Foreign Currency Convertible Bondholders) of GTL Infrastructure Limited held at Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India, on Wednesday, the 1<sup>st</sup> day of November 2017 at 2.00 p.m. (1400 hours IST)

.....  
Name of the attending Unsecured Creditor  
/Proxyholder\*

.....  
Signature Unsecured Creditor  
/Proxyholder's\*

\* Strike out whichever is not applicable

#### Notes:

- 1) Unsecured Creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.

## Route Map to the venue

