

GIL/SGX/2017-18/120

December 22, 2017

Singapore Exchange Securities Trading Limited
2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

Dear Sir/Madam,

Sub: Sanction of the Scheme of Arrangement between Chennai Network Infrastructure Limited and GTL Infrastructure Limited by the National Company Law Tribunals

We are pleased to inform you that the Hon'ble National Company Law Tribunal, Benches at Mumbai and Chennai, ("Tribunals") respectively sanctioned the Scheme of Arrangement between Chennai Network Infrastructure Limited ("CNIL/Transferor Company") and GTL Infrastructure Limited ("GTL Infra/Transferee Company/ the Company") and their respective shareholders and creditors ("Scheme") pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder. Certified true copies of the Orders of the respective Tribunals sanctioning the Scheme are enclosed herewith.

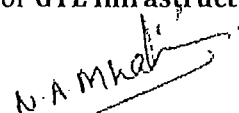
The Certified Copy of Orders sanctioning the scheme from April 1, 2016, being the Appointed Date, has been filed electronically with the Registrar of Companies by the Company and CNIL respectively on December 22, 2017.

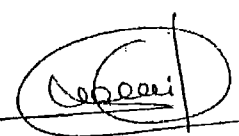
Thus, the Scheme has become effective from December 22, 2017, being the last of the dates, on which the said certified or authenticated copy of Order sanctioning the Scheme passed by the Tribunals has been filed with the Registrar of Companies. Accordingly, the merger between CNIL and the Company stands completed.

Further, the Scheme *inter-alia* envisages the issuance and allotment of 1 fully paid up equity share of face value of Rs. 10/- each of GTL Infra for every 1 fully paid up equity share of face value of Rs. 10/- each of CNIL held by shareholders of CNIL upon the Scheme becoming effective. Accordingly, the Company will issue and allot 758,88,19,117 equity shares of Rs. 10/- each to the shareholders of CNIL. Accordingly, post allotment of equity shares pursuant to the Scheme, the fully paid up capital of the Company would be Rs. 12,124.24 Crore.

You are requested to take note of the same.

Thanking You,
Yours truly,
For GTL Infrastructure Limited


Nitesh A. Mhatre
Company Secretary
Encl: As above


Milind Naik
Whole-time Director

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

CSP 1031/230-232/NCLT/MB/MAH/2017

Under section 230-232 of the Company Act, 2013

In the matter of

M/s. GTL Infrastructure Limited

.....Petitioner in CSP 1031/2017
(Transferee Company)

Heard on : 15.12.2017

Order delivered on : 22.12.2017

Coram :

Hon'ble M. K. Shrawat, Member (J)

Hon'ble Bhaskara Pantula Mohan, Member (J)

For the Petitioner :

Mr. Mustafa Doctor, Counsel a/w. Mr. Jehangir Jejeebhoy, and Mr. Chandrakant Mhadeshwar, Advocate i/b. Chandrakant Mhadeshwar – Advocate for the Petitioner

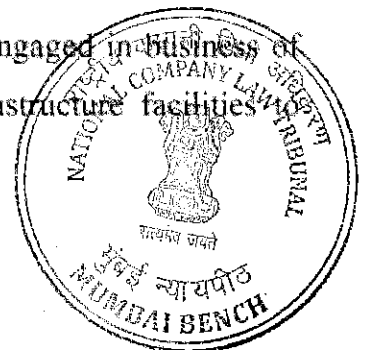
For the Regional Director :

Mr. Ramesh Gholap – Dy. Registrar (WR).

Per : M. K. Shrawat, Member (J)

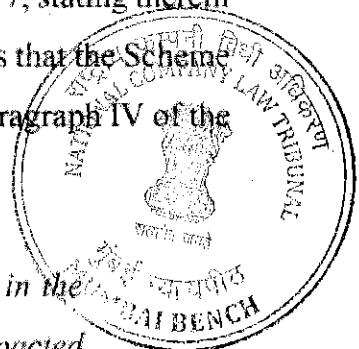
ORDER

1. The sanction of this Tribunal is sought under Sections 230 to 232 of the Company Act, 2013, to a Scheme of Arrangement of Chennai Network Infrastructure Limited (The Transferor Company) and GTL Infrastructure Limited (The Transferee Company) and their respective shareholders and Creditors.
2. The Petitioner Company have approved the said Scheme of Arrangement by passing the Board Resolutions and thereafter they have approached the Tribunal for sanction of the Scheme.
3. Both the Transferor Company and Transferee Company are engaged in business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers.



4. 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.
5. The Authorised Share Capital of the Transferor Company is ₹ 11000,00,00,000/- comprising of 1000,00,00,000 equity shares of ₹ 10/- each and 10,00,00,000 Preference Shares of ₹ 100/- each.
6. The Issued, Subscribed and Paid-up Share Capital of the Transferor Company is ₹ 9404,54,15,170/- comprising of 940,45,41,517 equity shares of ₹ 10/- each.
7. The Authorised Share Capital of the Transferee Company is ₹ 7000,00,00,000/- comprising of 600,00,00,000 equity shares of ₹ 10/- each and 10,00,00,000 Preference Shares of ₹ 100/- each.
8. The Issued, Subscribed and Paid-up of the Transferee Company is ₹ 4152,29,91,570/- comprising of 415,22,99,157 equity shares of ₹ 10/- each, fully paid up.
9. The averments made in the Petition and the submissions made by the Learned Representative for the Petitioners are:
 - a) The Petitioner Company have complied with all requirements as per directions of the Tribunal and they have filed necessary Affidavits of compliance in this Tribunal. Moreover, the Petitioner Company undertake to comply with all the statutory requirements if any, as required under the Company Act, 2013 and the Rules made there under whichever is applicable.
 - b) The Regional Director has filed his Report dated 6th October, 2017, stating therein that save and except as stated in paragraph IV (a) to (j), it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Affidavit, the Regional Director has stated that:

(a) "The Petitioner Company has inter alia mentioned in the point B of the scheme that Company were adversely impacted



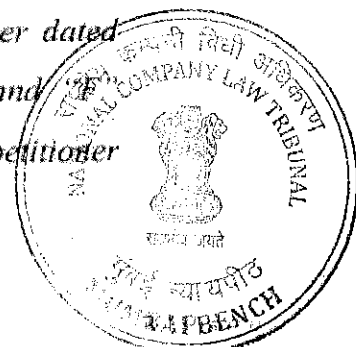
due to external developments, which were beyond the control of the management. To address the current debt issues, the CDR lenders of the Transferee Company and the Transferor Company, at meeting of the Joint Lender Forum ("JLF") HELD ON September 20, 2016, had unanimously agreed to invoke the strategic 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.

In this regard the Deponent prays that the Petitioner Company shall comply the provisions under section 230(2) (ii), as applicable, i.e. make provision for safeguarding the interest of secured and unsecured creditors.

(b) The petitioner Company has inter alia mentioned in the clause 7.5.7 of the Scheme that 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 trustee or a corporate trustee (the "Trustee for Fractional Entitlements")

In this regard, the deponent prays that the Transferee Company shall not hold any shares in its own name or in the name of any trust whether on its behalf of any of its subsidiary or associate companies.

(c) The Transferee Company is a listed company with Bombay Stock Exchange and National Stock Exchange. Both the Stock Exchange have given their observation in their letter dated 01.09.2017 which is annexed as Annexure "E" and respectively with this report. In this regard, the petitioner



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Company has to comply with the observations made by both the Stock Exchange.

(d) The Petitioner Company has submitted the letters dated 15.06.2017 and 07.07.2017 received from the Competition Commission of India which is annexed as Annexure "G-1" and "G-2".

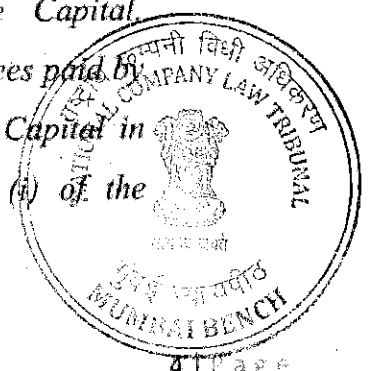
The Deponent prays that the Petitioner Company shall comply with the observations made by the Competition Commission of India.

(e) In addition to compliance of AS-14 (IND AS-103) the Petitioner Companies shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.

(f) As per existing practice, the Petitioner Companies are required to serve Notice for Scheme of Amalgamation to the Income Tax Department for their comments. It is observed that the company vide acknowledgement obtained from your office dated 29.09.2017 has served a copy company scheme application No. 864 of 2017 along with relevant orders etc.

(g) The tax implication if any arising out of scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Petitioner Companies after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.

(h) As regards Para No. 8 of the Scheme, the transferee Company may be allowed in respect of fees payable by the Transferee Company on its Authorized Share Capital. Subsequent to the Amalgamation for setting-off of fees paid by the Transferor Company on its Authorized Share Capital in accordance with provisions of Section 232 (3) (i) of the Companies Act, 2013.



(i) *The registered office of the Transferor Company is situated in the State of Tamil Nadu, i.e. outside of the jurisdiction of NCLT OF THIS Tribunal and falls within the jurisdiction of NCLT of Chennai. Accordingly, similar approval be obtained by the Transferor Company from Hon'ble NCLT at Chennai.*

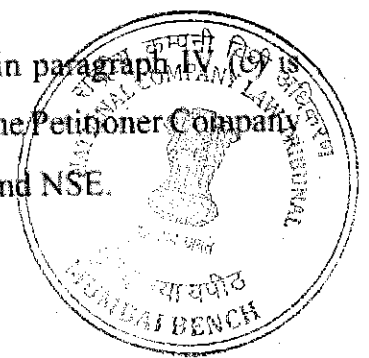
(j) *ROC Mumbai has given the following observations :*

- *Para 1.5 of the Scheme effective date shall not be subsequent to appointed date as per section 232 (6) of the Companies Act, 2013*
- *Para 20 of the Scheme modification/alteration/deletion/ amendment shall be subject to prior approval of the Hon'ble NCLT*
- *The Transferee Company is listed company on BSE/NSE both the Stock Exchange has given their observation in their letter dated 01-09-2017. In this regards the Transferee Company has to comply with observations made by the NSE/BSE."*

c) *Apropos the observation of the Regional Director stated in paragraph IV (a) is concerned, the Petitioner Company has filed its affidavit dated 14th December 2017 wherein it stated that entire scheme of amalgamation has been proposed pursuant to the decision of the lenders and the entire proposed scheme of amalgamation itself is to safeguard the interest of the secured creditors and the unsecured creditors. Counsel for the Petitioner further states that meetings of the Secured Creditors and Unsecured Creditors was convened and held and in the said meetings the proposed Scheme of Arrangement was approved unanimously.*

d) *Apropos the observation of the Regional Director stated in paragraph IV (b) is concerned, the Petitioner Company undertakes that the Transferee Company will not hold any shares in its own name or in the name of any trust whether on its behalf of any of its subsidiary or associate companies.*

e) *Apropos the observation of the Regional Director stated in paragraph IV (c) is concerned, Counsel for the Petitioner Company states that the Petitioner Company undertake to comply with observations made by the BSE and NSE.*



- f) Apropos the observation of the Regional Director stated in paragraph IV (d) is concerned, the Learned Counsel for the Petitioner Company states that, the Petitioner Company undertake to comply with observations made by the Competition Commission of India.
- g) Apropos the observation of the Regional Director stated in paragraph IV (e) is concerned, the Petitioner Company undertake that, in addition to compliance of AS-14 (IND AS-103) the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable accounting standards such as AS-5 (IND AS-8) etc.
- h) Apropos the observation of the Regional Director stated in paragraph IV (f) is concerned, the Learned Counsel states the information provided by the Regional Director is factually correct.
- i) Apropos the observation of the Regional Director stated in paragraph IV (g) is concerned, the Learned Counsel states that the Petitioner Company undertake to comply with all applicable provisions of the Income Tax Act. All tax issues arising out of the Scheme will be met and answered in accordance with law.
- j) Apropos the observation of the Regional Director stated in paragraph IV (h) is concerned, Learned Counsel for the Petitioner Company states that the Petitioner Company undertake to comply with provisions of Section 232 3(i) of the Companies Act, 2013.
- k) Apropos the observation of the Regional Director stated in paragraph IV (i) is concerned, the Learned Counsel for the Petitioner Company states that the Petitioner Company the similar petition was filed by the Transferor Company for approval of the present scheme before Chennai NCLT and the Chennai NCLT has heard the Petition finally and the same is reserved for order.
- l) Apropos the observation of the Regional Director stated in paragraph IV (j) is concerned, Learned Counsel for the Petitioner Company states that the Scheme will be deemed to be effective from the appointed date. Counsel for the Petitioner further states that any modification/ alteration/ deletion/ amendment to the Scheme will be subject to prior approval of the NCLT.
- m) No objector has approached, neither to the Petitioner nor before Tribunal to oppose this Scheme of Arrangement.



10. From the material on record, the Scheme of Arrangement appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. And hereby this bench, to the Petitioner Company, **do Order that:**

- a) All the liabilities including taxes and charges, if any, and duties of the Transferor Company, shall, pursuant to S. 232 of the Company Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
- b) The clarifications and undertakings given by the Learned Counsel for the Petitioner to the observations made in the Report of the Regional Director are considered by this Bench and those are hereby accepted. Subsequently, this bench hereby directs petitioners to comply with the provisions/statements which the Petitioners undertakes herein.
- c) Transferor Company to be dissolved without winding up from the date of said Scheme becomes effective.
- d) In lieu of the Consideration of the Scheme, the Transferee Company shall issue and allot 1 equity share of ₹ 10/- for every 1 fully paid-up equity share of ₹ 10/- to the shareholders of the Transferor Company.
- e) The Petitioner Company to lodge a copy of this order and the Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.
- f) Petitioner Company is directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Company, electronically, along with E-form INC 28 in addition to the physical copy, within 30 days from the date of issuance of the order by the Registry, duly certified by the Deputy Director or Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.
- g) The Petitioner Company to pay costs of ₹ 25,000/- to the Regional Director, Western Region, Mumbai.

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- h) All authorities concerned to act on a certified copy of this order along with Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench.
- i) Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.
- j) Any concerned Authority is at liberty to approach this Bench for any clarification/directions under this Scheme.
- k) That, in the case of the Transferor Company viz. M/s. Chennai Network Infrastructure Limited, the respected NCLT, Chennai Bench in CP/197/CAA/2017 [CA/153/CAA/2017] delivered an order on 13.12.2017 and the proposed Scheme is sanctioned.
- l) Since, the Scheme has already been sanctioned by respected co-ordinate bench therefore on the same lines the said Scheme is hereby sanctioned. The appointed date i.e. 1st April, 2016 as pronounced in the Scheme is also hereby approved.

11. Ordered Accordingly. To be consigned to Records.

Sd/-

BHASKARA PANTULA MOHAN
MEMBER (JUDICIAL)

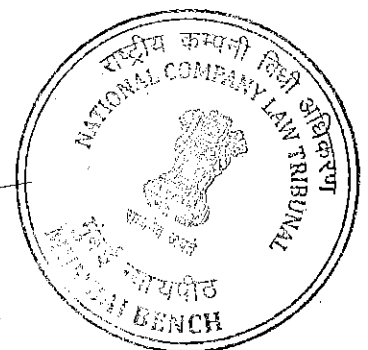
Sd/-

M. K. SHRAWAT
MEMBER (JUDICIAL)

Dated : 22.12.2017

Certified True Copy _____
Date of Application 18.12.2017 29.11.2017 Uy
Number of Pages 8
Fee Paid Rs. 40
Applicant called for collection copy on 22.12.2017
Copy prepared on 22.12.2017
Copy issued on 22.12.2017

Avinash



[Signature]

Deputy Director
National Company Law Tribunal, Mumbai Bench

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

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.

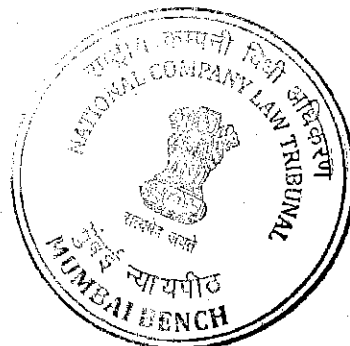
2. **GTL INFRASTRUCTURE LIMITED** (hereinafter referred to as the "GIL" or the Transferee Company"), is a company incorporated on February 4, 2004, under the provisions of the Act (as hereinafter defined) and has its registered office at 3rd Floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial 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, Mumbai Bench, 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.)
Authorised Share Capital	
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/-
Total	11000,00,00,000/-
Issued Subscribed and Paid-up	
940,45,41,517 equity shares of Rs.10/- each	9404,54,15,170/-
Total	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.)
Authorised Share Capital	
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/-
Total	7000,00,00,000/-
Issued Subscribed and Paid-up	
415,22,99,157 equity shares of Rs.10/- each fully paid up	4152,29,91,570/-
Total	4152,29,91,570/-

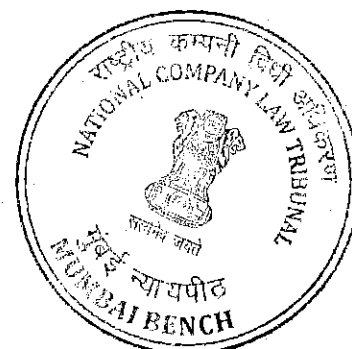
PART - II

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

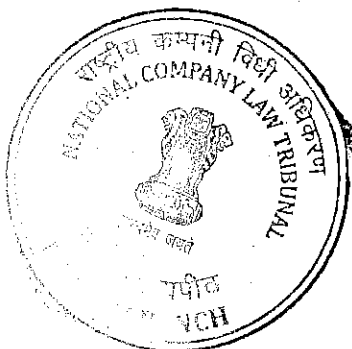
Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall be and stand amalgamated with and shall be deemed to have been amalgamated with the Transferee Company, pursuant to the provisions of sections 230 to 232 and other relevant provisions of the 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:

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

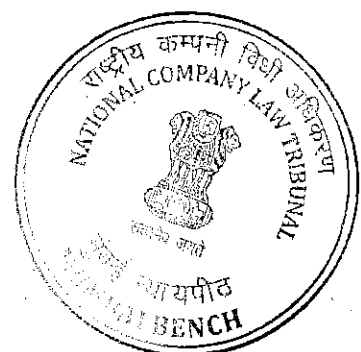


- (f) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (g) In particular, the Infrastructure Provider Category-I (IP-I) registration with the Department of Telecommunications, Government of India, authorisations and any other licences / approvals granted to the Transferor Company, all municipal approvals, permission for establishing cellular towers or receiving stations or any broadband and / or broadcasting approvals and forming part of the Transferor Company shall stand transferred to and vest in, the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions shall endorse, where necessary, and record the name of the Transferee Company on such approvals, clearances and permissions so as to empower and facilitate the approval and amalgamation of the Transferor Company with the Transferee Company, without hindrance or let on and from the Effective Date.
- (h) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall under the provisions of Sections 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

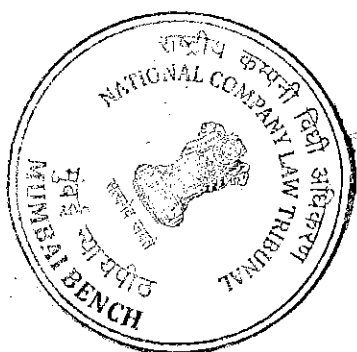


232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company to the 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 paripassu 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 *paripassu* 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 *paripassu* 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.

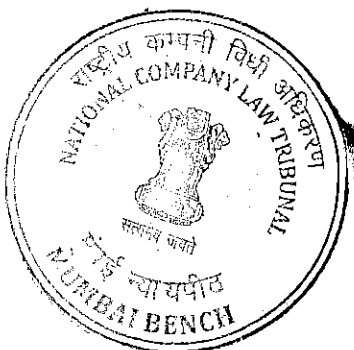
6. **DISSOLUTION OF THE TRANSFEROR COMPANY**

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.

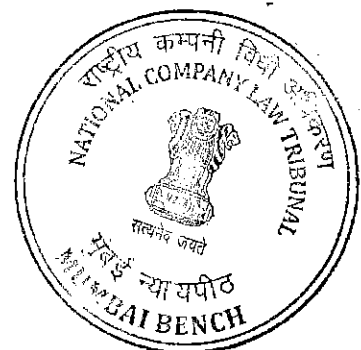
PART - III
ISSUE OF FRESH EQUITY SHARES

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 *paripassu* 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.

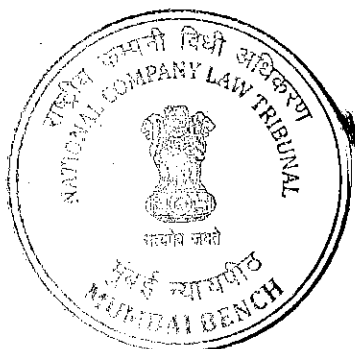
7.5.7 No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of the GIL Shares by the Transferee Company in accordance with this Scheme. The Board 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 TRANSFEE 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:-

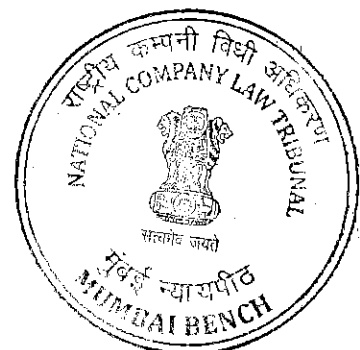
11.1.1 The Transferor Company shall carry on, in trust, its business and activities in the ordinary course with reasonable diligence and business prudence, including making applications for approvals, licenses, permits and registrations required for the running of the business of the Transferor Company 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.

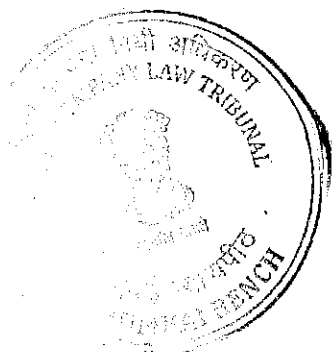
13.3 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation or any other writings in favour of the secured creditors or other creditors of the Transferor Company 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 s 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

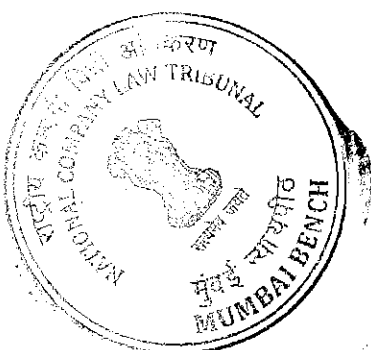
18. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL

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



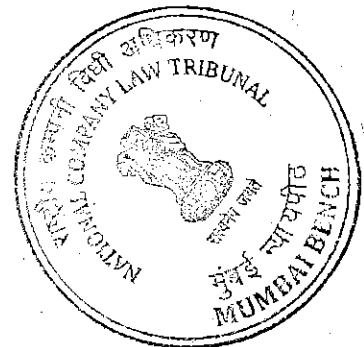
Scheme in time bound manner.

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:-
- i. 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



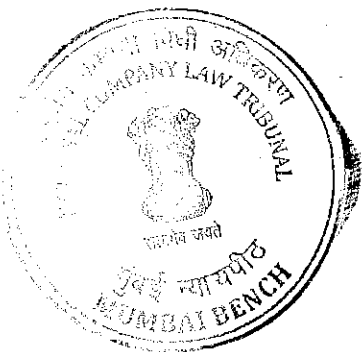
- ii. the orders of the National Company Law Tribunals are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu, as the case may be.

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.



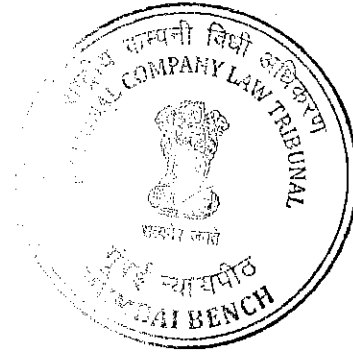
SCHEDULE I

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

Certified True Copy 18.12.2017 Uy
Date of Application 29.11.2017
Number of Pages 20
Fee Paid Rs. 100
Applicant called for collection copy on 22.12.2017
Copy prepared on 22.12.2017
Copy Issued on 22.12.2017

Uy

Deputy Director
National Company Law Tribunal, Mumbai Bench



NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH, MUMBAI

COMPANY SCHEME PETITION NO.1031 OF 2017.
CONNECTED WITH
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

In the matter of Scheme of Arrangement of
CHENNAI NETWORK INFRASTRUCTURE
LIMITED (The Transferor Company) and GTL
INFRASTRUCTURE LIMITED (The Transferee
Company) and their respective shareholders
and Creditors ,

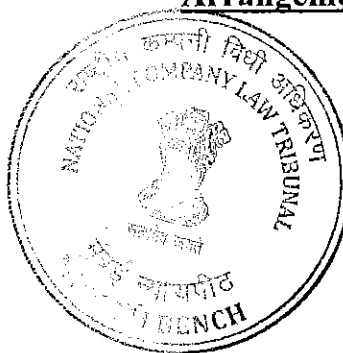
GTL INFRASTRUCTURE LIMITED,

... Petitioner Company.

Certified copy of the order dated 15th

December, 2017 along with Scheme of

Arrangement



Mr. Chandrakant Mhadeshwar.

Advocate for the Petitioner

1/5, Mahavir Chambers, 1st Floor

Banaji Path, via Manubhai Lane

Fort, Mumbai 400 001

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SIGNAL BENCH, CHENNAI**

**CP/197/CAA/2017
[CA/153/CAA/2017]**

Under Section 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation

Between

M/s. Chennai Network Infrastructure Limited
(Transferor Company)

With

M/s. GTL Infrastructure Limited
(Transferee Company)

And

Their Respective Shareholders and Creditors

Order delivered on: 13.12.2017

**For the Petitioner(s) : Mr. Abishek Raman, Advocate
Mr. Pawan Jhabakh, Advocate**

ORDER

Per: CH. MOHD SHARIEF TARIQ, MEMBER (J)

1. Under consideration the Company Petition No.197/CAA/2017 filed under Sections 230 to 232 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. As per the Scheme of Amalgamation (in Short, 'Scheme') the Applicant Company viz., M/s. Chennai Network Infrastructure Ltd, (for short 'Transferor Company') will



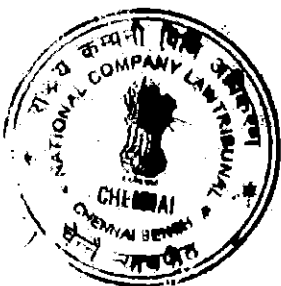
get merged with M/s. GTL Infrastructure Ltd, formerly known as 'GTL Engineering And Managed Network Services Limited' (hereafter referred to as **"Transferee Company"**) as a going concern.

2. The Detail of Share Capital, Shareholders, Secured & Unsecured Creditors of the Applicant Company is as under:-

Particulars	Authorised Capital	Issued, S&P Capital	No. of Equity Share-holders	No. of Secured Creditors	No. of Un-secured Creditors
Transferor Company	Rs.1000,00,00,000	Rs.940,45,41,517	26	13	850

3. The Transferor Company is a Limited Company having its registered office at Old No. 43/1, DL New No. 403 L, 7th

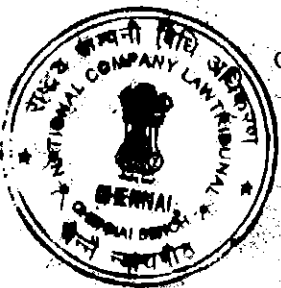
Floor Samson Towers, Pantheon Road, Egmore, Chennai – 600 008, Tamil Nadu. The Transferee Company is also a Limited Company having its registered office at M/s. GTL Infrastructure Ltd, 3rd Floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710. The Transferor Company is engaged in the business of building, establishing, setting-up, acquiring, developing, managing, providing, water supply, inland water ways, air-ports, telecommunications, roads, pipelines of all kinds of usages and other infrastructure



facilities, engineers and general or special contractors for design, construction, manufacture, restoration of work of all types and descriptions in India and overseas, tramways, dams, bridges, underground railways, cable cars, docks wharves, jetties, power generation and/or distribution, factories, drainage and sewage works, building distributed antenna system, etc., building and street level Optical Distributed Antenna System, carriage and delivery services of the traffic from different legs between Long Distance Charging Center and Short Distance Charging Centers, hardware or software implementation, customization, certification, inspection, resources pool management in relation to all kinds of infrastructure services, IT enabling services, industrial purpose and other infrastructure industries, etc. To carry on the business of tele-sales and all other call center services in different media like voice, data, video and multimedia, development and provisioning of software, all associated activities relating to building infrastructure, associated technologies, server farms, dialers, automatic call diversion equipment and other related equipment in the hardware, software and



applications, associated hosted applications, selling and trading of application environment and associated services in consultancy, franchise operations of services and products that may be built as Intellectual Property on behalf of supplies to domestic and international clients, consultancy or annuity basis with rights to resale, refurbish and other associated activities and to carry on or engage in the business of developing, Cellular Networking Services, based on GSM, CDMA, IP and broadband wireless networks like WiMax, Wi-Fi and 3G, technical resources pool management including staffing and body shopping services, switch facilities provisioning, leasing, renting, hire purchase and direct interconnectivity to various nations, provisioning of satellite data, communication links including termination and onward connectivity through optical fiber cables. To carry on business of all kinds of value added services including payment gateway services and international gateway services, unified access services, global mobile communications by satellite services, traders of data processing and information retrieval systems, etc., computer hardware and software of all kinds which



incorporate use and used in conjunction, leasing and/or renting and/or providing and/or licensing and/or developing and/or sharing of infrastructure, associated management services, facility management services relating to people, infrastructure, and technology in connection with the above activities. The Board of directors of Petitioner Company vide its resolution dated 22.04.2017 approved the Scheme of Amalgamation under consideration.

4. This Bench vide its common Order dated 20th September, 2017, in CA/153/CAA/2017 dispensed with convening, holding and conducting of the meeting of equity shareholders, secured and unsecured creditors in respect of the Petitioner Company. In short the Petitioner Company complied with all the orders passed by this Bench.

5. The Learned Counsel appearing for the Petitioner Company submitted that the rationale and circumstances that have necessitated the proposed Scheme are that the amalgamation 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 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 shareholders value. The amalgamation will enable pooling of resources of the Transferor Company with the resources of the Transferee Company to their advantage, resulting in more productive utilization of said resources, and cost and operational efficiency which would be beneficial to all stakeholders. The learned counsel further submits that no investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

6. The Regional Director, Southern Region (In short, 'RD') in the Report Affidavit (for brevity, '**Report**') dated 07.12.2017 submitted that as per records of ROC, Chennai. The



Transferor Company is regular in filing its statutory returns and no complaint is pending and no inspection or investigation is pending against Petitioner Company. Further, the RD submitted that under Clause 8, the Scheme proposes to merge the authorised capital of the Transferor Company with that of the Transferee Company. Therefore, the Transferee Company may be directed to file the amended MoA and AoA with the ROC, Navi Mumbai for records. It has further been submitted by the RD that under Clause (i) to Sub Section (3) of Section 232 of the Companies Act, 2013, the Transferee Company has to pay the fees, if any, for the enhanced authorised capital subsequent to the amalgamation after setting off the fees paid by the Transferor Company. He further stated that the Transferee Company may be directed to comply with the above provisions of the Act by making an application with the ROC, Navi Mumbai for payment of the balance fee as applicable under the Provisions of the Act and Rules framed thereunder.

7. The RD further submitted that in Clause 16.1.4 of the Scheme, the Accounting Standard has stated that "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".

The RD submitted that this could not be allowed as the excess amount arising out of the scheme is only a notional gain and there is no fund flow involved. So treating of the Capital Reserve as Free Reserve shall not be allowed under Section 2(43)(i) of the Companies Act, 2013 which inter-alia

stipulates that "any amount representing unrealized gains, notional gains or revaluation of assets whether shown as a reserve or otherwise, shall not be treated as free reserve".

The RD further stated that the existing Capital Reserve in the Balance Sheet of the Transferee Company to the extent of Rs.19.93 crores as on 31.03.2017, which has arisen in an earlier Scheme of Arrangement could not now be converted to Free Reserve in the present scheme. Based on these observations, the RD suggested to remove the words

and such reserve shall be free reserve for being used



accordingly except by way of distribution of dividend" occurring in Clause 16.1.4 of the present Scheme. The counsel for the Applicant Company undertakes to remove the words. Accordingly, the words mentioned in Clause 16.1.4 stand deleted.

8. The RD further observed that in Clause 16.1.5 of the Scheme it is stated that "the reconstruction Reserve in the books of the Transferee Company as on the appointed date i.e., 01.04.2016 shall be reclassified as "Capital Reserve" implying that it will be treated as Free Reserve as provided in Clause 16.1.4 of the Scheme of the Company. The RD stated that this Reserve as per the Company's Balance Sheet of 31.03.2017 has arisen on an earlier Scheme of Arrangement which could not be changed/converted in the present Scheme and should be retained as such. The RD suggested that the entire Clause 16.1.5 i.e., *"The reconstruction in the books of Transferee Company as on the Appointed date shall be reclassified as Capital Reserve"* be deleted from the present Scheme. The counsel undertakes to delete the entire Clause 16.1.5 from the present Scheme.

Accordingly, the entire Clause 16.1.5 stands deleted from



the present Scheme, and the position as per the Company's Balance Sheet of 31.03.2017 shall be retained as suggested by the RD.

9. The Official Liquidator (In short, 'OL') in its report dated 08.12.2017, submitted that as per order dated 20.09.2017, he has nominated M/s. Venkat & Rangaa, Chartered Accountants (Auditor), Chennai who is one of the empanelled Auditors by the Hon'ble High Court of Madras to look into the composite Scheme of Arrangement (Amalgamation) and to scrutinize the books and accounts of the Transferor Company. The Auditor has broadly

reviewed and observed that the Transferor Company submitted his report that under Clause 14.1 of Part-IV of the proposed scheme, and the interest of all staff, workmen and employees in the service of the Transferor Company is safeguarded.

10. The OL further observed that the Chartered Accountants have examined the Books of Accounts and records, other documents, annual reports and statutory books and registers of the Transferor Company, have not been conducted in a manner which is prejudicial to the interest

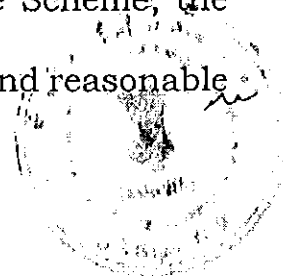


of members or to public interest and that they did not come across any transactions involving act of misfeasance, which would attract the provision of Sections 339/340 of the Companies Act, 2013.

11. The OL further submits that the Chartered Accountants observed from the Register maintained at the Office of the Registrar of Companies, that the Transferor Company has filed all the returns in accordance with law except for the Assessment Years 2015-2016, 2016-2017 and 2017-2018 under the provisions of Companies Act, 2013.

12. Further perusal of the scheme shows that the Accounting Treatment is in conformity with the established accounting standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of Amalgamation will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. The Appointed date of the said Scheme is 1st April, 2016.

13. Subject to the modifications made in the Scheme, the Scheme of Amalgamation appears to be fair and reasonable



and is not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under section 230 to 232 of the Companies Act, 2013. Taking into consideration the above facts, the Company Petition is allowed and the scheme of Amalgamation annexed with the petition is hereby sanctioned which shall be binding on the shareholders, creditors and employees of both the Companies.

14. While approving the Scheme as above, it is further clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

15. The Transferee Company is directed to file the amended MoA and AoA with the ROC, Navi Mumbai for records.

16. The Companies to the Scheme or other person interested shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.



17. A certified copy of this Order shall be filed with Registrar of Companies within 30 days of the receipt of the order.
18. The Transferor Company shall be dissolved without winding up from the date of the filing of the certified copy of this order with the Registrar of Companies.
19. Upon receiving the certified copy of this order, the ROC, Chennai is directed to send all documents relating to the Transferor Company to ROC, Navi Mumbai so that the files relating to the Transferor Company could be consolidated with the files and records of the Transferee Company as per the procedure prescribed.
20. The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14th December, 2016.
21. Accordingly, the Scheme stands sanctioned and CP/197/CAA/2017 stands disposed of.



Certified to be True Copy

13

(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)

G. Jayaraman
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BUILDING, 3rd FLOOR
29, RAJAJI SALAI, CHENNAI-600001.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, CHENNAI

CP/197/CAA/2017
[CA/153/CAA/2017]

Under Section 230 TO 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation between

M/s. Chennai Network Infrastructure Limited
(Transferor Company)

with

M/s. GTL Infrastructure Limited
(Transferee Company)

and

Their Respective Shareholders and Creditors

CORRIGENDUM

In exercise of powers under Rule 154 of the National Company Law Tribunal Rules, 2016 the order dated on 13.12.2017 is rectified as under:

Page 5 para 4 of the Order provides as follows:

"This Bench vide its common Order dated 20th September, 2017, in CA/153/CAA/2017 dispensed with convening, holding and conducting of the meeting of equity shareholders, secured and unsecured creditors in respect of the Petitioner Company. In short the Petitioner Company complied with all the order passed by this Bench."

and the same may be read as

"This Bench vide its common Order dated 20th September, 2017, in CA/153/CAA/2017 directed the Petitioner Company to hold and convene the meeting of equity shareholders, secured and unsecured creditors in respect of the Petitioner Company, accordingly the said meeting of the equity shareholders, secured and unsecured creditors were held on 9th November, 2017 respectively in which the proposed Scheme of Arrangement was approved unanimously by equity shareholders, secured and unsecured creditors respectively"

Page 11 para 11 line 4 of the Order provides as follows:

" filled all the returns in accordance with law, except for the"

and the same may be read as

" filled all the returns in accordance with law, and pending for the"

(CH. MOHD. SHARIF TARIQ)
MEMBER (JUDICIAL)

DATED THIS THE 19th DAY OF DECEMBER, 2017.



Certified to be True Copy

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR
29, RAJAJI SALAI, CHENNAI-600001.