

To,
The Board of Directors
GTL Infrastructure Limited
Global Vision, ES -II, MIDC,
TTC Industrial Estate, Mahape,
Navi Mumbai - 400 710

Auditor's Certificate

We, Chaturvedi & Shah, Chartered Accountants, (Firm Registration No. 101720W), the statutory auditors of GTL Infrastructure Limited, having its registered office at "Global Vision" 3rd Floor, Electronic Sadan - II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai - 400 710, (hereinafter referred to as 'the Company'), have examined the proposed accounting treatment specified in Clause 16 of the Draft Scheme of Amalgamation between Chennai Network Infrastructure Limited (CNIL) and GTL Infrastructure Limited and Their respective Shareholders and Creditors in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.

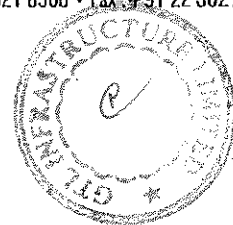
The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind AS as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Ind AS prescribed under section 133 of the Companies Act 2013 and other Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.



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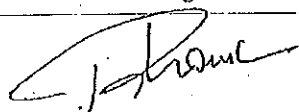
CHATURVEDI & SHAH
Chartered Accountants

Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment specified in Clause 16 of the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Ind AS notified by the Central Government under the Companies Act 2013 and other Generally Accepted Accounting Principles in India.

A certified true copy of the Draft Scheme, duly authenticated on behalf of the Company, is attached as Annexure I to this certificate and is stamped by us only for the purpose of identification.

This Certificate is issued at the request of the Company pursuant to the requirements of circular issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to National Stock Exchange of India Limited (NSE) / BSE Limited (BSE). This Certificate should not be used for any other purpose without our prior written consent.

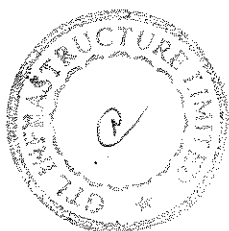
For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W



R. Korla
Partner
Membership No. 35629



Place: Mumbai
Date: April 22, 2017



YEOLEKAR & ASSOCIATES

Chartered Accountants



C.A. Sanjeev Yeolekar
B.Com, F.C.A., C.I.S.A.

C.A. Sunil More
B.Com, F.C.A.

To,

The Board of Directors

GTL Infrastructure Limited

Global Vision, ES-II, MIDC,

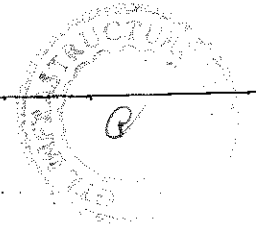
TTC Industrial Estate, Mahape,

Navi Mumbai - 400 710

Auditor's Certificate

We, Yeolekar & Associates, Chartered Accountants, (Firm Registration No. 102489W), the statutory auditors of GTL Infrastructure Limited, having its registered office at "Global Vision" 3rd Floor, Electronic Sadan - II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai - 400 710, (hereinafter referred to as 'the Company'), have examined the proposed accounting treatment specified in Clause 16 of the Draft Scheme of Amalgamation between Chennai Network Infrastructure Limited (CNIL) and GTL Infrastructure Limited and their respective Shareholders and Creditors in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind AS as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the proposed accounting treatment complies with the applicable Ind AS prescribed under section 133 of the Companies Act 2013 and other Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may



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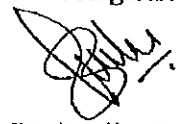
have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment specified in Clause 16 of the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Ind AS notified by the Central Government under the Companies Act 2013 and other Generally Accepted Accounting Principles in India.

A certified true copy of the Draft Scheme, duly authenticated on behalf of the Company, is attached as Annexure I to this certificate and is stamped by us only for the purpose of identification.

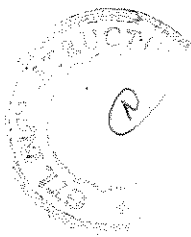
This Certificate is issued at the request of the Company pursuant to the requirements of circular issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to National Stock Exchange of India Limited (NSE) / BSE Limited (BSE). This Certificate should not be used for any other purpose without our prior written consent.

For
Yeolekar & Associates
Chartered Accountants
Firm Registration No. 102489W



CA Sanjiv S. Yeolekar
Partner
Membership No. 036398

Place: Mumbai
Date: April 22, 2017



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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.

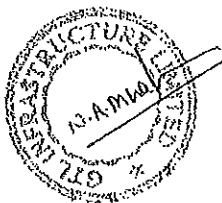
2. GTL INFRASTRUCTURE LIMITED (hereinafter referred to as the "GIL" or the Transferee Company"), is a company incorporated on February 4, 2004, under the provisions of the Act (as hereinafter defined) and has its registered office at 3rd Floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial 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.

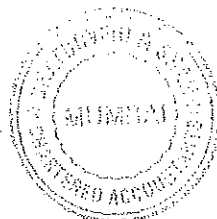
1.3 "Board" shall mean the board of directors or any committee thereof of the Transferor Company or the Transferee Company or both of them, as the context may apply;

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 executional 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 hereto 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*

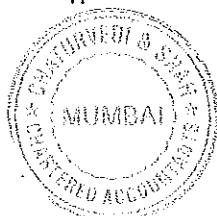
Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall be and stand amalgamated with and shall be deemed to have been amalgamated with the Transferee Company, pursuant to the provisions of sections 230 to 232 and other relevant provisions of the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



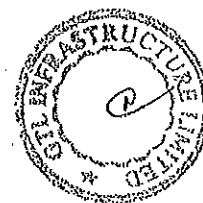
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- (f) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall 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



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232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other Person who is party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause of the Scheme. Such Liabilities shall constitute obligations of Transferee Company which shall at least rank on a pari passu basis with all other existing liabilities and obligations of the Transferee Company towards its existing lenders or in such order of priority as may be specifically agreed between the erstwhile lenders of the Transferor Company and the existing lenders of the Transferee Company.

5.3.2 All debts, Liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether or not provided in the books of the Transferor Company, and all debts and loans raised and used and duties, Liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date (ii) the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred of / by the Transferee Company by virtue of this Scheme.

5.3.3 Where any such debts, Liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

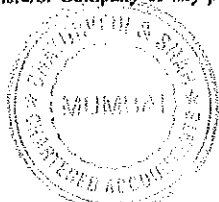
5.3.4 All loans raised and utilized and all Liabilities, duties and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans, liabilities, duties and obligations of the Transferee Company and the Transferee Company shall meet, discharge and satisfy the same.

5.3.5 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company, shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

5.4 Encumbrances

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

5.4.2 All the Encumbrances, if any, created by the Transferor Company on the Appointed Date and after the Appointed Date and upto the Effective Date in terms of the Scheme, over the assets and properties of the Transferor Company or any part thereof, shall stand transferred to the Transferee Company by virtue of the



Scheme, provided that in so far as any Encumbrances that secure or relate to the liabilities of the Transferor Company, the encumbrances shall, continue to relate and attach to such assets of the Transferor Company or any part thereof to which they are related or attached prior to and/or after the Effective Date of the Scheme in terms of the Corporate Debt Restructuring ("CDR") and security documents as executed at the time of CDR for creating such encumbrances, (save and except such assets and properties, which are not permitted to be transferred by the Rules and Regulations of the Government (Central / State) and / or Statutory Authorities / Agencies and / or Local Authorities and / or Statutory Bodies and / or other such Authorities). However, in relation to any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme, the Encumbrance of the lenders of the Transferor Company and the Transferee Company shall rank *pari passu* for the purposes of the satisfaction of the debts.

- 5.4.3 Further, all the Encumbrances, if any, existing over the assets or properties or any part thereof of the Transferee Company or any Encumbrance created over the assets or properties or any part thereof of the Transferee Company prior to or after the Appointed Date and until the Effective Date of the Scheme shall continue to relate and attach to such assets or properties or any part thereof to which they are related or attached prior to the Effective Date, (save and except such assets and properties, which are not permitted to be transferred by the Rules and Regulations of the Government (Central / State) and / or Statutory Authorities / Agencies and / or Local Authorities and / or Statutory Bodies and / or other such Authorities).
- 5.4.4 For the above purpose, the lenders of the Transferor Company having existing Encumbrances over the assets and properties of the Transferor Company as on the Effective Date and the lenders of the Transferee Company having existing Encumbrances over the assets and properties of the Transferee Company as on the Effective Date of the Scheme shall not cede and shall be deemed to have not ceded the charges and Encumbrances in respect of the assets and properties to which they relate as of the effective date of the Scheme and shall continue to encumber such assets and properties of the Transferor Company and Transferee Company respectively. Provided that on and from the Effective Date, the secured lenders to the Transferor Company and Transferee Company (including the Rupee Lenders) shall have a *pari passu* charge on (a) all current assets of the Transferee Company including the cash flows of the Transferee Company for which the Transferee Company shall only be required to maintain a single combined trust and retention account as required under the respective CDR and security documents as executed at the time of CDR for creating such encumbrances of the Transferor Company and the Transferee Company; and (b) any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme.
- 5.4.5 Subject to clause 5.2.2., 5.4.1, 5.4.2, 5.4.3, 5.4.4 and any other particular provisions if any, in the Scheme, any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company shall continue to be construed as a reference to the Transferor Company and any reference in any security documents or arrangements (to which the Transferee Company is a party) to the assets of the Transferee Company shall continue to be construed as a reference to the Transferee Company. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or filings for the modification(s) of charge or the creation of charge, with the Registrar of Companies, Maharashtra and / or the Registrar of Companies, Tamil Nadu to give formal effect to the above provisions, if required.
- 5.4.6 Upon the coming into effect of the Scheme, the Transferee Company alone shall be liable to perform, as per the terms of the Scheme, all the obligations in respect of the liabilities of the Transferor Company, which have been transferred to it in terms of the Scheme.
- 5.4.7 It is expressly provided that, save as provided in the Scheme, no other term or condition of the liabilities transferred to the Transferee Company will be modified by virtue of the Scheme except to the extent that



such amendment is required by statute, expressly or by necessary implication or are as prescribed by the relevant authorities.

- 5.4.8 The provisions of this Clause 5.4 shall operate in accordance with the terms of this Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall and do stand modified and/or superseded (as the case may be) by the foregoing provisions.

5.5 Inter-se Transactions

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

6. **DISSOLUTION OF THE TRANSFEROR COMPANY**

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, pursuant to the provisions of Sections 230 to 232 of the Act.

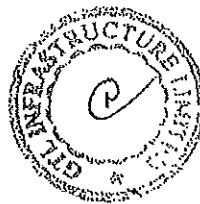
**PART - III
ISSUE OF FRESH EQUITY SHARES**

7. **CONSIDERATION**

- 7.1 In consideration of the amalgamation of the Transferor Company with the Transferee Company, in terms of and on the coming into effect of the Scheme, the Transferee Company shall, without any further application, act, deed or instrument, issue and allot to each of the shareholders of the Transferor Company holding equity shares of the Transferor Company or to his / her / its heirs, executors or administrators or, as the case may be, successors or trustees, 1 (One) equity share of the face value of Rs.10/- (Rupees Ten) each, in the Transferee Company, credited as fully paid-up shares (the "GIL Shares") for every, 1 (One) fully paid-up equity share of the face value of Rs.10/- (Rupees Ten) each held by such equity shareholder or their respective heirs, executors or administrators or, as the case may be, successors or trustees in the Transferor Company. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is the "Share Exchange Ratio".
- 7.2 Upon the coming into effect of the Scheme and as an integral part of the Scheme, the share capital of the Transferor Company to the extent of 181,57,22,400 (One Hundred Eighty One Crore Fifty Seven Lakh Twenty Two Thousand Four Hundred only) equity shares of face value of Rs.10/- (Rupees Ten) each credited as fully paid-up held by the Trust in the Transferor Company, for the benefit of its sole beneficiary i.e. the Transferee Company shall stand cancelled.
- 7.3 On the Scheme becoming effective and as an integral part of the Scheme, the issued, subscribed and the paid-up share capital of the Transferee Company shall stand suitably increased consequent on the issue of the GIL Shares. It is clarified that no special resolution under Section 62 of the Act shall be required to be passed by the Transferee Company in a general meeting for the issue of the GIL Shares under the Scheme and on the members of the Transferee Company approving the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to the issue of the GIL Shares, as provided in the Scheme.
- 7.4 The provisions of this Clause shall be applicable in relation to the fresh issue of equity shares of the Transferee Company:



- 7.4.1 In so far as the issue of the GIL Shares pursuant to Clauses 7.1 and 7.2 above is concerned, the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice, in writing, by them to the Transferee Company on or before the Record Date, to receive the GIL Shares of the Transferee Company either in physical form or in dematerialized form, in lieu of their shares in the Transferor Company, in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. Those members of the Transferor Company who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required in the notice provided by such shareholders to the Transferee Company on or before the Record Date. It is only thereupon that the Transferee Company shall issue and directly credit the demat/beneficiary account of such member with the GIL Shares of the Transferee Company and the share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of GIL Shares by the Transferee Company to the shareholders of the Transferor Company.
- 7.4.2 Each of the members of the Transferor Company holding shares of the Transferor Company in dematerialized form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive the GIL Shares of the Transferee Company either in physical form or in dematerialized form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in dematerialized form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date.
- 7.4.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered but not bound in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date and to take such decisions as may be necessary, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.
- 7.4.4 The GIL Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company and shall, inter-se, rank *pari passu* in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 7.4.5 The GIL Shares of the Transferee Company issued in terms of 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.
- 7.4.6 For the purpose of issue of equity shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory approvals for the issue and allotment by the Transferee Company of the GIL Shares.
- 7.4.7 No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of the



GIL Shares by the Transferee Company in accordance with this Scheme. The Board of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the GIL Shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the "Trustee for Fractional Entitlements"), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the Trustee for Fractional Entitlements may in its sole discretion decide and pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

INCREASE IN AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

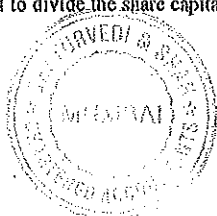
8. Upon this Scheme coming into effect, the authorized share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced, without any further act, instrument or deed on the part of the Transferee Company, including payment 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



(84)

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.

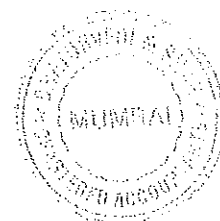
11.1.2 The Transferor Company shall not, without the prior consent in writing of the Board of the Transferee Company, undertake any new business.

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, retronchment 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

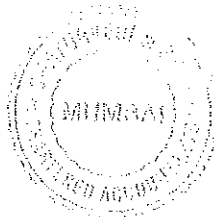
- 21.1 The Scheme is conditional upon and subject to the following conditions having been fulfilled or waived, pursuant to which, the Scheme shall come into effect on and from the Effective Date of this Scheme:-
- 21.1.1 the Scheme being approved by the respective requisite majorities of the respective 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 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;
- 21.1.3 each party receiving in form and substance satisfactory to it, regulatory, tax, governmental and other consents and approvals which it is necessary or required to be obtained in connection with the entering into or performance of the obligations under this Scheme and such consents and approvals remaining in full force and effect; and
- 21.1.4 such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
- 21.2 The Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:-
- the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders, shall be obtained or passed referred to in the Scheme; and
 - the orders of the National Company Law Tribunals are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu, as the case may be.

22. VALIDITY OF EXISTING RESOLUTIONS

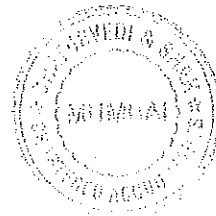
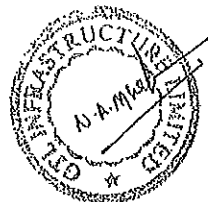
Upon coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the effective date of this Scheme, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

23. COSTS, CHARGES & EXPENSES

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



amalgamation of the Transferor Company with the Transferee Company shall be borne and paid by the Transferee Company alone.



SCHEDULE I

Part A – List of Rupees lenders of the Transferor Company

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

Part B – List of Rupees lenders of the Transferee Company

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



ANNEXURE -- I of the Scheme

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



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, economics 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	1000,00,00,000/-
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 or 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.

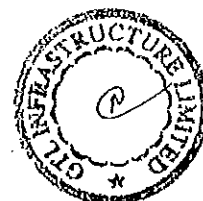


- (f) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar 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-1 (IP-1) registration with the Department of Telecommunications, Government of India, authorisations and any other licences / approvals granted to the Transferor Company, all municipal approvals, permission for establishing cellular towers or receiving stations or any broadband and / or broadcasting approvals and forming part of the Transferor Company shall stand transferred to and vest in, the Transferee Company and the concerned licensors and granters of such approvals, clearances, permissions shall endorse, where necessary, and record the name of the Transferee Company on such approvals, clearances and permissions so as to empower and facilitate the approval and amalgamation of the Transferor Company with the Transferee Company, without hindrance or let on and from the Effective Date.
- (h) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become, as and from the Appointed Date, licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5.2.2 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all the assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any of the Act. However, such amalgamation of the assets and properties of the Transferor Company into the Transferee Company shall not be deemed to affect the rights of the secured lenders of the Transferor Company and the Transferee Company respectively and the rights of the lenders in relation to all the charges created on the assets and properties of the Transferor Company and the Transferee Company shall be deemed to survive the amalgamation as they existed prior to the Appointed Date, as provided for in Clause 5.4 of this Scheme.

5.3 Transfer of Liabilities of the Transferor Company

5.3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Liabilities of the Transferor Company shall, pursuant to the sanction of this Scheme under the provisions of Sections 230 to

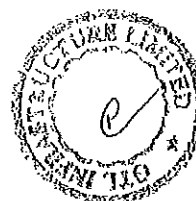


232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other Person who is party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause of the Scheme. Such Liabilities shall constitute obligations of Transferee Company which shall at least rank on a pari passu basis with all other existing liabilities and obligations of the Transferee Company towards its existing lenders or in such order of priority as may be specifically agreed between the erstwhile lenders of the Transferor Company and the existing lenders of the Transferee Company.

- 5.3.2 All debts, Liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether or not provided in the books of the Transferor Company, and all debts and loans raised and used and duties, Liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred of / by the Transferee Company by virtue of this Scheme.
- 5.3.3 Where any such debts, Liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 5.3.4 All loans raised and utilized and all Liabilities, duties and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans, liabilities, duties and obligations of the Transferee Company and the Transferee Company shall meet, discharge and satisfy the same.
- 5.3.5 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company, shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

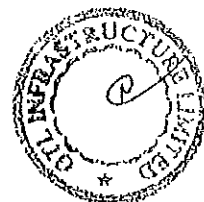
5.4 Encumbrances

- 5.4.1 The transfer and vesting of the assets of the Transferor Company under the Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- 5.4.2 All the Encumbrances, if any, created by the Transferor Company on the Appointed Date and after the Appointed Date and upto the Effective Date in terms of the Scheme, over the assets and properties of the Transferor Company or any part thereof, shall stand transferred to the Transferee Company by virtue of the



Scheme, provided that in so far as any Encumbrances that secure or relate to the liabilities of the Transferor Company, the encumbrances shall, continue to relate and attach to such assets of the Transferor Company or any part thereof to which they are related or attached prior to and/or after the Effective Date of the Scheme in terms of the Corporate Debt Restructuring ("CDR") and security documents as executed at the time of CDR for creating such encumbrances, (save and except such assets and properties, which are not permitted to be transferred by the Rules and Regulations of the Government (Central / State) and / or Statutory Authorities / Agencies and / or Local Authorities and / or Statutory Bodies and / or other such Authorities). However, in relation to any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme, the Encumbrance of the lenders of the Transferor Company and the Transferee Company shall rank *pari passu* for the purposes of the satisfaction of the debts.

- 5.4.3 Further, all the Encumbrances, if any, existing over the assets or properties or any part thereof of the Transferee Company or any Encumbrance created over the assets or properties or any part thereof of the Transferee Company prior to or after the Appointed Date and until the Effective Date of the Scheme shall continue to relate and attach to such assets or properties or any part thereof to which they are related or attached prior to the Effective Date, (save and except such assets and properties, which are not permitted to be transferred by the Rules and Regulations of the Government (Central / State) and / or Statutory Authorities / Agencies and / or Local Authorities and / or Statutory Bodies and / or other such Authorities).
- 5.4.4 For the above purpose, the lenders of the Transferor Company having existing Encumbrances over the assets and properties of the Transferor Company as on the Effective Date and the lenders of the Transferee Company having existing Encumbrances over the assets and properties of the Transferee Company as on the Effective Date of the Scheme shall not cede and shall be deemed to have not ceded the charges and Encumbrances in respect of the assets and properties to which they relate as of the effective date of the Scheme and shall continue to encumber such assets and properties of the Transferor Company and Transferee Company respectively. Provided that on and from the Effective Date, the secured lenders to the Transferor Company and Transferee Company (including the Rupee Lenders) shall have a *pari passu* charge on (a) all current assets of the Transferee Company including the cash flows of the Transferee Company for which the Transferee Company shall only be required to maintain a single combined trust and retention account as required under the respective CDR and security documents as executed at the time of CDR for creating such encumbrances of the Transferor Company and the Transferee Company; and (b) any assets or properties acquired or erected by the Transferee Company after the Effective Date of the Scheme.
- 5.4.5 Subject to clause 5.2.2., 5.4.1, 5.4.2, 5.4.3, 5.4.4 and any other particular provisions if any, in the Scheme, any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company shall continue to be construed as a reference to the Transferor Company and any reference in any security documents or arrangements (to which the Transferee Company is a party) to the assets of the Transferee Company shall continue to be construed as a reference to the Transferee Company. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or filings for the modification(s) of charge or the creation of charge, with the Registrar of Companies, Maharashtra and / or the Registrar of Companies, Tamil Nadu to give formal effect to the above provisions, if required.
- 5.4.6 Upon the coming into effect of the Scheme, the Transferee Company alone shall be liable to perform, as per the terms of the Scheme, all the obligations in respect of the liabilities of the Transferor Company, which have been transferred to it in terms of the Scheme.
- 5.4.7 It is expressly provided that, save as provided in the Scheme, no other term or condition of the liabilities transferred to the Transferee Company will be modified by virtue of the Scheme except to the extent that



such amendment is required by statute, expressly or by necessary implication or are as prescribed by the relevant authorities.

5.4.8 The provisions of this Clause 5.4 shall operate in accordance with the terms of this Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall and do stand modified and/or superseded (as the case may be) by the foregoing provisions.

5.5 Inter-se Transactions

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

6. **DISSOLUTION OF THE TRANSFEROR COMPANY**

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, pursuant to the provisions of Sections 230 to 232 of the Act.

PART - III
ISSUE OF FRESH EQUITY SHARES

7. **CONSIDERATION**

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

7.2 Upon the coming into effect of the Scheme and as an integral part of the Scheme, the share capital of the Transferor Company to the extent of 181,57,22,400 (One Hundred Eighty One Crore Fifty Seven Lakh Twenty Two Thousand Four Hundred only) equity shares of face value of Rs.10/- (Rupees Ten) each credited as fully paid-up held by the Trust in the Transferor Company, for the benefit of its sole beneficiary i.e. the Transferee Company shall stand cancelled.

7.3 On the Scheme becoming effective and as an integral part of the Scheme, the issued, subscribed and the paid-up share capital of the Transferee Company shall stand suitably increased consequent on the issue of the GIL Shares. It is clarified that no special resolution under Section 62 of the Act shall be required to be passed by the Transferee Company in a general meeting for the issue of the GIL Shares under the Scheme and on the members of the Transferee Company approving the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to the issue of the GIL Shares, as provided in the Scheme.

7.4 The provisions of this Clause shall be applicable in relation to the fresh issue of equity shares of the Transferee Company:



- 7.4.1 In so far as the issue of the GIL Shares pursuant to Clauses 7.1 and 7.2 above is concerned, the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice, in writing, by them to the Transferee Company on or before the Record Date, to receive the GIL Shares of the Transferee Company either in physical form or in dematerialized form, in lieu of their shares in the Transferor Company, in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. Those members of the Transferor Company who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required in the notice provided by such shareholders to the Transferee Company on or before the Record Date. It is only thereupon that the Transferee Company shall issue and directly credit the demat/beneficiary account of such member with the GIL Shares of the Transferee Company and the share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of GIL Shares by the Transferee Company to the shareholders of the Transferor Company.
- 7.4.2 Each of the members of the Transferor Company holding shares of the Transferor Company in dematerialized form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive the GIL Shares of the Transferee Company either in physical form or in dematerialized form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in dematerialized form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date.
- 7.4.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered but not bound in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date and to take such decisions as may be necessary, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.
- 7.4.4 The GIL Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company and shall, inter-se, rank *pari passu* in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 7.4.5 The GIL Shares of the Transferee Company issued in terms of the Scheme will be listed and/or admitted to trading on the BSE and the NSSE where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary and agreed by the Transferee Company, in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges, including compliance with the listing agreements of the said exchanges.
- 7.4.6 For the purpose of issue of equity shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory approvals for the issue and allotment by the Transferee Company of the GIL Shares.
- 7.4.7 No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of the



GIL Shares by the Transferee Company in accordance with this Scheme. The Board of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the GIL Shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the "Trustee for Fractional Entitlements"), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the Trustee for Fractional Entitlements may in its sole discretion decide and pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

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 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 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;

21.1.3 each party receiving in form and substance satisfactory to it, regulatory, tax, governmental and other consents and approvals which it is necessary or required to be obtained in connection with the entering into or performance of the obligations under this Scheme and such consents and approvals remaining in full force and effect; and

21.1.4 such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

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

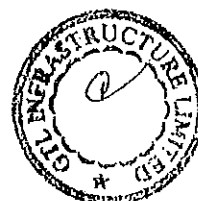
- the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders, shall be obtained or passed referred to in the Scheme; and
- the orders of the National Company Law Tribunals are filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Tamil Nadu, as the case may be.

22. VALIDITY OF EXISTING RESOLUTIONS

Upon coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the effective date of this Scheme, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

23. COSTS, CHARGES & EXPENSES

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



amalgamation of the Transferor Company with the Transferee Company shall be borne and paid by the Transferee Company alone.



SCHEDULE I

Part A - List of Rupees lenders of the Transferor Company

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

Part B - List of Rupees lenders of the Transferee Company

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



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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

