GTL
INFRASTRUCTURE

GIL/SE /Merger/2017-18/14 **April 22, 2017**

The Secretary,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 532775
Fax No.: 2272 2037/2272 3719

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Trading Symbol: GTLINFRA
Fax No.: 2659 8237/38

Dear Sir,

Sub: Scheme of Amalgamation between Chennai Network Infrastructure Limited (CNIL) and GTL Infrastructure Limited (GIL)

This is in reference to the captioned subject and our previous disclosures dated September 19, 2016, October 20, 2016, November 28, 2016, March 17, 2017, March 27, 2017, April 13, 2017 and April 17, 2017.

We are pleased to inform you that the Board of Directors has approved the Scheme of Amalgamation between Chennai Network Infrastructure Limited ("**CNIL**") and GTL Infrastructure Limited ("**GIL**" or the "**Transferee Company**") and their respective shareholders and creditors (the "**Scheme**") under Section 230 to 232 of the Companies Act, 2013.

The Scheme *inter-alia* envisages the issuance and allotment of 1 (one) fully paid up equity share of face value of Rs. 10/- (Rupees Ten each) of GIL for every 1 (one) fully paid up equity share of face value of Rs. 10/- (Rupees Ten each) of CNIL held by shareholders of CNIL upon the Scheme becoming effective.

The merger of CNIL with GIL was previously envisaged in the CDR documents and was also an integral part of the SDR Scheme implemented for CNIL and GIL. Accordingly, it may be noted that the requisite majority of the CDR lenders in the Joint Lenders Forum meeting held on April 5, 2017 in-principally approved the aforesaid Scheme.

In addition, the Company is in the process of restructuring the foreign currency convertible bonds, subject to necessary statutory and bondholders consents, which essentially involves conversion of part of the outstanding foreign currency convertible bonds into mandatorily convertible bonds, thereby further reducing the aggregate debt levels of the Company.

With the implementation of SDR and the restructuring of the foreign currency convertible bonds, the Company believes that the debt would now be at sustainable levels, both on a standalone and combined basis for the Company and CNIL, respectively. In this context, it may be noted that the estimated revenue and EBITDA of the Company and CNIL (combined) for FY 2016-17 would be as follows:

	Total
Estimated Revenue	Rs. 2,170 Cr.
Estimated EBITDA	Rs. 1,120 Cr.
Rupee Debt post SDR*	Rs. 4,052.28 Cr.
Estimated Foreign Currency Debt*	Rs. 740 Cr.

* The exact amount of rupee debt post conversion is subject to confirmation and reconciliation with the lenders and assumes the proposed restructuring of the foreign convertible currency bonds.

The disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as Annexure A.

We request you to take the same on record.

Thanking you,

Yours truly,
For GTL Infrastructure Limited

N.A.Mhatre

Nitesh A. Mhatre
Company Secretary

Laxmikant Y. Desai
Chief Financial Officer

Note: This letter is submitted electronically with BSE & NSE through their respective web portals.

Annexure A

Disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

1. Name of the entitiy(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc:

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

   b) **Transferee Entity** - GTL Infrastructure Limited (**GIL** / Transferee Company), is a company incorporated on February 4, 2004, under the provisions of the Companies Act, 1956 and has its registered office at 3rd Floor, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710. Since November 9, 2006, the equity shares of the Transferee Company have been listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**").

2. Whether the transaction would fall within the related party transactions? If yes, whether the same is done at "arms length"?

   Transferor Company is an associate of Transferee Company, hence the transaction falls under the related party transactions and the same is done at arms length basis. The proposed scheme is based on the Valuers Report on share exchange ratio as obtained from an Independent Valuer i.e. Haribhakti & Co. LLP, Chartered Accountants and Fairness Opinion obtained from Ashika Capital Limited, a SEBI registered Category I Merchant Banker with regard to fairness of share exchange ratio for the purpose of the same.

3. Area of Business of the Company

   Both the Transferor and the Transferee Company are, *inter alia*, engaged in the business of building, maintaining and providing telecommunication infrastructure facilities to telecommunication service providers.

4. Rationale for amalgamation / merger

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

a) The Scheme will assist in achieving higher long term financial returns than would have been achieved by the Transferor Company and the Transferee Company as separate entities, will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of both the Transferor Company and the Transferee Company leading to synergistic benefits, enhancement of future business potential, increased global competitiveness, cost reduction and efficiencies, productivity gains and logistical advantages, thereby contributing to significant future growth and enhancement of shareholder value.

b) The Scheme will result in rationalization and standardization of the business processes, economies of scale and consolidation of opportunities offered by the Scheme which will contribute to the profits of the Transferee Company thereby further enhancing the overall shareholder value.

5. In case of cash consideration – amount or otherwise share exchange ratio

1 (one) fully paid up equity share of face value of Rs. 10/- (Rupees Ten each) of GIL for every 1 (one) fully paid up equity share of face value of Rs. 10/- (Rupees Ten each) of CNIL held by shareholders of CNIL.

6. Brief details of change in shareholding pattern (if any) of listed entity

Category of shareholders	GIL Pre-Merger Shareholding*	CNIL Pre-Merger Shareholding	Post-Merger Shareholding*
Promoter & Promoter Group	12.33%	38.03%	18.83%
Public (including Banks & Bond holders)	87.67%	61.97%	81.17%

* for the purpose of calculating the shareholding assuming full conversion of securities, the Company has excluded such number of convertible securities which are likely to be redeemed in terms of the proposed restructuring of FCCB's approved by the CDR lenders at the time of implementing the Strategic Debt Restructuring Scheme.