

SCHEME OF ARRANGEMENT AND RECONSTRUCTION

AMONG

TATA COMMUNICATIONS LIMITED
As the Transferor Company

AND

HEMISPHERE PROPERTIES INDIA LIMITED
As the Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

For Tata Communications Limited

Manish Sansi
Company Secretary &
General Counsel (India)

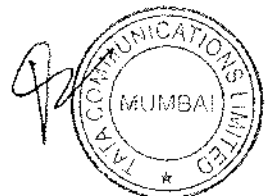


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For and on behalf of the Transferor Company

By the undersigned
in the presence of witnesses
and the presence of the Registrar



**SCHEME OF ARRANGEMENT AND RECONSTRUCTION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013**

BETWEEN

TATA COMMUNICATIONS LIMITED

.... TRANSFEROR COMPANY

HEMISPHERE PROPERTIES INDIA LIMITED TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

WHEREAS

- (A) Tata Communications Limited (the “Transferor Company” or “TCL”) (formerly known as Videsh Sanchar Nigam Limited) is a public limited company duly incorporated under the Companies Act, 1956, and has its registered office at VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001. The Transferor Company was incorporated on March 19, 1986. The Government of India *vide* its letter no. G-25015/6/86OC dated March 27, 1986 transferred all assets and liabilities of the Overseas Communications Service (part of the Department of Telecommunications (“DoT”), Ministry of Communications) as appearing in its balance sheet as at March 31, 1986 to the Transferor Company with effect from April 1, 1986. During the year 2007-08, the Transferor Company changed its name from Videsh Sanchar Nigam Limited to Tata Communications Limited and a fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Maharashtra on January 28, 2008. The equity shares of Transferor Company are listed on the Stock Exchanges (as defined hereinafter). The Transferor Company has issued unlisted non-convertible debentures on private placement basis.
- (B) The Transferor Company is primarily engaged in the business of, among others, provision of international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, broadband services, and other value-added services comprising tele-presence, managed hosting, mobile global roaming and signaling services, transponder lease, television up-



linking and other services and owns vast tracts of land originally acquired for the purpose of use in telecom business of the Transferor Company and its predecessor.

- (C) Hemisphere Properties India Limited (the “**Transferee Company**”), is a public limited company duly incorporated under the Companies Act, 1956 and having its registered office at Room No-409 Sanchar Bhawan, Ashoka Road New Delhi – 110 001. The equity shares of the Transferee Company are presently not listed on any stock exchange. Presently, 51.12% of the shareholding of the Transferee Company is held by the Government of India, and 48.88% shareholding is held by Panatone Finvest Limited (“**Panatone**”) and accordingly, the Transferee Company is a ‘government company’ as defined under Section 2(45) of the Companies Act, 2013 and consequently public sector undertaking under Section 2(36A) of the Income Tax Act, 1961. The main objects of the memorandum of association of the Transferee Company permit the carrying on the business of constructing, acquiring, developing, managing and dealing in properties in any other manner, where such properties are in nature of land and /or buildings, anywhere in India and if permitted by legislation, outside India as well.
- (D) In 2002, the Government of India conducted a disinvestment exercise in respect of 25% of its equity holding in the Transferor Company wherein the terms of the bid for the disinvestment required the bidders to take into account the value of the lands which would remain with the Transferor Company and to exclude the value of certain surplus lands of the Transferor Company. Panatone (*as hereinafter defined*) was the successful bidder in this disinvestment process. Subsequently, a share purchase agreement dated February 6, 2002 was executed between the Government of India and, amongst others, Panatone and the Transferor Company (“**SPA**”) for the sale of equity shares of the Transferor Company to Panatone and a shareholders’ agreement dated February 13, 2002 was also executed between the Government of India and, amongst others, Panatone (“**SHA**”). Pursuant thereto, in order to give effect to the terms and conditions of the SPA and SHA which, *inter alia*, required such surplus lands to be hived off or demerged into a separate company, it is now proposed to reconstruct and split up the Transferor Company by way of transferring the Surplus Land (*as defined hereinafter*) of the Transferor Company (which ceased to be a public sector company as a result of the transactions contemplated under the SPA and SHA) to the Transferee Company, in lieu of which shareholders of Transferor Company as on the Record Date (*as defined hereinafter*) shall be issued equity shares of Transferee Company as set out herein, by way of this scheme of arrangement and reconstruction under the provisions of Sections 230 to 232 of the Companies Act, 2013 and *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961. Further, in accordance with the terms of the said SPA, the SHA and the letter of offer issued by Panatone dated March 27, 2002 (“**Letter of Offer**”), Panatone is required to gift, sell or transfer, as the case may be, without further consideration, the shares of the Transferee Company, as allotted to Panatone under this scheme of arrangement and reconstruction to: (a) the Government of India, to the extent of 25% of the Transferee Company’s issued shares; and (b) the shareholders of the Transferor Company who tendered equity shares to Panatone pursuant to the Letter of Offer, to the extent their tender was accepted by Panatone, but not exceeding the maximum extent of 20% of the total issued capital of the Transferee Company.



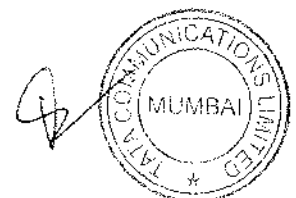
- (E) In furtherance of the aforesaid and to give effect to the terms and conditions of SPA and SHA, this Scheme (*as hereinafter defined*) provides for the Demerger (*as hereinafter defined*) by way of reconstruction and splitting up of the Transferor Company by way of transfer of the Surplus Land of the Transferor Company to the Transferee Company and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company as on the Record Date, followed by transfer of specified equity shares of the Transferee Company allotted to Panatone Group Companies (*as defined hereinafter*) as set out in Clause 6 of the Scheme and various other matters consequential to or otherwise integrally connected with the above, in the manner provided for in the Scheme, pursuant to Sections 230 – 232, other relevant provisions of the Companies Act, 2013, and *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961.
- (F) The parties to this Scheme acknowledge the following:
- (a) Pursuant to the order of the Hon'ble Delhi High Court in respect of the transfer of 32.5 acres of land situated at Padianallur, Chennai, comprised of 15 acres 98 cents in Old Survey No. 8/2, New Survey No. 155/2 and 16 acres 52 cents in Old Survey No. 9, New Survey No. 156 ("**Society Land**"), DoT and the Board of Directors of the Transferor Company (as per resolution approved at meeting dated June 17, 2008 of the Board of Directors of Transferor Company) had agreed in 2008 to transfer the Society Land to the Videsh Sanchar Nigam Limited Employees Cooperative Housing Society, Chennai ("**Society**"), such Society Land being part of the land identified for the purpose of transfer to the Transferee Company under the SPA and SHA. In terms of the order of the Hon'ble Delhi High Court, the Society Land was transferred to the Society in July 2009. The amount of INR 68,09,517 (Indian Rupees Sixty Eight Lakhs Nine Thousand Five Hundred and Seventeen only) as cost and INR 61,79,641 (Indian Rupees Sixty One Lakhs Seventy Nine Thousand Six Hundred and Forty One only) as interest received by the Transferor Company for the said Society Land has been retained in a fixed deposit account maintained with Indian Overseas Bank bearing account number 001404000002170 ("**FD Account**"). As on October 16, 2017, the balance in the FD Account stands at INR 2,62,84,816 (Indian Rupees Two Crores Sixty Two Lakhs Eighty Four Thousand Eight Hundred and Sixteen only).
- (b) In September 2013, the Delhi Metro Rail Corporation Limited ("**DMRC**"), informed the Transferor Company that as part of the development work for the Delhi Metro, DMRC required a portion of the Transferor Company's land at Greater Kailash-I, New Delhi. The land parcel identified by DMRC for the purpose of acquisition, measuring approximately 2.59 acres ("**DMRC Land**"), also included approximately 0.54 acres of the land identified for the purpose of transfer to the Transferee Company under the SPA and SHA. On January 3, 2014, the Transferor Company received an acquisition notice stating award announced by Land Acquisition Collector ("**LAC**") on December 30, 2013 without giving any details of the award. The Transferor Company received the certified copy of the award on February 7, 2014 as per which, the total compensation determined by the



LAC was INR 1, 88, 80, 168/- (Indian Rupees One Crore Eighty Eight Lakhs Eight Thousand One Hundred and Sixty Eight only) based on indicative price fixed by Government of Delhi for agricultural land. Aggrieved by the said award, the Transferor Company filed a reference petition for proper determination of the compensation with LAC based on commercial usage of land. Simultaneously therewith, the Transferor Company also filed a writ petition with the Hon'ble Delhi High Court. On April 24, 2014, the Hon'ble Delhi High Court directed DMRC to deposit the sum of INR 247,29,75,648/- (Indian Rupees Two Hundred Forty Seven Crores Twenty Nine Lakhs Seventy Five Thousand Six Hundred and Forty Eight only) with the Court Registrar which has since been deposited by DMRC. The decision of the Hon'ble Delhi High Court on the quantum of the compensation to be received by the Transferor Company is presently pending. The DMRC has since acquired and taken possession of the DMRC Land from the Transferor Company.

- (G) With a view to facilitate reconstruction or splitting up of erstwhile public sector companies into separate companies, the Central Government, *vide*, the Taxation Laws (Amendment) Act, 2016, has inserted the *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961 with effect from April 1, 2016. The Statement of Object and Reasons to the Taxation Laws (Amendment) Bill, 2016 provides that this amendment was made with a view to facilitate the reconstruction or splitting up of erstwhile public sector companies into separate companies and to give effect to the conditions attached to the transfer of shares by the Government and that there was a need to bring these types of reconstruction and splitting up within the scope of definition of the term "demerger".
- (H) In exercise of the powers conferred by *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961, the Central Government pursuant to Central Board of Direct Taxes Notification 93/2016, No. 149/251/2015-TPL and Central Board of Direct Taxes Notification No.73/2017, F. No.149/251/2015-TPL specified that the reconstruction or splitting up of a company which ceased to be a public sector company as a result of transfer of its shares by the Central Government, into separate companies, shall be deemed to be a demerger, if the following conditions are fulfilled, namely:—
- (a) that such reconstruction or splitting up has been made by way of transfer of any assets of the demerged company to the resulting company to give effect to the conditions mentioned in the Share Holders' Agreement and Share Purchase Agreement; and
 - (b) that the resulting company is a public sector company on the appointed date indicated in the scheme approved by the Appellate Tribunal constituted under Section 410 of the Companies Act, 2013 (18 of 2013) in this behalf.

Accordingly, the reconstruction and splitting up of the Transferor Company into separate companies, by way of transfer of the Surplus Land to the Transferee Company, is to be undertaken in terms of *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961 and shall be in compliance with conditions notified in this respect by the Central Government.



- (I) This Scheme is divided into the following parts:
- (a) **Part I**, which deals with definitions and interpretation and share capital;
 - (b) **Part II**, which deals with the reconstruction and splitting up of the Transferor Company by way of transfer of Surplus Land to the Transferee Company;
 - (c) **Part III**, which deals with issue of shares of the Transferee Company to the shareholders of the Transferor Company; matters relating to accounts etc.;
 - (d) **Part IV**, which deals with the transfer of shares of Transferee Company by Panatone Group Companies to the Government of India and certain erstwhile public shareholders of the Transferor Company; and
 - (e) **Part V**, which deals with general terms and conditions applicable to the Scheme.

PART I

1. DEFINITIONS AND INTERPRETATION

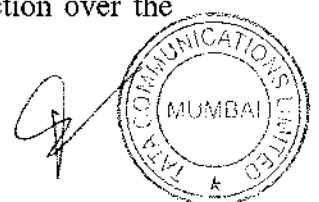
1.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below: -

- (a) **“Act”** means the Companies Act, 2013 (to the extent notified by the Government of India and currently in force), and the Companies Act, 1956, to the extent not repealed and replaced by notified sections of the Companies Act, 2013, and any amendment thereto or any other succeeding enactment for the time being in force;
- (b) **“Appointed Date”** means the 30 March, 2018;
- (c) **“Associated Companies”** means Tata Sons Limited, The Tata Power Company Limited, The Tata Iron and Steel Company Limited (now known as Tata Steel Limited) and Tata Industries Limited;
- (d) **“Board of Directors”** in relation to each of the Transferor Company and the Transferee Company means the board of directors of such company and, unless it is repugnant to the context, includes a duly authorised committee of the board;
- (e) **“Companies”** shall mean the Transferor Company and the Transferee Company collectively;
- (f) **“Defence Compensation”** shall mean any compensation that may be paid whether by the Department of Defence or by any other Governmental Authority in connection with the occupation and/ or acquisition of certain lands situated in Pune, which were formerly in the ownership of, or were believed by the Transferor Company to be in the ownership of, Overseas Communications Service and/ or the Transferor Company but which is



presently occupied by, and in respect of which ownership is claimed by, the Department of Defence;

- (g) **“Undisclosed Claims”** shall mean third party claims that (A) have been made by a third party in writing against the Transferor Company in relation to the Surplus Land prior to 30 March 2018; and (B) are omitted from **Schedule 2**, or (in respect of third party claims made after October 25, 2017 in writing against the Transferor Company in relation to the Surplus Land) are not disclosed in writing to the Transferee Company in accordance with Clause 3.11, pursuant to a fraudulent or negligent withholding by the Transferor Company; and shall also include all claims by state governments for Property Taxes to the extent such claims relate to the Transferor Company’s ownership of Surplus Land prior to Effective Date;
- (h) **“Demerger”** means the reconstruction and splitting up of the Transferor Company into separate companies by way of transfer of the Surplus Land of the Transferor Company to the Transferee Company in terms of *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961 and other relevant sections of Income Tax Act, 1961 and in compliance with conditions notified in this respect by Central Government and in terms of Sections 230 to 232 of the Companies Act 2013, to give effect to the conditions mentioned under the SHA and SPA, and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company as set out in this Scheme;
- (i) **“DMRC Compensation”** means 20.849 % of the aggregate compensation for the DMRC Land, as may be received by the Transferor Company pursuant the order from the concerned court and which shall be paid to the Transferee Company in accordance with the provisions of this Scheme;
- (j) **“Effective Date”** means the last of the dates on which the conditions and matters referred to in Clause 7.12 hereof have been fulfilled or waived and references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;
- (k) **“Governmental Authority”** shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards; requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country;
- (l) **“NCLT, Mumbai”** means the National Company Law Tribunal, Mumbai Bench or such other forum or authority as may be vested with the powers of the National Company Law Tribunal and having jurisdiction over the

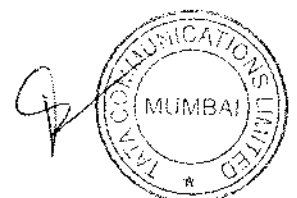


Transferor Company for the purposes of Sections 230 to 232 of the Companies Act, 2013;

- (m) **"Panatone"** means Panatone Finvest Limited, a public limited company duly incorporated and existing under the Companies Act, 1956 on March 30, 1992, having its registered office at Bombay House, 24 Homi Mody Street Mumbai 400001;
- (n) **"Panatone Group Companies"** means collectively, Panatone, Tata Sons Limited and Tata Power Company Limited;
- (o) **"Prior Documents"** shall mean SPA, the SHA and the Letter of Offer;
- (p) **"Record Date"** means the date to be determined by the Board of Directors of the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom equity shares of the Transferee Company shall be allotted pursuant to the Demerger under this Scheme;
- (q) **"Remaining Business"** shall mean all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares, securities, identified assets and bank balances) of the Transferor Company, other than those comprised in the Surplus Land;
- (r) **"Surplus Land"** means the pieces and parcels of land described in **Schedule 1** hereunder and shall mean and include all the rights, title, interest and/or liabilities, if any, of the Transferor Company in relation thereto. Without prejudice and limitation to the generality of the above, the Surplus Land shall mean and include:
 - (i) all rights, title, interest, covenant, undertakings, liabilities including continuing rights, title and interest in connection with the pieces and parcels of land described in **Schedule 1**, including the balances in the FD Account, and DMRC Compensation;
 - (ii) Demerged Liabilities, including the list of Demerged Liabilities known set out in **Schedule 2**;
 - (iii) litigations, claims and disputes pertaining to the Surplus Land, including those set out in **Schedule 2**; and
 - (iv) all benefits and obligations under the contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of any nature relating exclusively to the pieces and parcels of land described in **Schedule 1**;
- (s) **"Scheme"** means this scheme of arrangement and reconstruction including any modification or amendment hereto, made in accordance with the terms hereof;
- (t) **"SEBI"** means the Securities and Exchange Board of India;



- (u) **"SEBI Scheme Circular"** means Circular No. CIR/DIL3/CIR/2017/21 dated March 10, 2017 on Schemes of Arrangement by Listed Entities, and shall include any modifications or amendments thereof;
- (v) **"Share Entitlement Ratio"** shall have the meaning ascribed to it in Clause 5.1;
- (w) **"Stock Exchanges"** means the BSE Limited and the National Stock Exchange of India Limited, collectively; and
- (x) **"Tax"** or **"Taxes"** means and includes: (a) all forms of direct tax and indirect tax, duty, surcharge, cess or any other tax of similar nature, including, minimum alternate tax, dividend distribution tax, value added tax, service tax, goods and service tax or any other taxes, withholding tax whenever or wherever created or imposed by, or payable to, any Government Authority by reference to profits, gains, assets or other reference, in relation to the arrangements envisaged under this Scheme; and (b) all charges, interest, penalties, costs and fines incidental or relating to any taxes falling within (a) above or which arise as a result of the failure to pay any taxes on its due date or to comply with any obligation relating to taxes and shall include any liabilities for the taxes of any another person, whether by contract, operation of law or otherwise, and (c) shall not include any reference to Property Taxes.
- 1.2 References to "Clauses", "Sections", "Schedules" and "Parts", unless otherwise stated, are references to schedules, clauses, sections and parts of this Scheme.
- 1.3 The headings herein shall not affect the construction of this Scheme.
- 1.4 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 1.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed without limitation.
- 1.7 References to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 2. SHARE CAPITAL**
- 2.1 The share capital of Transferor Company and Transferee Company, respectively, as on October 23, 2017 is as under:



(a) *Transferor Company*

A. AUTHORISED SHARE CAPITAL	AMOUNT IN INR
<i>400,000,000 equity shares of face value of INR 10 each</i>	4,000,000,000

B. ISSUED AND SUBSCRIBED SHARE CAPITAL	AMOUNT IN INR
<i>285,000,000 equity shares of face value of INR 10 each</i>	2,850,000,000

C. PAID UP SHARE CAPITAL	AMOUNT IN INR
<i>285,000,000 equity shares of face value of INR 10 each</i>	2,850,000,000

(b) *Transferee Company*

A. AUTHORISED SHARE CAPITAL	AMOUNT IN INR
<i>250,000 equity shares of face value of INR 10 each</i>	2,500,000

B. ISSUED AND SUBSCRIBED SHARE CAPITAL	AMOUNT IN INR
<i>50,000 equity shares of face value of INR 10 each</i>	500,000

C. PAID UP SHARE CAPITAL	AMOUNT IN INR
<i>50,000 equity shares of face value of INR 10 each</i>	500,000

PART II

3. RECONSTRUCTION AND SPLITTING UP OF THE TRANSFEROR COMPANY BY WAY OF TRANSFER OF SURPLUS LAND TO THE TRANSFEREE COMPANY

- 3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferor Company shall, pursuant to Section 232(4) of the Act and *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961 and other relevant sections of the Income Tax Act, 1961, without any further act or deed, be split up and reconstructed by way of transfer of the Surplus Land to the Transferee Company so as to invest in the Transferee Company the rights, title and interest (if



any) of the Transferor Company in the Surplus Land and the Transferor Company will thereupon stand reconstructed and split-up into separate companies.

- 3.2 With effect from the Appointed Date and upon the Scheme becoming effective, by way of reconstruction and splitting up of the Transferor Company, all the assets and liabilities pertaining to the Surplus Land stand transferred to and vested in the Transferee Company at their respective book values as appearing in the books of the Transferor Company immediately before the Appointed Date, and shall become the property and an integral part of the Transferee Company.
- 3.3 With effect from the Appointed Date and upon the Scheme becoming effective, by way of reconstruction and splitting up of the Transferor Company, all immovable property pertaining to the Surplus Land, and any documents of title/rights and easements in relation thereto shall be vested in and transferred to the Transferee Company and shall belong to the Transferee Company thereafter. The mutation of the title to the immovable properties pertaining to the Surplus Land shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company.
- 3.4 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities (including contingent liabilities and/or obligations which arise in relation to the Surplus Land), Taxes (excepting Property Tax on the Surplus Land prior to Effective Date), duties and obligations of any kind, nature or description thereof, of the Transferor Company pertaining to the Surplus Land, secured or unsecured ("**Demerged Liabilities**"), shall without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company. Notwithstanding the Appointed Date, all claims by state governments for property taxes to the extent such claims relate to the Surplus Land ("**Property Taxes**") prior to Effective Date, shall be borne by the Transferor Companies; and all claims by state governments for Property Taxes on the Surplus Land, on and from Effective Date onwards shall be borne by the Transferee Company.
- 3.5 The Transferee Company shall indemnify and hold harmless the Transferor Company from and against, any and all losses, liabilities, claims, damages, actions, Taxes (including claims for Property Tax on the Surplus Land on or after Effective Date), costs and expenses incurred or suffered in relation to Demerged Liabilities except Undisclosed Claims, upon and after the Scheme becoming effective. To this extent, the Transferee Company shall, from time to time, advance sums that are adequate to meet all such losses, liabilities, claims, damages, actions, Taxes (including claims for Property Tax on the Surplus Land on or after Effective Date), costs and expenses to the Transferor Company at least two weeks before they become due to any third party, including to any Governmental Authority. Without prejudice to the foregoing, if, for any reason, the Transferor Company pays any such claims, damages, costs, expenses, Taxes (including claims for Property Tax on the Surplus Land on or after Effective Date) and liabilities, the Transferee Company shall reimburse the Transferor Company for all such costs promptly and in any event within fourteen days of a demand for the reimbursement of any such claims, damages, costs, expenses, Taxes (including claims for Property Tax on the Surplus Land on or after Effective Date) and liabilities being made on the Transferee Company.

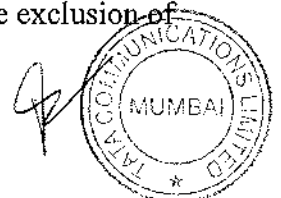


- 3.6 The Transferor Company shall indemnify and hold harmless the Transferee Company from and against, any and all losses, liabilities, claims, damages, actions, Taxes, costs and expenses in relation to the Undisclosed Claims (including, for the avoidance of doubt, Property Tax on the Surplus Land prior to Effective Date). The Transferor Company shall, from time to time, advance sums that are adequate to meet all such losses, liabilities, claims, damages, actions, Taxes (including claims for Property Tax on the Surplus Land prior to Effective Date), costs and expenses to the Transferee Company at least two weeks before they become due to any third party including to any Governmental Authority. Without prejudice to the foregoing, if, for any reason, the Transferee Company pays any such claims, damages, costs, expenses, Taxes (including claims for Property Tax on the Surplus Land prior to Effective Date) and liabilities, the Transferor Company shall reimburse the Transferee Company for all such costs promptly and in any event within fourteen days of a demand for the reimbursement of any such claims, damages, costs, expenses, Taxes (including claims for Property Tax on the Surplus Land prior to Effective Date) and liabilities being made on the Transferor Company.
- 3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Surplus Land to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and all charges or security interests over the Surplus Land or part thereof, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 3.7 of the Scheme.
- 3.8 Without prejudice to the other provisions of this Scheme and the fact that vesting of the Surplus Land occurs by virtue of this Scheme itself, the Transferor Company shall, within 14 business days from the Effective Date, transfer to the Transferee Company the balance in the FD Account as actually received from the bank, in such manner as may be agreed by the Transferor Company and the Transferee Company, and such payment by the Transferor Company shall extinguish any and all obligations of the Transferor Company, Panatone and its Associated Companies under the Prior Documents with respect to the Society Land at Chennai. After February 13, 2002, the Transferor Company has not transferred, and has not suffered any encroachment on, any part of the Surplus Land in Padianallur, Chennai other than the Society Land. The Transferor Company shall indemnify and hold the Transferee Company harmless against any falsity in the immediately foregoing sentence. Except to the extent provided by the preceding two sentences, all Surplus Land shall be transferred to the Transferee Company on an as-is-where-is basis.
- 3.9 Without prejudice to the other provisions of this Scheme and the fact that vesting of the Surplus Land occurs by virtue of this Scheme itself, the Transferor



Company shall, within 10 business days of the Effective Date or within 10 business days of receipt of DMRC Compensation by the Transferor Company pursuant to obtaining the order of the relevant court in respect of DMRC Compensation, whichever is later, transfer to the Transferee Company the DMRC Compensation, net of applicable Taxes and all costs, in such manner as may be agreed by the Transferor Company and the Transferee Company, and such transfer by the Transferor Company shall extinguish all obligations of the Transferor Company, Panatone and its Associated Companies to the Transferee Company with respect to the DMRC Land. *Provided however*, if the Transferor Company is required to repay or deposit with the courts any payments received towards DMRC Compensation on account of an appeal, revision, review or any further order of the concerned court or any higher court, the Transferee Company shall make payments of relevant amounts to the Transferor Company no later than 10 business days prior to the due date for repayment or deposit to enable the Transferor Company to comply with such further order.

- 3.10 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Surplus Land occurs by virtue of this Scheme itself, the Transferee Company, 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, will take such actions and execute such documents (including deeds of confirmation or other writings or arrangements) with any party to any contract or arrangement in relation to the Surplus Land to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.11 With effect from the Appointed Date and upon the Scheme becoming effective, without any limitations whatsoever, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Transferor Company and relating to the Surplus Land, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, including those set out in **Schedule 2** but excluding Undisclosed Claims, shall be continued and enforced by or against the Transferee Company after the Effective Date. The Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Transferee Company. From time to time until the Effective Date, the Transferor Company shall notify the Transferee Company of any claims that it receives from third parties in respect of the Surplus Land within ten business days of such receipt.
- 3.12 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company undertakes, without any limitations whatsoever, to have such legal or other proceedings relating to or in connection with the Surplus Land of the Transferor Company, initiated by or against the Transferor Company as on the Effective Date, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of



the Transferor Company. The Transferee Company shall indemnify and hold harmless the Transferor Company, from and against, any claims made against it and expenses incurred or suffered in this regard.

- 3.13 For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the legal right(s) upon the vesting of the Surplus Land in accordance with the provisions of Sections 230 and 232 of the Act. The Transferor Company and the Transferee Company shall jointly and severally be authorized to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this Scheme.
- 3.14 Without prejudice to the other provisions of this Scheme, from the Appointed Date and up to and including the Effective Date:
- (a) The Transferor Company shall be deemed to have been carrying on all business and activities relating to the Surplus Land for and on behalf of the Transferee Company.
 - (b) All profits accruing to the Transferor Company and all Taxes thereof (excluding Property Tax on the Surplus Land prior to Effective Date) or losses arising or incurred by it relating to the Surplus Land shall, for all purposes, be treated as the profits, Taxes (excluding Property Tax on the Surplus Land prior to Effective Date) or losses as the case may be of the Transferee Company.
 - (c) The Transferor Company in relation to the Surplus Land shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment 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 same (except if the Scheme is withdrawn or fails).

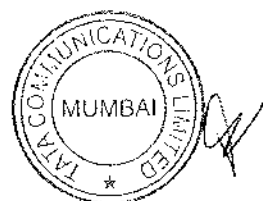
4. REMAINING BUSINESS

The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company. For the avoidance of doubt, it is clarified that the Transferee Company shall have no right or interest to any part or the whole of the Defence Compensation.

PART III

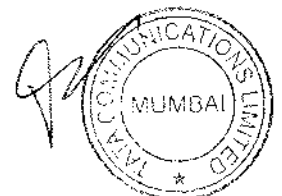
5. ISSUE OF NEW SHARES; REDUCTION OF SHARE CAPITAL OF TRANSFeree COMPANY; MATTERS RELATING TO ACCOUNTS ETC.

- 5.1 Upon the Scheme becoming effective and upon vesting of the Surplus Land into the Transferee Company and in consideration of the Demerger, the Transferee



Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company whose name is recorded in the register of members as a shareholder of the Transferor Company on the Record Date, or his legal heirs, executors or administrators or (in case of a corporate entity) its successors, equity shares in the Transferee Company in the ratio of 1 (One) equity shares in the Transferee Company of face value INR 10 (Rupees Ten only) each credited as fully paid up for every 1 (One) equity share of face value INR 10 (Rupees Ten only) each fully paid up held by such member in the Transferor Company (the "Share Entitlement Ratio") as on the Record Date. The Transferor Company shall furnish the Transferee Company with a list of shareholders as on the Record Date from its SEBI-registered registrar and share transfer agent. The Transferor Company shall not tamper with, amend, revise, modify, or qualify the list so obtained from the registrar and share transfer agent. The Transferor Company shall indemnify and hold the Transferee Company harmless for any breach of the immediately preceding sentence.

- 5.2 Upon the Scheme becoming effective and subject to the above provisions, the shareholders of Transferor Company as on the Record Date, shall receive demat share receipts of credit of new equity shares in their share accounts maintained with the depository participants reflecting the equity share capital of the Transferee Company issued in accordance with Clause 5.1 above. The Transferee Company shall, if so required, be eligible to issue letters of allotment for the equity shares pending issue of receipts for credit to the account of the shareholders with the depository participant under the depository system. It is clarified that members of the Transferor Company who hold their equity shares in dematerialized form shall be issued equity shares of the Transferee Company in dematerialized form as per the records maintained by the depository participant as on the Record Date. In the event that the Transferee Company has received notice from any shareholder that shares are to be issued in certificate form or if any member has not provided the requisite details relating to the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member. All physical share certificates issued pursuant to this clause for the new shares in the Transferee Company shall be sent by the Transferee Company to the shareholders of the Transferor Company at their respective registered addresses as appearing in the register of the Transferor Company on the Record Date (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transmission.
- 5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of Directors of the Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of the Scheme. The Board of Directors of the Transferor Company shall be empowered to remove such difficulties as may arise in the course of



implementation of this Scheme and registration of new shareholders in the Transferor Company on account of difficulties faced in the transaction period.

- 5.4 Equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of such of the equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Transferee Company.
- 5.5 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- 5.6 Immediately upon the issuance of shares by Transferee Company to the shareholders of Transferor Company pursuant to Clause 5.1 of this Scheme, the entire share capital of the Transferee Company as existing on the Appointed Date shall stand cancelled, without any further act or deed. The reduction in the share capital as aforesaid, of the Transferee Company shall be effected as an integral part of the Scheme and Transferee Company shall not be required to follow the process under Sections 66 of the Act or any other provisions of applicable law separately.

5.7 Accounting Treatment

(a) In the books of the Transferee Company:

Upon the Scheme becoming effective, the Transferee Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

- (i) The Transferee Company shall record the assets and liabilities of the splitting up and reconstruction by way of transfer of Surplus Land vested in it in accordance with this Scheme, as per the book values attributable to such assets and liabilities.
- (ii) The shortfall, if any, on the difference of the aggregate value of the assets and the aggregate value of the liabilities of the splitting up and reconstruction by way of transfer of Surplus Land taken over pursuant to this Scheme as detailed in Clause 3 shall be recorded as 'goodwill' in the books of Transferee Company.

(b) In the books of the Transferor Company:

Upon the Scheme becoming effective, the Transferor Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

- (i) The accounts representing the assets and liabilities of the splitting up and reconstruction of the Transferor Company by way of transfer of Surplus Land shall accordingly stand reduced / closed on splitting up and reconstruction to the Transferee Company.



- (ii) Any transfer of the assets and liabilities to the Transferee Company shall be adjusted by the Transferor Company in its general reserves in the reserves and surplus.

- 5.8 Within 30 days of the Effective Date, the Transferee Company shall apply for listing and/or trading of its equity shares including those issued in terms of Clause 5.1 above on the Stock Exchanges, in accordance with the applicable laws including the SEBI Scheme Circular, the requirements imposed or concessions, if any, and other terms and conditions agreed with the respective Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges. Except for issuance of shares by Transferee Company and reduction of capital of Transferee Company, in each case as envisaged pursuant to this Clause 5, there will be no change in the share capital of the Transferee Company till the listing of the equity shares of the Transferee Company on the relevant Stock Exchanges.

PART IV

6. TRANSFER OF SHARES OF TRANSFEE COMPANY BY PANATONE GROUP COMPANIES

- 6.1 Upon the Scheme becoming effective and as an integral part of the Scheme, such number of shares as are issued and allotted to Panatone Group Companies by the Transferee Company, pursuant to Clause 5.1 above, in respect of Panatone owning 25% of the subscribed equity capital of the Transferor Company, shall, subsequent to their allotment to Panatone and upon the Transferee Company being listed on the recognized stock exchanges, be transferred to the Government of India, in order to give effect to the provisions of the SPA and SHA, without any further act or deed. Such transfer shall be effected within 30 business days of listing and trading of the shares of the Transferee Company by Panatone issuing duly executed delivery instructions to its depository participant.
- 6.2 Upon the Scheme becoming effective and as an integral part of the Scheme, such number of shares as are issued and allotted to Panatone Group Companies by the Transferee Company, pursuant to Clause 5.1, in respect of Panatone Group Companies owning 20% of the subscribed equity capital of the Transferor Company, shall, subsequent to their allotment to Panatone Group Companies and upon the Transferee Company being listed on the recognized stock exchanges, be transferred, in order to give effect to the terms and conditions of the Letter of Offer, without any further act or deed and at no cost to Panatone Group Companies, in a proportionate manner, to those public shareholders of the Transferor Company (or their legal heirs/successors) whose shares were acquired by Panatone pursuant to the open offer made vide the Letter of Offer ("**Eligible VSNL Shareholders**") in accordance with the terms set out in this Part IV of the Scheme.
- 6.3 Within 15 business days of allotment of shares by the Transferee Company to Panatone Group Companies pursuant to Clause 5.1 above, the Transferee Company shall dispatch a format of a notice ("**Transfer Notice**") to each Eligible VSNL Shareholder, at the last registered address of such Eligible VSNL



Shareholder available with the Transferor Company, which shall contain or require the furnishing of such documents and information as may be necessary to give effect to the transfers contemplated in this Part IV.

- 6.4 Each Eligible VSNL Shareholder shall be required to submit the duly completed Transfer Notice to the Transferee Company on or prior to the expiry of 30 business days from the date of dispatch of the Transfer Notice ("Election Period").
- 6.5 Panatone Group Companies shall within 60 business days of the later of (i) expiry of the Election Period and (ii) of the Transferee Company being listed and quoted for trading on the recognized stock exchanges, consummate the transfers to Eligible VSNL Shareholders as contemplated in Clause 6.2 in such manner as may be determined by relevant Panatone Group Companies.
- 6.6 In respect of Eligible VSNL Shareholders who are non-residents, the transfer of Transferee Company shares will be subject to the approval of the Reserve Bank of India and/or such other Governmental Authorities as may be required under applicable laws. The Transferee Company will apply for the requisite approvals in this regard and the transfers contemplated in this Part IV will be subject to and made in compliance with such terms and conditions as may be prescribed by the relevant Governmental Authorities.
- 6.7 Notwithstanding anything contained herein, if Panatone Group Companies determine that the transfer of the shares or any part thereof cannot be effected due to applicable laws (including the non-receipt of approvals required, if any) or otherwise, Panatone Group Companies may elect, and take all such actions as may be necessary to remit consideration in lieu of or in respect of the Eligible VSNL Shareholders' entitlement in terms of the Letter of Offer, in a compliant manner and to ensure that this does not delay the effectiveness or implementation of the Scheme. Panatone Group Companies shall enter into such further documents and take such further actions as may be necessary or appropriate in this behalf and to enable the actions contemplated herein. For this purpose, the Transferee Company shall extend all support and co-operate with Panatone Group Companies and execute any documents as may be necessary.
- 6.8 Any shares which are not transferred to the relevant Eligible VSNL Shareholders on or before the tenth anniversary of the Effective Date for any reasons whatsoever including but not limited to an inability to locate one or more Eligible VSNL Shareholder(s) or non-receipt of requisite approvals or litigation shall, (whether for all such remaining shares or any part of them), be sold in such manner as the relevant Panatone Group Companies deem fit and the proceeds thereof shall be deposited with the Investor Education and Protection Fund (constituted pursuant to the provisions of Section 125 of the Companies Act, 2013 or the provisions of Section 11 of the Securities and Exchange Board of India Act, 1992).
- 6.9 Upon Panatone transferring 7,12,50,000 shares of the Transferee Company to the Government of India in accordance with Clause 6.1 above as an essential part of this Scheme, each of Panatone and its Associated Companies shall be deemed to have fully discharged all their obligations under the Prior Documents in respect of



the transfer of shares of the 'resulting company' (as defined in the SHA and SPA i.e., separate entity formed pursuant to demerger of surplus lands by way of court approved scheme of arrangement) to the Government of India, including its obligations under article 7.10 (a) (ii) and (c) of the SPA, section 4.7 (a) (ii) and 4.7 (c) of the SHA and paragraphs 1.2(d) and 7 of the Letter of Offer. Upon Panatone Group Companies transferring 5,70,00,000 shares of the Transferee Company in accordance with Clause 6.5 above as an essential part of this Scheme, each of Panatone and its Associated Companies shall be deemed to have fully discharged all their obligations under the Prior Documents in respect of the transfer of shares of the 'resulting company' (as defined in the SHA and SPA i.e., separate entity formed pursuant to demerger of surplus lands by way of court approved scheme of arrangement) to the Eligible VSNL Shareholders respectively, including its obligations under paragraphs 1.2(d) and 7 of the Letter of Offer.

- 6.10 Without prejudice to the generality of Clause 6.9 and notwithstanding anything to the contrary contained in the Prior Documents, provided that the transfers set forth in Clauses 6.2 and 6.5 are duly made, none of Panatone and its Associated Companies shall have any liability whatsoever if one or more Eligible VSNL Shareholder(s) do not receive the shares for any reason whatsoever including (without limitation) on account of non-receipt of the Transfer Notice by any Eligible VSNL Shareholder and/or non-receipt of completed Transfer Notice from the Eligible VSNL Shareholder(s) and/ or non-receipt of any required approvals.

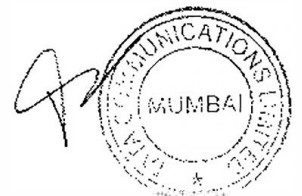
PART V

7. GENERAL TERMS AND CONDITIONS

- 7.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, such that upon the effectiveness of the Scheme the authorised share capital of the Transferee Company shall be Rs. 100000000000/- (Rupees Ten Thousand Crores), divided into equity share capital of Rs.90000000000/- (Rupees Nine Thousand Crores), comprising of 9000000000 (Nine Hundred Crores) equity shares of Rs. 10/- (Rupees Ten only) each and preference share capital of Rs.10000000000/- (Rupees One Thousand Crores), comprising of 1000000000 (One Hundred Crores) preference shares of Rs. 10/- (Rupees Ten only) each, without any further act or deed. The capital clause of the Memorandum of Association of the Transferee Company shall, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION¹

"The authorized share capital of the Company is Rs. 100000000000/- (Rupees Ten Thousand Crores), divided into equity share capital of Rs.90000000000/- (Rupees Nine Thousand Crores) comprising of 9000000000 (Nine Hundred Crores) equity shares of Rs. 10/- (Rupees Ten only) each and preference share capital of Rs. 10000000000/- (Rupees One Thousand Crores), comprising of 1000000000 (One Hundred Crores) preference shares of Rs. 10/- (Rupees Ten only) each with the rights,



privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time period."

Further, Article 4 of the Articles of Association of the Transferee Company shall, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

ARTICLES OF ASSOCIATION

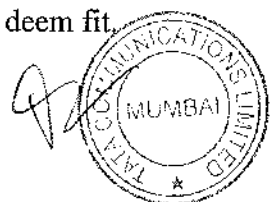
"The authorized share capital of the Company is Rs.10000000000/- (Rupees Ten Thousand Crores), divided into equity share capital of Rs.90000000000/- (Rupees Nine Thousand Crores), comprising of 9000000000 (Nine Hundred Crores) equity shares of Rs. 10/- (Rupees Ten only) each and preference share capital of Rs.10000000000/- (Rupees One Thousand Crores), comprising of 1000000000 (One Hundred Crores) preference shares of Rs. 10/- (Rupees Ten only) each"

- 7.2 It is hereby clarified that for the purposes of Clause 7.1, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for amendment of the Memorandum of Association of the Transferee Company and no further resolutions under the applicable provisions of the Act would be required.
- 7.3 Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the registrar of companies for alteration of its authorised share capital and shall bear all costs and expense in relation to its alteration of share capital.
- 7.4 The Transferor Company and the Transferee Company shall make necessary applications before the NCLT, Mumbai and Central Government respectively for sanction of this Scheme under Sections 230 and 232 of the Act and any other applicable provisions of law. The Transferee Company shall be responsible for obtaining all registrations, approvals and filings, *inter alia*, for the purpose of listing, as may be necessary, the Transferee Company and/or its securities pursuant to, in connection with or as a consequence of the consideration, effectiveness and/or implementation of the Scheme, with or from any Governmental Authority or stock exchange, provided that the Transferor Company shall extend reasonable cooperation in this regard.
- 7.5 The stamp duty payable on any order sanctioning this Scheme shall be fully borne by the Transferee Company as principal obligor, and shall not be borne in whole or in part by the Transferor Company or Panatone and its Associated Companies.
- 7.6 Without prejudice to the generality of Clause 7.5 above, it is expressly clarified that the Transferee Company shall bear (a) stamp duty, if any, for the transfer of the Surplus Land from the Transferor Company to the Transferee Company pursuant to this Scheme, (b) costs, if any, in relation to registration, approvals and/or filings in respect of the Transferee Company, its securities and/or the Scheme and/or stamp duty in relation to its alteration of share capital, pursuant to, in connection with or as a consequence of the consideration, effectiveness and/or implementation of the Scheme, with or from any Governmental Authority, stock exchange, holders of any securities issued by or on behalf of the Transferor Company or any other person, whether within or outside India, and (c) costs in



relation to listing of any securities of the Transferee Company, pursuant to, in connection with or as a consequence of the Scheme, on any stock exchange whether within or outside India.

- 7.7 All the costs associated (including any stamp duty payable for the transfer of any shares pursuant to Part IV above or Taxes arising in relation thereto) with transfer of shares issued to Panatone Group Companies under this Scheme which are to be transferred in accordance with the provisions of Part IV of this Scheme, shall be borne by the respective transferees.
- 7.8 With effect from the Appointed Date and upon the Scheme becoming effective, if any Tax (including any interest, penalties and/or associated costs) is at all leviable or can be the subject matter of any demand, the same is an obligation transferred to the Transferee Company and shall not be assessed directly or demanded from the Transferor Company or from Panatone or its Associated Companies, pursuant to this declaration made to the Scheme and sanctioned by the NCLT and Central Government respectively. In the event that any tax (including any interest, penalties and/or associated costs) is levied or becomes capable of being levied on the Transferor Company or Panatone or its Associated Companies as the case may be, the Transferee Company and its assets may be subject to the related Tax charge and no assets or properties of the Transferor Company, Panatone or its Associated Companies shall be subject to any such Tax charge or claim.
- 7.9 Without prejudice to the other provisions of this Scheme, any payment required to be made by the Transferee Company to the Transferor Company and/or Panatone and/or its Associated Companies in discharge of indemnification obligations under this Scheme (including under Clause 3.5); and any payment required to be made by the Transferor Company to the Transferee Company in discharge of indemnification obligations under this Scheme (including under Clause 3.6) shall, in each case, be made free and clear of, and without deduction for or on account of any Taxes, charges, fees, costs, expenses or duties, except as may be required under applicable law. If any Taxes, charges, fees, costs, expenses or duties are required to be deducted or to be paid, such additional amounts shall be paid by the Transferee Company as shall ensure that the Transferor Company and/or Panatone and/or its Associated Companies, as the case may be, receive, after deduction by the Transferee Company or payment by Transferor Company/Panatone/its Associated Companies of all applicable Taxes, charges, fees, costs, expenses, duties, etc., a net amount equal to the full amount which it would have received had such payment not been subject to such Taxes, charges, fees, costs, expenses or duties. If any Taxes, charges, fees, costs, expenses or duties are required to be deducted or to be paid, such additional amounts shall be paid by the Transferor Company as shall ensure that the Transferee Company, receives, after deduction by the Transferor Company of all applicable Taxes, charges, fees, costs, expenses, duties, etc., a net amount equal to the full amount which it would have received had such payment not been subject to such Taxes, charges, fees, costs, expenses or duties.
- 7.10 The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which either the Boards of Directors of the Transferor Company or the Transferee Company, as the case may be, deem fit.

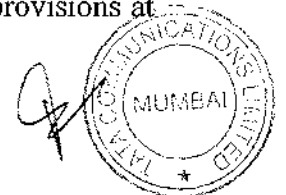


The Transferor Company and the Transferee Company each through its Board of Directors, jointly and as mutually agreed in writing, may in their full and absolute discretion, assent to any alteration or modification to which the NCLT, Mumbai or Central Government and/or any other Governmental Authority may deem fit to approve or impose and may give such directions as they may consider necessary to mutually settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or its implementation hereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under applicable law). Any issue as to whether any asset, liability or litigation pertains to the Surplus Land or not shall be decided by the Boards of Directors of the Transferor Company and the Transferee Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Transferor Company). The Transferor Company and the Transferee Company each through its Board of Directors may also in their full and absolute discretion, jointly and as mutually agreed in writing, withdraw or abandon this Scheme at any stage prior to its becoming effective. Without prejudice to the foregoing, in the event that any Governmental Authority or NCLT, Mumbai or Central Government imposes an onerous condition or deletes any of the protections or indemnities provided to the Transferor Company or Panatone and / or its Associated Companies pursuant to the terms of this Scheme, the Scheme shall be withdrawn or shall become null and void, unless the Transferor Company and Transferee Company agree to continue to pursue or implement the Scheme.

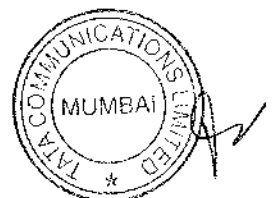
- 7.11 Upon the Scheme becoming effective and subject to the above provisions, the shareholders of the Transferor Company as on the Record Date shall receive new share certificates of Transferee Company reflecting the issued share capital of the Transferee Company (after excluding the original issued capital), and the Transferee Company shall, if so required be eligible to issue letters of allotment for the shares pending issue of share certificates.
- 7.12 The Scheme is conditional and is subject to –
- (a) the Scheme being approved by the respective requisite majorities of various classes of the members and / or creditors of each of the Companies, as required under the Act, or dispensation having being from the members and/or creditors, and the requisite order of the NCLT, Mumbai (in respect of Transferor Company) and the Central Government (in respect of Transferee Company), being obtained in this regard;
 - (b) the Scheme being approved by the majority of public shareholders of the Transferor Company (through e-voting) as may be required under the SEBI Scheme Circular, i.e., the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it;
 - (c) the Scheme being sanctioned by the NCLT, Mumbai and the Central Government respectively under the provisions of the Act;



- (d) the approval of SEBI in terms of the SEBI Scheme Circulars being obtained upon this Scheme being sanctioned by the NCLT, Mumbai and the Central Government respectively;
 - (e) the certified copies of the orders referred to in Clause 7.12(c) of this Scheme being filed with the jurisdictional Registrar of Companies; and
 - (f) all necessary regulatory and governmental approvals and registrations required pursuant to, in connection with or as a consequence of the Scheme, being obtained from the relevant Governmental Authorities within and outside India (including approvals, if any, required from the Government of India, the Securities and Exchange Board of India, or any stock exchange).
- 7.13 Upon the Scheme becoming effective, the Board of Directors of the Transferee Company immediately prior to the Effective Date shall, without any further act or deed be replaced by the new Board of Directors of the Transferee Company constituted in accordance with the Act and majority of which shall be comprised of nominees of the President of India.
- 7.14 In the event of this Scheme failing to take effect by March 31, 2019 or such later date as may be agreed by the respective Board of Directors of the Companies, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Companies or their shareholders or creditors or employees or any other person.
- 7.15 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of each Company.
- 7.16 Subject to Clause 7.10 above, if any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- 7.17 Upon this Scheme becoming effective, the accounts of the Transferor Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.
- 7.18 Each of the Transferor Company and Transferee Company shall be entitled to file/revise its income tax returns, TDS returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted at source, etc., if any, as may be required consequent to implementation of this Scheme.
- 7.19 This Scheme has been drawn up to comply with *Explanation 5* to Section 2(19AA) of the Income Tax Act, 1961, related notification and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at



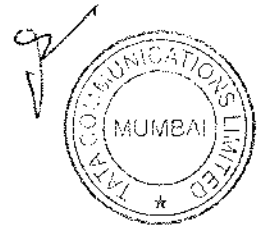
a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Tax laws shall prevail. The Board of Directors of the Transferor Company and Transferee Company shall exercise their discretion to modify the Scheme to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. If, and to the extent, any tax is levied on a party to this Scheme under the Income Tax Act, 1961 in relation to this Scheme then the party, which is liable under the Income Tax Act, 1961 to pay such tax, alone shall be liable for such tax with no recourse against another party.



SCHEDULE 1

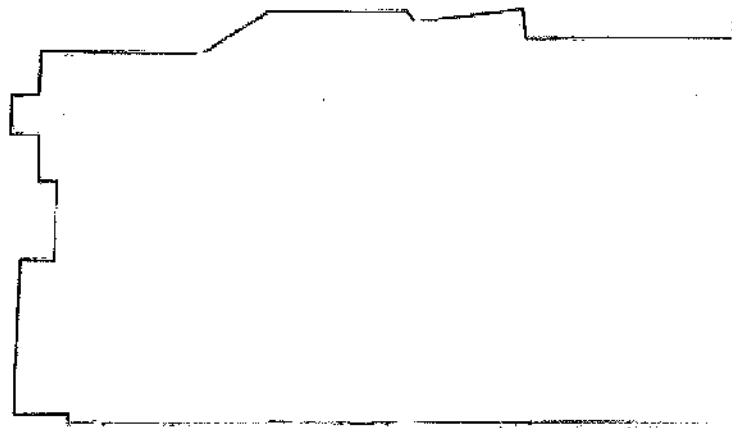
DESCRIPTION OF AREA OF SURPLUS LAND

LOCATION	SURPLUS LAND AS PER SHA/ SPA	SURPLUS LAND ACTUALLY TRANSFERRED AS ON APPOINTED DATE / REMARKS
Dighi- Pune	524 Acres	524 Acres
Halishar- Kolkata	35.19 Acres	35.19 Acres
Chattarpur- New Delhi	58 Acres	58 Acres
Greater Kailash – New Delhi	70 Acres	69.46 Acres. Refer to recital at paragraph F(b) of the Scheme and Clause 3.9 thereof.
Padianallur – Chennai	85.94 acres	53.04 Acres The SHA mentioned the total area of the Surplus Land in Chennai as 85.94 Acres. In 2009 in connection with the directions of the Hon'ble Delhi High Court, total area of the Surplus Land in Chennai was measured as 85.58 Acres of which 32.5 Acres was transferred as Society Land (refer to recital at paragraph F(a) of the Scheme and Clause 3.8 thereof). Now, using advanced technology (GPS and total survey station method) the remaining Surplus Land in Chennai (i.e. remaining after the sale of the Society Land) has been measured to be 53.04 Acres.



PUNE

Surplus land
= 524.00 Acres



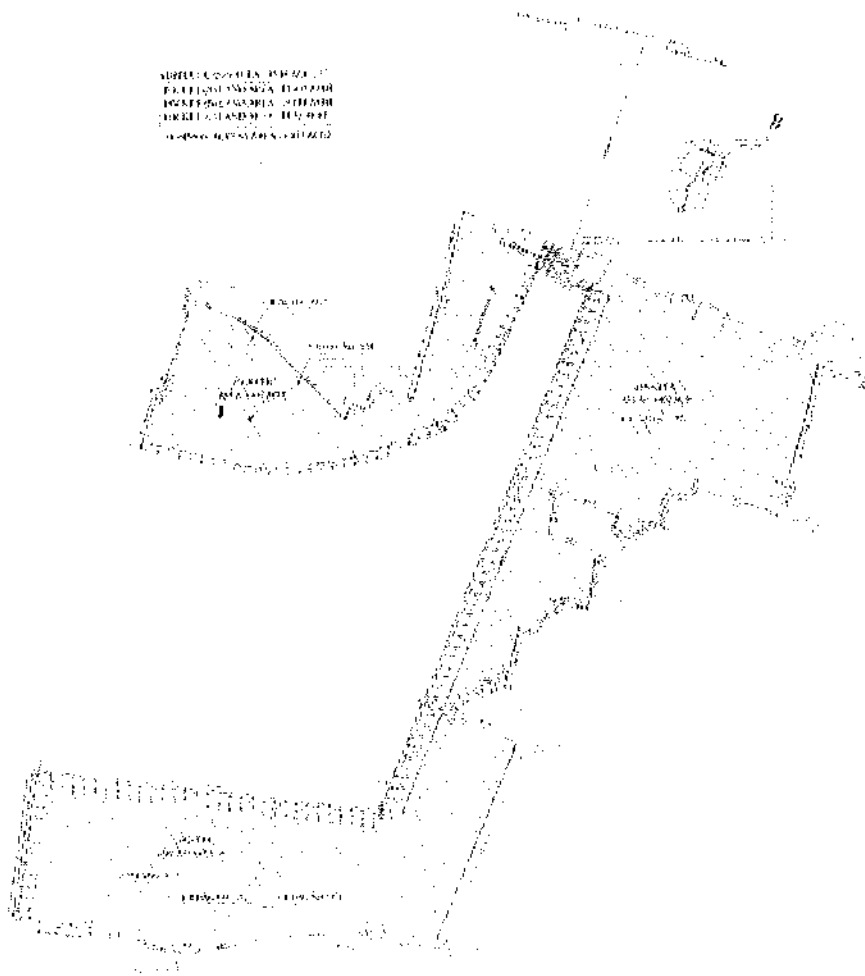
LEGEND:

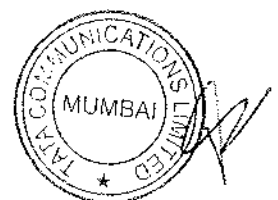
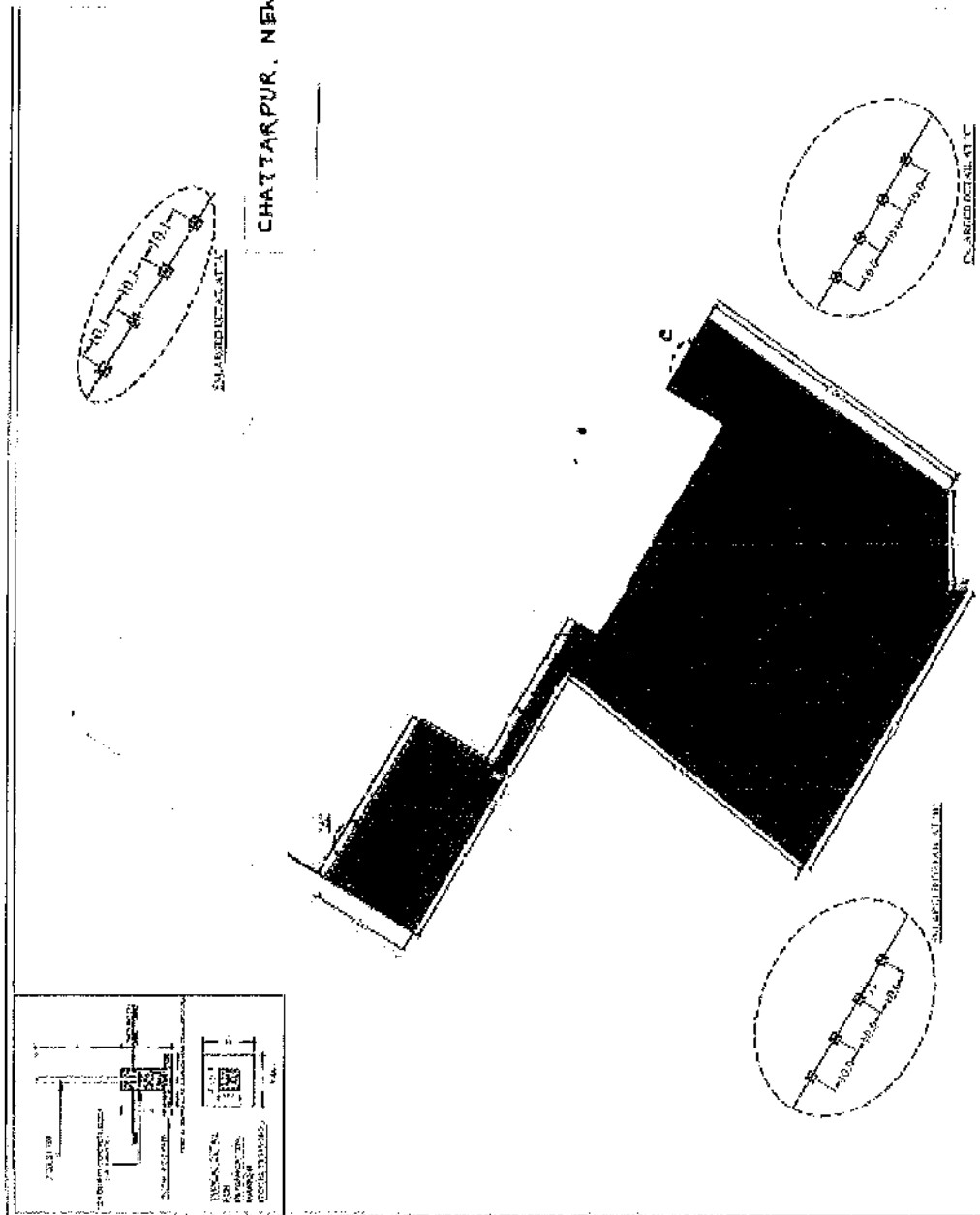
PROPERTY



HALISAHAR

APPROXIMATE POSITION OF
TATA COMMUNICATIONS LIMITED
OFFICE IN HALISAHAR
DISTRICT, GUJARAT





Topographical Map of W. H. B. Survey, A. Radhakrishnan

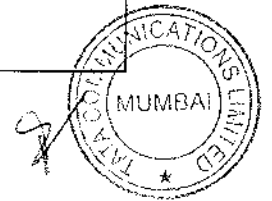
SURPLUS LAND
AREA = 53.04 ACRE



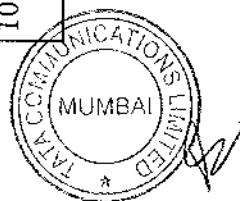
SCHEDULE 2

LITIGATIONS, CLAIMS AND DISPUTES PERTAINING TO THE SURPLUS LAND KNOWN AS OF OCTOBER 1, 2017

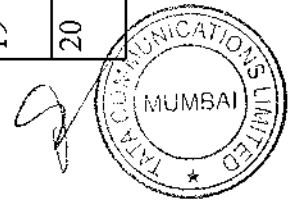
Sr. No.	Details TC Entity Involved and other Party(ies) (if any) on the same side		Details of the Party(ies) on the other side		Forum (in case of Litigation)	Case No.	Land Location in dispute	Status
	Name	Whether Petitioner/ Respondent	Name	Whether Petitioner/ Respondent				
1	TCL	Petitioner	Union of India / Sushil Sharma and others	Respondents	Delhi High Court	WP (Civil) 2546/14	Greater Kailash, New Delhi	15 March 2018 for counter affidavit by GNCTD
2	TCL	Respondent	DLF Ltd	Petitioner	Delhi High Court	WP (Civil) 654/15	Greater Kailash, New Delhi	connected with WP 2546/2014
3	TCL	Petitioner	Union of India / LAC / DMRC	Respondent	Delhi High Court	WP (Civil) res[2130/14	Greater Kailash, New Delhi	5 December 2017 for hearing. Note: Recently during the measurement exercise, company has come to know that DMRC is in possession of some additional portion of land in illegal manner other than acquired land, for which company is in process



Sr. No.	Details TC Entity Involved and other Party(ies) (if any) on the same side		Details of the Party(ies) on the other side		Forum (in case of Litigation)	Case No.	Land Location in dispute	Status
	Name	Whether Petitioner/ Respondent	Name	Whether Petitioner/ Respondent				
4	TCL	Petitioner	Union of India / LAC / DMRC	Respondents	District Court, Saket, Delhi	LAC 14/14	Greater Kailash, New Delhi	sending legal notice to DMRC. adjudged to 21 February 2018 in view of the proceedings in CM (Main) 895/15
5	TCL	Respondent	Land Acquisition Collector	Petitioner	District Court, Saket, Delhi	LAC 4/14	Greater Kailash, New Delhi	adjudged to 21 February 2018 in view of the proceedings in CM (Main) 895/15
6	TCL	Petitioner	Union of India	Respondent	Delhi High Court	CM (Main) 895/15	Greater Kailash, New Delhi	5-Feb-18
7	TCL	Applicant/ Petitioner	Govt. Of NCT of Delhi & Ors.	Respondent	Delhi High Court	CM 22366/2017 in WP (C) 2434/2011	Greater Kailash, New Delhi	27 November 2017 for filing of reply by respondent
8	TCL	Petitioner	Govt. Of NCT of Delhi & Ors.	Respondent	Delhi High Court	WP. (C) 5301/2017	GK, New Delhi	27 November 2017 for filing of reply by respondent
9	TCL	Respondent	Venkata Rao	Petitioner	Sub Court Ponneri	AS 70/2011	Padianallur, Chennai	8-Nov-17
10	TCL	Caveator	Government of Tamilnadu	Respondent	High Court of Madras		Padianallur, Chennai	-



Sr. No.	Details TC Entity Involved and other Party(ies) (if any) on the same side		Details of the Party(ies) on the other side		Forum (in case of Litigation)	Case No.	Land Location in dispute	Status
	Name	Whether Petitioner/ Respondent	Name	Whether Petitioner/ Respondent				
11	TCL	Caveator	& Others P. VenktaRao	Respondent	High Court of Madras		Padianallur, Chennai	-
12	TCL	Caveator	P. VenktaRao	Respondent	High Court of Madras		Padianallur, Chennai	-
13	TCL	TCL is not a party as of now	Komalavalli	Petitioner	High Court of Madras	Cr.L. O.P.No. 8183 of 2015	Padianallur, Chennai	No Date
14	TCL	Respondent	Kaushalya Mahadev Choudhary & Ors.	Petitioner	High Court Mumbai	WP 9163/2009	Dighi, Pune	For final hearing
15	TCL	Respondent	Santosh Walke	Petitioner	High Court Mumbai	PIL 109/2008	Dighi, Pune	For final hearing
16	TCL	Respondent	Santosh Walke	Applicant	High Court Mumbai	Contempt Petition 525/2010 In PIL 109/2008	Dighi, Pune	No notice issued yet to TCL
17	TCL	Respondent	Madhav Mhaske	Petitioners	High Court Mumbai	WPST/28643/2015 WP/612/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
18	TCL	Respondent	Santosh Keshav Waje	Petitioners	High Court Mumbai	WPST/28635/2015 WP/132/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
19	TCL	Respondent	Dattatreya Gavahne	Petitioners	High Court Mumbai	WPST/28641/2015 WP/4332/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
20	TCL	Respondent	Somnath Shinde	Petitioners	High Court Mumbai	WPST/28623/2015 WP/602/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED



Sr. No.	Details TC Entity Involved and other Party(ies) (if any) on the same side		Details of the Party(ies) on the other side		Forum (in case of Litigation)	Case No.	Land Location in dispute	Status
	Name	Whether Petitioner/ Respondent	Name	Whether Petitioner/ Respondent				
21	TCL	Respondent	Harihar Walke	Petitioners	High Court Mumbai	WPST/28631/2015 WP/4334/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
22	TCL	Respondent	Shanti Parande	Petitioners	High Court Mumbai	WPST/28659/2015 WP/11464/2015	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
23	TCL	Respondent	Krishna Walke	Petitioners	High Court Mumbai	WPST/28625/2015 WP/614/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
24	TCL	Respondent	Mangala Ghule	Petitioners	High Court Mumbai	WPST/28660/2015 WP/4747/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
25	TCL	Respondent	Maruti Tapkir	Petitioners	High Court Mumbai	WPST/28629/2015 WP/4744/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
26	TCL	Respondent	Ramdas Walke	Petitioners	High Court Mumbai	WPST/28663/2015 WP/4863/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
27	TCL	Respondent	Parshuram Mhaske	Petitioners	High Court Mumbai	WPST/28640/2015 WP/4333/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
28	TCL	Respondent	Pandit Walke	Petitioners	High Court Mumbai	WPST/28634/2015 WP/4342/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
29	TCL	Respondent	Popat Kate	Petitioners	High Court Mumbai	WPST/28628/2015 WP/4341/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
30	TCL	Respondent	Shri Suresh Bhikaji Walke v. Union Of India & Ors.	Petitioners	High Court Mumbai	W.P. (Stamp) No. 20099 of 2016 WP 11346/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED



Sr. No.	Details TC Entity Involved and other Party(ies) (if any) on the same side		Details of the Party(ies) on the other side		Forum (in case of Litigation)	Case No.	Land Location in dispute	Status
	Name	Whether Petitioner/ Respondent	Name	Whether Petitioner/ Respondent				
31	TCL	Respondent	Shri Ashok Dhondiba Sakure v. Union of India & Ors.	Petitioners	High Court Mumbai	W.P. (Stamp) No. 20100 of 2016 WP 11339/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
32	TCL	Respondent	Shri Dattatraya Haribhau Walke v. Union of India & Ors	Petitioners	High Court Mumbai	W.P. (Stamp) No. 20102 of 2016 WP 11340/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
33	TCL	Respondent	Shri Eknath Bhiku Walke v. Union of India & Ors.	Petitioners	High Court Mumbai	W.P. (Stamp) No. 20104 of 2016 WP 11348/2014	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
34	TCL	Respondent	Shri Vitthal Dhondiba Walke v. Union of India & Ors.	Petitioners	High Court Mumbai	W.P. (Stamp) No. 20103 of 2016 WP 11347/2016	Dighi, Pune	FOR ADMISSION, NO DATE FIXED
35	TCL	Respondent	SHRI MARUTI DAMU KATE	Petitioners	High Court Mumbai	WPST 20656/2016 WP (Civil) 6647/2017	Dighi, Pune	FOR ADMISSION, NO DATE FIXED

[Handwritten Signature]



Sr. No.	Details TC Entry Involved and other Party(ies) (if any) on the same side		Details of the Party(ies) on the other side		Forum (in case of Litigation)	Case No.	Land Location in dispute	Status
	Name	Whether Petitioner/ Respondent	Name	Whether Petitioner/ Respondent				
36	TCL	Respondent/Applicant	Bank of Oman	Claimant	DRT and DRAT at Mumbai	145/2009 R.P 188/2001 665/2016	Dighi, Pune	13 Nov 2017, For further proceedings 27 October 2017, For further proceedings

Notes:	1	Halishar, West Bengal: TCL has filed some police complaints with concerned police station seeking assistance to maintain law and order and provide security to the personnel of TCL at Halishar campus.
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