

# TATA COMMUNICATIONS LIMITED

Registered Office: VSB, Mahatma Gandhi Road, Fort, Mumbai 400001, Maharashtra, India.

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Court Convened Meeting Of The Equity Shareholders Of Tata Communications Limited, scheduled to be held on Thursday, the 22<sup>nd</sup> August 2013 at 10.a.m. at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**COMPANY SUMMONS FOR DIRECTION NO.559 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956;

AND

In the matter of the Scheme of Arrangement between Tata Communications Limited, a public company incorporated under the provisions of the Companies Act, 1956, having its registered office at VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001 (**“Applicant Company” or “Transferor Company”**) and S&A Internet Services Private Limited a company incorporated under the Companies Act, 1956, having its registered office at C-21 & C-36 ‘G’ Block, BandraKurla Complex, Mumbai – 400098 (**“Transferee Company”**) and their respective shareholders and creditors.

**TATA COMMUNICATIONS LIMITED**, a Company }  
incorporated under the provisions of the Companies Act, }  
1956 and having its registered office at VSB, Mahatma }  
Gandhi Road, Fort, Mumbai 400001, Maharashtra, India }

.....Applicant Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF TATA COMMUNICATIONS LIMITED**

To,  
The Equity Shareholder(s) of Tata Communications Limited

**TAKE NOTICE THAT** by an Order made on 19 July, 2013, in the above Summons for Direction, the Hon’ble High Court of the Judicature at Bombay has directed that a meeting of the Equity Shareholder(s) of Tata Communications Limited be convened and held at 10:00 AM on Thursday, 22 August 2013 at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 for the purpose of considering, and, if thought fit, approving with or without modification, a Scheme of Arrangement of Tata Communications Limited (‘TCL’ or ‘the Transferor / Applicant Company’) with S&A Internet Services Private Limited (‘SAISPL’ or ‘the Transferee Company’) and their respective Shareholders and Creditors (‘the Scheme’).

**TAKE FURTHER NOTICE THAT** in pursuance of the said Order, a meeting of the Equity Shareholder(s) of Tata Communications Limited will be convened and held on at 10:00 AM on Thursday, 22 August 2013 at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, at which time and place you are requested to attend.

**TAKE FURTHER NOTICE THAT** you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your representative is deposited at the Registered Office of Tata Communications Limited as aforesaid, not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Subodh Bhargava, Chairman of TCL, and in his absence Mr. Vinod Kumar, Managing Director of TCL, and in his absence Mr. N. Srinath, Director of TCL, to be Chairman of the said meeting.

A copy each of the said Scheme, the Statement under Section 393 of the Companies Act, 1956, Form of Proxy, attendance slip, observation letter of BSE and NSE and Complaints Report are enclosed herewith.

Sd/-

Chairman appointed for the meeting

Place : Mumbai

Date : 26 August 2013

**Note:**

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered equity shareholders of the Transferor Company may attend and vote (either in person or by proxy) at the equity shareholders' meeting. The representative of a body corporate which is a registered Equity Shareholder of the Transferor Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Transferor Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Equity Shareholders' meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE TRANSFEROR COMPANY. The Form of Proxy duly completed should, however, be deposited at the Registered office of the Transferor Company not less than 48 hours before the commencement of the Meeting.
4. A Member or his Proxy is requested to bring the copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
5. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Transferor Company in respect of such joint holding will be entitled to vote.

Enclosed: As above.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
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In the matter of the Scheme of Arrangement between Tata Communications Limited, a public company incorporated under the provisions of the Companies Act, 1956, having its registered office at VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001 (“**Applicant Company**” or “**Transferor Company**”) and S&A Internet Services Private Limited a company incorporated under the Companies Act, 1956, having its registered office at C-21 & C-36 ‘G’ Block, Bandra Kurla Complex, Mumbai – 400098 (“**Transferee Company**”) and their respective shareholders and creditors.

**TATA COMMUNICATIONS LIMITED**, a Company  
incorporated under the provisions of the Companies Act,  
1956 and having its registered office at VSB, Mahatma  
Gandhi Road, Fort, Mumbai 400 001. Maharashtra, India. }

.....Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956**

1. In this statement Tata Communications Limited is referred to as the “Transferor Company” and S&A Internet Services Private Limited is referred to as the “Transferee Company”. The other definitions contained in the proposed scheme of arrangement between the Transferor Company and the Transferee Company and their respective shareholders and creditors (hereinafter referred to as the “**Scheme**”) will also apply to this statement under Section 391(1)(a) of the Companies Act, 1956 (“**Explanatory Statement**”).
2. Pursuant to an Order dated 19 July, 2013 passed by the Hon’ble High Court of Judicature at Bombay in respect of the aforesaid Company Summons for Direction, a meeting of the Equity Shareholders of Tata Communications Limited, the Transferor Company will be held at 10:00 AM on Thursday, 22 August 2013 at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement of Tata Communications Limited (‘the Applicant Company’ or ‘TCL’ or ‘the Transferor Company’)’ with S&A Internet Services Private Limited (‘SAISPL’ or ‘Transferee Company’) and their respective Shareholders and Creditors.
3. A copy of the Scheme setting out the terms and conditions of the arrangement embodied in the Scheme of Arrangement of the Transferor Company with the Transferee Company, which has been approved by the Board of Directors of each of the Transferee Company and the Transferor Company at their respective meetings held on March 1, 2013 is attached to and forms part of this Statement.

## OVERVIEW

- The proposed Scheme envisages the transfer and vesting of IDC Business (also referred to as the “the Transferred Undertaking”) of the Transferor Company as a going concern to the Transferee Company and the consequent payment of cash Consideration by the Transferee Company to the Transferor Company under Sections 391–394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the “Act”) with effect from 1st of January, 2012 (the “Appointed Date”).

## BACKGROUND

- The Transferor Company was originally incorporated on the 19 of March, 1986, under the name Videsh Sanchar Nigam Limited. Following this, on the 28 of January 2008, under CIN – L64200MH1986PLC039266, the name of Videsh Sanchar Nigam Limited was changed to its present form that is Tata Communications Limited under the provisions of the Companies Act, 1956 (‘the Act’). The registered office of the Transferor Company is situated at VSB, Mahatma Gandhi Road, Fort, Mumbai- 400 001, Maharashtra.
- The authorised, issued, subscribed and paid up share capital of the Transferor Company as per Balance Sheet dated December 31, 2011 is as under:

Particulars	Rupees in Lakhs
<b>Authorized Share Capital</b>	
400,000,000 Equity Shares of Rs. 10/- each	40,000
<b>Total</b>	<b>40,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
28,50,00,000 Equity Shares of Rs. 10/- each	28,500
<b>Total</b>	<b>28,500</b>

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company.

- Some of the main objects of the Transferor Company as set out in the Memorandum of Association, are iteralia as hereunder:

*“To plan, establish, develop, provide, operate and maintain all types of international telecommunication net-works, systems and services including Telephone, Telex, Message Relay, Data transmission, Facsimile, Television, Telematics, Value Added Network Services, New Business Services, Audio and Video Services, Maritime and Aeronautical Communication Services and other international telecommunications services as are in use elsewhere or to be developed in future.*

*To plan, establish, develop, provide, operate and maintain telecommunications systems and networks within India as are found necessary for international telecommunications.*

*To design, develop, install, maintain, operate long distance domestic and international basic and value added telecommunications, global mobile telecommunications, electronic mail services, globally managed data networks, data telecom networks, video conferencing, international gateway networks, satellite networks in and outside India by way of Joint Venture partnerships which should be in conformity with overall licensing conditions defined from time to time by Government of India”*

.....”

- The Transferee Company was incorporated under the Companies Act, 1956 on the 13<sup>th</sup> of December, 2007, under U72900MH2007PTC176737, as a private limited company, in the name and style of S&A Internet Services Private Limited. The registered office of the Transferee Company is presently situated at C-21 & C-36 ‘G’ Block, Bandra Kurla Complex, Mumbai – 400098.

9. The authorised, issued, subscribed and paid up share capital of the Transferee Company as per Balance Sheet dated December 31, 2011 is as under:

<b>Particulars</b>	<b>Rupees in Lakhs</b>
<b>Authorized Capital</b>	
10,000 Equity Shares of Rs. 10/- each	<b>1</b>
<b>Total</b>	<b>1</b>
<b>Issued, Subscribed and Paid-up</b>	
10,000 Equity shares of Rs. 10/- each fully paid up	<b>1</b>
<b>Total</b>	<b>1</b>

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferee Company.

10. Some of the main objects of the Transferee Company as set out in the Memorandum of Association, are interalia as hereunder:

*"1. To carry on the business of providing internet access and related internet based services, build, own, and operate computer networks creating and distributing electronic data bases and in general to manage and operate value added computer networks.*

*2. To set up a network for offering a diverse range of data and message handling services including, but not limited to, Electronic Mail, Enhanced Fax, and other services to subscribers in India with provision to communicate within the country and abroad.*

*3. To enhance and expand the facilities and features of the network in such a manner as to provide other concurrent value added services, which are technologically feasible and economically viable. Additionally, to extend the scope of services and networks to the Middle East and other regions of the globe.*

*4. To undertake the business of telecommunication services including but not limited to cellular telephony, wireless and wireless services, cable television, internet and cable delivered multimedia; to build own and operate such networks and to undertake related Management Consultancy thereof.*

*....."*

11. The Transferor Company is a parent of the Transferee Company where the Transferor Company holds 10,000 equity shares of Rs. 10 each amounting to 100% of the issued and paid up equity share capital of the Transferee Company.

#### **RATIONALE AND BENEFIT**

12. The Scheme is proposed to benefit the shareholders and other stakeholders of both Transferee Company and the Transferor Company on account of the following:

- Achieving efficiency of operations and management and with the intent of realigning the business operations undertaken by the Transferor Company, the Transferor Company has determined to concentrate on, and strengthen its core competencies and have greater focus and create more value for the India Data Centre (IDC) Division, in the interest of maximizing overall shareholders value.

With a view to effect such plan, the Transferor Company proposes that the IDC Division be transferred to and vested in the Transferee Company on a going concern basis.

13. The Scheme is not prejudicial to the interests of the creditors of the Transferor Company.

## **BOARD MEETINGS, VALUATION REPORT AND FAIRNESS OPINION**

14. The Scheme was placed before the Board of Directors of the Transferor Company and the Transferee Company on March 1, 2013 respectively alongwith the valuation report of independent valuer, Walker, Chandiook & Co and fairness report provided by SBI Capital Markets Limited was also placed before the Boards. The valuation report and fairness report recommended that the proposed transfer of IDC Division from TCL to SAISPL, which is the wholly owned subsidiary of TCL, at Net Asset Value is fair and reasonable to the holders of equity shares of TCL.

The Board of Directors of the Transferor Company and Transferee Company have, based on and relying upon the aforesaid expert advice/ opinions, and on the basis of their independent evaluation and judgment, come to the conclusion that the proposed transfer of the IDC Division at Net Asset Value for a cash consideration is fair and reasonable and have decided to incorporate the same in the Scheme which was approved by them at their respective meetings on March 1, 2013 respectively.

15. It is therefore proposed to transfer the IDC Division of the Transferor Company into the Transferee Company by transfer and vesting of the Transferred Undertaking and entire IDC Division of the Transferor Company as a going concern to the Transferee Company by way of a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956.

## **SALIENT FEATURES OF THE SCHEME**

16. The salient features of the scheme are as follows:

- a. The Appointed Date under the Scheme is opening of business hours on January 1, 2012.
- b. With effect from the Appointed Date and upon the Scheme becoming effective, the Transferred Undertaking shall, pursuant to the provisions contained in Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act, deed, matter or thing, shall stand transferred to and vested in or be deemed to be transferred or assigned to and vested, as the case may be, in the Transferee Company as a business transfer, on a going concern basis, so as to become from the Appointed Date, the assets, rights, title, interest and authorities including accretions and appurtenances, of the Transferee Company, free from all encumbrances in a manner that Transferee Company succeeds to the entire business of the Transferor Company of the nature described in clause 1(h) of the Scheme.
- c. With effect from the Appointed Date and upon the Scheme becoming effective all approvals to operate the Transferred Undertaking shall stand vested in, or transferred to, the Transferee Company, without any further act or deed and shall, if required by applicable law, be appropriately mutated by the statutory authorities concerned in favor of the Transferee Company. The benefit of any rights, entitlements, any other licenses in relation to the Transferred Undertaking to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, shall stand vested in or transferred to the Transferee Company pursuant to this Scheme. Further, the Transferor Company shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 4.3 of the Scheme.
- d. Subject to the terms and conditions of this Scheme and as may be determined by the board of directors of the Transferor Company and the Transferee Company, in consideration of the transfer of the Transferred Undertaking by the Transferor Company to the Transferee Company upon the terms of this Scheme, the Transferee Company shall be required to pay a pre-agreed cash Consideration of Rs. 433,93,09,903 only to the Transferor Company based on the book values of the assets and liabilities being transferred as more specifically determined in Schedule II.
- e. The pre-agreed cash Consideration would be discharged by the Transferee Company within 30 business days of the Effective Date or such other date, as may be mutually decided by the board of directors or the authorized officials of the Transferor Company and the Transferee Company.

- f. With effect from the Effective Date and subject to the provisions of this Scheme, all Assets such as licenses whether Government or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, as may be determined by the board of directors or the authorized officials of the Transferor Company, in relation to the Transferred Undertaking, which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, 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.
- g. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from the Effective Date, all consents, permissions, licenses, certificates, authorities given by, issued to or executed in favour of the Transferor Company in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
- h. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferred Undertaking for and on account of and in trust for the Transferee Company.
- i. The Transferor Company hereby confirms that it has, and shall continue upto the Effective Date, to preserve and carry on the Transferred Undertaking with due diligence, prudence and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose of the Transferred Undertaking or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or employees or undertake substantial expansion of the Transferred Undertaking, other than expansions which have already commenced prior to the Appointed Date.
- j. From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible. To the extent, such Proceedings cannot be taken over by the Transferee Company, the Proceedings shall be pursued by the Transferor Company as per the instructions of and entirely at the costs and expenses of the Transferee Company.
- k. On and from the Appointed Date, the Employees who are part of the Transferred Undertaking as may be confirmed by the board of directors of the Transferor Company and the Transferee Company, or their respective delegates, shall, be deemed to have ceased to be employees of the Transferor Company, and the Transferee Company shall be deemed to have employed such Employees on the terms and conditions which are not less favorable or on the same terms and conditions on which they are engaged as on the Appointed Date by the Transferor Company without any interruption of service as a result of the transfer.
- l. The services of all such Employees referred to in Clause 15.1 with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident fund plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company. However, it is hereby clarified that the management of the superannuation fund, provident fund, gratuity fund and other funds including any surplus in such funds shall continue to remain with the Transferor Company. It is clarified that the services of the Employees of the Transferred Undertaking of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds,
- m. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions to the Hon'ble High Court of Bombay, under whose jurisdiction the registered office



of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act and other applicable provisions of the Act, and for such other orders as the High Court may deem fit for carrying the Scheme into effect and all matters ancillary or incidental thereto.

**The features set out above being only the salient features of the Scheme of Arrangement, the shareholders are requested to read the entire text of the Scheme of Arrangement to get themselves fully acquainted with the provisions thereof.**

#### **GENERAL**

17. The Directors of the Transferee Company and the Transferor Company may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions, trusts of which they are Directors, Partners, Members or Trustees in the Transferee Company or the Transferor Company. None of the Directors of the Transferee Company and/or the Transferor Company have any material interest in the Scheme except as shareholders to the extent, which will appear from the Register of Director's Shareholding maintained by the Transferee Company and the Transferor Company.
18. The present details of the Directors of the Transferor Company, and their shareholding in the TCL and SAISPL as on 5 July, 2013 are as follows:

<b>Name of Director</b>	<b>No. of shares held in TCL</b>	<b>No. of shares held in SAISPL</b>
Mr. Subhodh Bhargava Chairman	NIL	NIL
Mr. Vinod Kumar Managing Director & Group CEO	NIL	NIL
Mr. Srinath Narasimhan Director	NIL	NIL
Mr. Kishor Chaukar Director	NIL	NIL
Mr. Amal Ganguli Director	NIL	NIL
Mr. Ramadorai Subramanian Director	NIL	NIL
Dr. Ashok Jhunjhunwala Director	NIL	NIL
Dr. U. B. Desai Director	NIL	NIL
Mr. Saurabh Tiwari Director	NIL	NIL
Mr. Ajay Kumar Mittal Director	NIL	NIL

19. The present details of the Directors of the Transferee Company, and their shareholding in TCL and SAISPL as on 5 July, 2013 are as follows:

<b>Name of Director</b>	<b>No. of shares held in TCL</b>	<b>No. of shares held in SAISPL</b>
Mr. Satish Ranade	1379	1
Mr. Srinivasa Addepalli	NIL	NIL
Mr. Sanjay Baweja	NIL	1

20. Since there is no issue of shares pursuant to the Scheme of Arrangement, the Pre and Post Arrangement shareholding of the Transferor Company would remain unchanged. The Shareholding Pattern of the Transferor Company Pre - Arrangement and Post - Arrangement pursuant to the sanction of the Scheme of Arrangement as on 5 July 2013 is as follows:

Category Code	Category of shareholders	No of Shareholders	Total Number of shares	Percentage
(I)	(II)	(III)	(IV)	(V)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	<b>Indian</b>			
(a)	Individuals/ Hindu Undivided Family	0	0	0
(b)	Central Government/ State Government(s)	1	74446885	26.12
(c)	Bodies Corporate	8	139286330	48.87
(d)	Financial Institutions / Bank	NIL	NIL	NIL
(e)	Any Others(specify)	NIL	NIL	NIL
	<b>Sub Total (A)(1)</b>	<b>9</b>	<b>213733215</b>	<b>74.99</b>
(2)	<b>Foreign</b>	NIL	NIL	NIL
	<b>Sub Total (A)(2)</b>	NIL	NIL	NIL
	<b>Total Shareholding of Promoters and Promoter Group (A)=(A)(1) + (A)(2)</b>	<b>9</b>	<b>213733215</b>	<b>74.99</b>
<b>(B)</b>	<b>Public Shareholding (Institution, Non Institutions and shares held by Custodians and against which Depository Receipts have been issued)</b>	<b>61814</b>	<b>71266785</b>	<b>25.01</b>
<b>GRAND TOTAL (A) + (B)</b>		<b>61823</b>	<b>285000000</b>	<b>100</b>

21. Since there is no issue of shares pursuant to the Scheme of Arrangement, the Pre and Post Arrangement shareholding of the Transferee Company would remain unchanged. The Shareholding Pattern of the Transferee Company Pre - Arrangement and Post - Arrangement pursuant to the sanction of the Scheme of Arrangement as on 5 July, 2013 is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Percentage Holding
1	Tata Communications Limited	9994	99.94
2	Tata Communications Limited jointly with Satish Ranade	1	0.01
3	Tata Communications Limited jointly with Sanjay Baweja	1	0.01
4	Tata Communications Limited jointly with Aroon Dasappa	1	0.01
5	Tata Communications Limited jointly with Rishabh Nath Aditya	1	0.01
6	Tata Communications Limited jointly with Shalini Shrivastav	1	0.01
7	Tata Communications Limited jointly with Ashok Someshwar	1	0.01
	<b>TOTAL</b>	<b>10000</b>	<b>100.00%</b>

22. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of either of the companies. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the arrangement will not cast any additional burden on the shareholders or creditors of either company, nor will it adversely affect the interest of any of the shareholders or creditors.
23. No investigation proceedings are pending against the Transferor Company or Transferee Company under Section 235 and 251 or any other provisions of the Act.

24. No winding up proceedings have been instituted and/or are pending in relation to the Transferor Company or Transferee Company.
25. The equity shares of the Transferor Company are listed on the Bombay Stock Exchange Limited (“BSE”), the National Stock Exchange of India Limited (“NSE”). The Transferor Company has obtained Observation letter dated 13 June 2013 from NSE and Observation letter dated 13 June 2013 from BSE conveying their no objection for filing the Scheme.
26. As per the Complaints Report submitted by the Transferor Company to BSE and NSE as on 30 April 2013 there were no complaints received by the Transferor Company on the Scheme.
27. On the Scheme being approved by the equity shareholders as per the requirements of Section 391 of the Act, the Transferee Company and the Transferor Company will seek the sanction of the Hon’ble High Court of Judicature at Bombay.

### **INSPECTION**

28. Following documents will be open for inspection by the members and creditors of the Transferee Company at the Registered Office of the Transferor Company on any working day (except Saturday, Sunday and a Public Holiday) between 10.00 a.m. to 6.00 p.m.:
  - Memorandum and Articles of Association of the Transferor Company and the Transferee Company.
  - Audited Financials Results of the Transferor Company for the year 2012 - 2013.
  - Audited Financial Statements of the Transferor Company for the year 2011– 2012.
  - Audited Financial Statements of the Transferee Company for the year 2012 - 2013.
  - Audited Financial Statements of the Transferee Company for the year 2011 - 2012.
  - Certified copy of the Order dated 19 July 2013 passed by the Hon’ble High Court of Bombay at Mumbai in Company Summons for Directors No. 559 of 2013 and Company Summons for Directors No. 560 of 2013 for the Transferor Company and Transferee Company respectively.
  - The Scheme of Arrangement.
  - Observation letter dated June 13, 2013 received from the BSE and NSE respectively.
  - Complaints Report dated 30 April 2013 submitted by the Transferor Company to BSE and NSE.
  - Valuation report of independent valuer Walker Chandiook & Co dated 26 February 2013.
  - Fairness opinion of SBI Capital Markets Limited dated 27 February 2013.

A copy of the Scheme of Arrangement, Statement under Section 393 of the Companies Act, 1956 and Form of Proxy may also be obtained from the Registered Office of the Transferor Company.

Sd/  
Chairman appointed for the meeting

Place : Mumbai  
Date : 26 August 2013

**Registered Office:**  
VSB,  
Mahatma Gandhi Road,  
Fort,  
Mumbai 400001

**SCHEME OF ARRANGEMENT**  
**BETWEEN**  
**TATA COMMUNICATIONS LIMITED**  
**AND**  
**S&A Internet Services Private Limited**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**UNDER SECTION 391 READ WITH SECTION 394**  
**OF THE COMPANIES ACT, 1956**

**A: PREAMBLE**

1. Tata Communications Limited (“Transferor Company”) is a public limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at VSB, Mahatma Gandhi Road, Fort, Mumbai – 400001. The Transferor Company is primarily engaged in providing telecommunication services. The equity shares of the Transferor Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India. The American Depository Receipts (ADRs) of the Transferor Company are listed on the New York Stock Exchange (NYSE).
2. S&A Internet Services Private Limited (“Transferee Company”) is a company incorporated under the Companies Act, 1956, having its registered office at C-21 & C-36 ‘G’Block, BandraKurla Complex, Mumbai - 400098. The Transferee Company was, *inter alia*, engaged in providing internet access and related internet based services, build, own, and operate computer networks creating and distributing electronic data bases and in general to manage and operate value added computer networks. The Transferee Company vide its letter dated 30 July 2012 has surrendered the Category A Internet Service Provider License.
3. In order to achieve efficiency of operations and management and with the intent of realigning the business operations undertaken by the Transferor Company, the Transferor Company has determined to concentrate on, and strengthen its core competencies and have greater focus and create more value for the IDC Division (defined hereinafter), in the interests of maximizing overall shareholder value.
4. Therefore, with a view to effect such plan, the Transferor Company proposes that the Transferred Undertaking (defined hereinafter) be transferred to and vested in the Transferee Company on a going concern basis to be undertaken through this Scheme (defined hereinafter) under the provisions of Sections 391-394 and other relevant provisions of the Act (defined hereinafter), for such consideration and in such manner as provided for in this Scheme (defined hereinafter).
5. This Scheme under Sections 391 to 394 of the Companies Act, 1956, provides for the transfer of entire business of Transferred Undertaking (defined hereinafter) of the Transferor Company as a sale of business on a going concern basis to the Transferee Company.
6. Upon the sanction of the Scheme by the High Court (defined hereinafter) and the Scheme becoming effective on the Effective Date (defined hereinafter), the Transferred Undertaking shall stand transferred to, and be vested in, the Transferee Company on and from the Appointed Date for all intent and purposes.
7. This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

## **B: PARTS OF THE SCHEME**

- (i) **Part I** deals with the Definitions and Share Capital of the Transferee Company and Transferor Company;
- (ii) **Part II** deals with the mechanics of the transfer of the Transferred Undertaking by way of a sale of business on a going concern basis for consideration being discharged in cash;
- (iii) **Part III** deals with General Terms and Conditions.

## PART I- DEFINITIONS AND SHARE CAPITAL

### 1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as provided anywhere in the body of this Scheme and as defined in this Part I:

- (a) **“Act”** means the Companies Act, 1956 or any statutory modification or re-enactment thereof;
- (b) **“Arrangement”** means the term “arrangement” as referred to and understood under the provisions of Sections 391 to 394 of the Act;
- (c) **“Appointed Date”** means opening of business hours on January 1, 2012;
- (d) **“Board of Directors”** in relation to each of the Transferee Company and the Transferor Company, as the case may be, shall, also include a committee of directors.
- (e) **“Consideration”** shall have the meaning ascribed to it in Clause 8 hereof;
- (f) **“Court” or “High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, as the case may be, under Sections 391 to 394 of the Act may direct or approve;
- (g) **“Effective Date”** shall have the meaning ascribed to it in Clause 21.2 hereof;
- (h) **“IDC Division”** means co-location services division of the Transferor Company which is carried on as an independent business with identifiable revenue streams, dedicated employees and self-supporting infrastructure;
- (i) **“Remaining Business”** means all the business and the divisions of the Transferor Company, other than the Transferred Undertaking;
- (j) **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form submitted to the High Court or with any modification(s) made under Clause 19 of this Scheme or with such other modifications / amendments as the High Court may direct;
- (k) **“Scheme Purpose”** has the meaning given to the term in paragraph 3 of the Preamble above;
- (l) **“Transferred Undertaking”** means the IDC Division including all movable properties and liabilities, of whatsoever nature and kind and wheresoever situate, of the Transferor Company pertaining to IDC Division, to be transferred on a going concern basis, which shall mean and include without limitation:
  - (i) all assets that are dedicated to and used for and in relation to the Transferred Undertaking whether moveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature, wheresoever situated in India, including power plants and cooling towers, all plants and machineries, vehicles, equipments, appliances, accessories, furniture, fixtures, sundry debtors, inventories. It is hereby clarified that no immovable property are sought to form part of the Assets;
  - (ii) all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments for IDC Division including customer contracts, revenues and receipts (including rights to future revenue and receipts) associated therewith, to be transferred or assigned or subcontracted in whole or in part on terms to be agreed between the Transferor Company and Transferee Company;
  - (iii) cash and bank accounts (including bank balances), bills of exchange, benefit of any deposits, financial assets, investments, benefit of any bank guarantees and letters of credit in relation to the Transferred Undertaking, funds belonging to or proposed to be utilized solely for the Transferred Undertaking, loans and advances together with all present and future liabilities (including contingent liabilities pertaining to the Transferred Undertaking) as appearing in the books of Transferor Company as on the Appointed Date.
  - (iv) rights to use or access as may be necessary to manage and operate the IDC Division as a going concern,

whether via limited transfer or license, all on terms to be agreed between the Transferor Company and Transferee Company, including all permits, quotas, rights, entitlements, licences, approvals, authorizations, consents, tenancies, offices, trade-marks, patents, copyrights, all other intellectual property rights, software programs and data (whether proprietary or otherwise), goodwill, privileges, all other rights, benefits and entitlements including any tax exemptions, deferrals and other benefits or privileges (including the benefit of any applications made thereof), powers and facilities of every kind, nature and description whatsoever, rights to use telephones, telexes, facsimile connections, communication facilities, installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements (including without limitation any customer contracts, supply contracts or other contracts or agreements) and all other interests in connection with or relating to the Transferred Undertaking as on the Appointed Date. It is hereby clarified that no such right to use or access any immovable property is sought to be granted, conveyed, transferred or assured unto the Transferee Company as a part of the Assets;

- (v) In so far as any of the following pertains specifically to, or was obtained for the purposes of, the IDC Division, all investments, loans and advances, including accrued interest thereon, of the Transferor Company pertaining to the Transferred Undertaking as on the Appointed Date;
- (vi) all earnest moneys, advances and/or security deposits paid, Value Added Tax ('VAT') credits and service tax credits; and all necessary records (whether in physical or electronic form), including records relating to recovery of moneys and all other interests of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining to the aforementioned items (i) to (iii) on the Appointed Date; (items (i) to (vi) (both inclusive) above, the "**Assets**")
- (vii) all secured and unsecured debts, liabilities (including contingent liabilities and provisions), if any, and obligations of the Transferor Company under or in relation to the business contracts and other arrangements, duties, loans, advances and sums owing (including without limitation, outstanding liabilities arising in relation to indirect tax, liabilities arising under any contract, or out of the supply of products or services, whether actual or, in the case of periodical payments, accrued, due, contingent or otherwise payable to any person by the Transferor Company) to the extent that any of the above relate to and/or arise out of the operation of the Transferred Undertaking as on the Appointed Date ("**Liabilities**").
- (viii) all employees of the Transferor Company, who are employed in relation to or in connection with the Transferred Undertaking as may be mutually confirmed by the board of directors or the authorized officials of the Transferor Company and the Transferee Company as on the Appointed Date ("**Employees**").
- (ix) all necessary records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, in connection with, or relating to the Transferred Undertaking, as on the Appointed Date.

## **1A INTERPRETATION**

References to "transfer", "transferred", "vest", "vested in" and their derivative forms in this Scheme shall mean changes in ownership or creation of interests (whether actual or beneficial, legal or equitable) on terms and in a manner to be agreed between the Transferor Company and Transferee Company.

## **2. DATE OF COMING INTO EFFECT**

The Scheme set out herein in its present form or with any modification approved or imposed or directed by the high court of judicature at Bombay shall be effective from the appointed date but shall be operative from Effective Date.

2.1. Any reference in this Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon the coming into effect of the Scheme” shall mean the Effective Date.

**3. SHARE CAPITAL**

3.1. The authorized, issued, subscribed and paid up share capital of the Transferor Company as on December 31, 2011 is as under:

<b>Particulars</b>	<b>Rupees in Lakhs</b>
Authorized Share Capital	
400,000,000 Equity Shares of Rs. 10/- each	40,000
<b>Total</b>	<b>40,000</b>
Issued, Subscribed and Paid-up Share Capital	
28,50,00,000 Equity Shares of Rs. 10/- each	28,500
<b>Total</b>	<b>28,500</b>

3.2. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on December 31, 2011 is as under:

<b>Particulars</b>	<b>Rupees in Lakhs</b>
<b>Authorized Capital</b>	
10,000 Equity Shares of Rs. 10/- each	1
<b>Total</b>	<b>1</b>
Issued, Subscribed and Paid-up	
10,000 Equity shares of Rs. 10/- each fully paid up	1
<b>Total</b>	<b>1</b>



## **PART – II- TRANSFER OF THE TRANSFERRED UNDERTAKING**

### **4. TRANSFER OF TRANSFERRED UNDERTAKING**

- 4.1.** With effect from the Appointed Date and upon the Scheme becoming effective, the Transferred Undertaking shall, pursuant to the provisions contained in Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act, deed, matter or thing, shall stand transferred to and vested in or be deemed to be transferred or assigned to and vested, as the case may be, in the Transferee Company as a business transfer, on a going concern basis, so as to become from the Appointed Date, the assets, rights, title, interest and authorities including accretions and appurtenances, of the Transferee Company, free from all encumbrances in a manner that Transferee Company succeeds to the entire business of the Transferor Company of the nature described in clause 1(h) hereof.
- 4.2.** The Transferred Undertaking shall be transferred for the Consideration to the Transferor Company, as detailed in Clause 8 of the Scheme. It is hereby clarified that the Remaining Business shall continue to vest in the Transferor Company.
- 4.3.** With effect from the Appointed Date and upon the Scheme becoming effective all approvals to operate the Transferred Undertaking shall stand vested in, or transferred to, the Transferee Company, without any further act or deed and shall, if required by applicable law, be appropriately mutated by the statutory authorities concerned in favor of the Transferee Company. The benefit of any rights, entitlements, any other licenses in relation to the Transferred Undertaking to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, shall stand vested in or transferred to the Transferee Company pursuant to this Scheme. Further, the Transferor Company shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 4.3.

### **5. ASSETS**

- 5.1.** The Assets of the Transferred Undertaking shall stand transferred and vested in the following manner:
- 5.1.1** In respect of Assets that are otherwise capable of transfer by physical delivery, by paying over or by endorsement and delivery shall be so transferred by the Transferor Company without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company.
- 5.1.2** In respect of any Assets of the Transferred Undertaking which are incapable of transfer by physical delivery, by paying over or by endorsement and delivery, including VAT credits, service tax credits, SFIS credits, actionable claims, sundry debtors, allocable miscellaneous expenditure outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Court having sanctioned this Scheme under Section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be made in their respective books to record the aforesaid changes.
- 5.1.3** In so far as the assets of the Remaining Business are concerned, the security over such assets, to the extent they relate to the Transferred Liabilities (as defined hereinafter) shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence.

- 5.1.4 Further, in so far as the Assets are concerned, the security and charge over them relating to any liabilities pertaining to the Remaining Business, or liabilities of the Transferor Company other than the Liabilities, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities of the Remaining Business. Without prejudice to the foregoing and with effect from the Effective Date, the Transferor Company and the Transferee Company shall execute all such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.
- 5.1.5 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Transferred Undertaking occurs by virtue of this Scheme itself, 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 (including deeds of adherence), letters, documents, instruments, arrangements, confirmations or other conveyances with any party to any contract or arrangements to which the Transferor Company is a party or any instrument as may be necessary to be executed in order to give formal effect to the above provisions. 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 carry out or perform all such formalities, compliances referred to above on the part of the Transferee Company, to be carried out or performed in relation to or as a consequence of the Transferred Undertaking being transferred by the Transferor Company.
- 5.1.6 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Transferred Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company pertaining to the Transferred Undertaking for payment after the Effective Date. If required, the Transferor Company allows maintaining of banks accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company in connection with the business of the Transferred Undertaking. It is hereby expressly clarified that any Proceedings (defined hereinafter) by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Transferred Undertaking shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

## 6. LIABILITIES

- 6.1. It is clarified that, with effect from the Effective Date, Liabilities of the Transferor Company which arose out of the activities or operations of the Transferred Undertaking as on the Appointed Date shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be and stand transferred to the Transferee Company, and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 6.2. In so far as Liabilities such as loans and borrowings of the Transferor Company are concerned, the loans and borrowings and such amounts pertaining to the general or multipurpose loans and liabilities which are to be transferred to the Transferee Company (collectively the “**Transferred Liabilities**”) being a part of the Transferred Undertaking shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against the Transferee Company, as if it had entered into such loans and incurred such borrowings.

- 6.3. Subject to Clause 6.1 and 6.2, from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities as the borrower/issuer thereof, and the Transferor Company shall not have any obligations in respect of the Transferred Liabilities.
- 6.4. It is expressly provided that, save as mentioned in this Clause 6, no other term or condition of the Transferred Liabilities shall be modified except to the extent that such amendment is required by necessary implication.
- 6.5. Where any of the Liabilities of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all Liabilities incurred by the Transferor Company for the operations of the Transferred Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 6.6. The provisions of this Clause 6 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document entered in to prior to the Appointment Date, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

## 7. LEASE OF IMMOVABLE PROPERTY

Upon the Scheme of Arrangement being effective from the Appointed Date, the Transferor Company shall effect lease of immovable properties pertaining to the IDC Division, comprising essentially of certain portions of the structures (i.e. designated floors of such buildings) located across 7 Indian cities namely Mumbai, Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Pune in favour of the Transferee Company for IDC business. The key principles governing the respective lease agreements are as mentioned in Schedule I. The Transferee Company shall make lumpsum lease payment to Transferor Company for the period from Appointed Date to Effective Date. The said lumpsum lease payment for Transferee Company shall accrue and arise on the Effective Date.

## 8. CONSIDERATION

- 8.1. Subject to the terms and conditions of this Scheme and as may be determined by the board of directors of the Transferor Company and the Transferee Company, in consideration of the transfer of the Transferred Undertaking by the Transferor Company to the Transferee Company upon the terms of this Scheme, the Transferee Company shall be required to pay a pre-agreed cash Consideration of Rs.433,93,09,903 only to the Transferor Company based on the book values of the assets and liabilities being transferred as more specifically determined in **Schedule II**.
- 8.2. The pre-agreed cash Consideration would be discharged by the Transferee Company within 30 business days of the Effective Date or such other date, as may be mutually decided by the board of directors or the authorized officials of the Transferor Company and the Transferee Company.

## 9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 9.1. 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:
  - 9.1.1. The Transferee Company shall record the Assets and Liabilities of the Transferred Undertaking vested in it in accordance with Clauses 5 and 6, as per the values attributable to such assets and liabilities, based on the book values of the Transferred Undertaking as determined in Schedule II.
  - 9.1.2. The excess, if any, of the difference of the aggregate value of the Assets and the aggregate value of the Liabilities of the Transferred Undertaking taken over pursuant to this Scheme over the Consideration as detailed in Clause 8 shall be recorded as and credited as capital reserve in the books of the Transferee Company.

- 9.1.3 The shortfall, if any, on the difference of the aggregate value of the Assets and the aggregate value of the Liabilities of the Transferred Undertaking taken over pursuant to this Scheme over the Consideration as detailed in Clause 8, then such difference shall be recorded as being the consideration for goodwill in the books of Transferee Company.
- 9.1.4 The Transferee Company shall make lumpsum lease payment to Transferor Company for the period from Appointed Date to Effective Date. The said lumpsum lease payment for Transferee Company shall accrue and arise on the Effective Date.
- 9.1.5 Any payment or receipt on account of reimbursements or allocation of expenses between transferor and transferee company for the period from Appointed Date to Effective Date shall accrue and arise on the Effective Date.

## **10. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY**

- 10.1. 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:
  - 10.1.1 The accounts representing the Assets and Liabilities of the Transferred Undertaking shall accordingly stand reduced / closed on transfer to the Transferee Company.
  - 10.1.2 Any difference arising on account of excess book value of Assets and Liabilities transferred over the Consideration detailed under Clause 8 shall be adjusted by the Transferor Company in its statement of profit and loss. Any difference arising on account of excess of the Consideration over the book value of Assets and Liabilities of the Transferred Undertaking shall be adjusted by the Transferor Company in its statement of profit and loss. Further, upon the coming into effect of this Scheme, the Transferor Company shall write-off all expenses incurred by them in connection with this Scheme and matters incidental thereto, if any, in their statements of profit and loss.
  - 10.1.3 The Transferor Company shall record lumpsum lease rental income to be received from Transferee Company for the period from Appointed Date to Effective Date. The said lumpsum lease rental income for Transferor Company shall accrue and arise on the Effective Date and be recorded in its statement of profit and loss..
  - 10.1.4 Any payment or receipt on account of reimbursements or allocation of expenses between transferor and transferee company for the period from Appointed Date to Effective Date shall accrue and arise on the Effective Date.

## **11. CONTRACTS, DEEDS, ETC**

- 11.1. With effect from the Effective Date and subject to the provisions of this Scheme, all Assets such as licenses whether Government or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, as may be determined by the board of directors or the authorized officials of the Transferor Company, in relation to the Transferred Undertaking, which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, 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.
  - 11.1.1 Any refund under the indirect tax laws viz. sales tax, excise duty, customs duty, service tax, VAT, etc. received by / due to Transferor Company consequent to the assessments made on Transferor Company in respect of the operations and/or the profits of the 'Transferred Undertaking' subsequent to the appointed Date and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company, provided that the above entitlement shall not apply if the Transferee Company agrees that an equivalent benefit has been provided through the Consideration.

11.1.2 Without prejudice to the generality of the above, all incentives / benefits /deductions / exemptions or any other benefit of whatsoever nature under the sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Transferor Company is entitled to in terms of the applicable tax laws of the Union and State Governments, in respect solely of the operations of the 'Transferred Undertaking' shall be available to and vest in the Transferee Company without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Transferred Undertaking with the Transferee Company occurs by virtue of this Scheme itself, 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, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. 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 carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

11.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from the Effective Date, all consents, permissions, licenses, certificates, authorities given by, issued to or executed in favour of the Transferor Company in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

11.3. It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferred Undertaking to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Transferred Undertaking as well as the Transferor Company (pursuant to the transfer of the Transferred Undertaking), the Transferor Company and the Transferee Company shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

## **12. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

12.1. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferred Undertaking for and on account of and in trust for the Transferee Company.

12.2. All profits accruing to the Transferor Company or losses including tax losses, arising or incurred by the Transferor Company in relation to the Transferred Undertaking for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.

12.3. Any income or profit accruing or arising to the Transferor Company in relation to the Transferred Undertaking and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, service tax, VAT, other indirect taxes, etc), arising or incurred by the Transferor Company in relation to the Transferred Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses, losses or taxes, as the case may be, of the Transferee Company.

12.4. All compliances with respect to advance tax, withholding taxes or tax deduction at source, service tax, VAT, other indirect taxes, etc. to be done or done by the Transferor Company in relation to the Transferred Undertaking shall for all purposes be treated as compliances to be done or done by the Transferee Company.

**12.5.** The Transferor Company hereby confirms that it has, and shall continue upto the Effective Date, to preserve and carry on the Transferred Undertaking with due diligence, prudence and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose of the Transferred Undertaking or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or employees or undertake substantial expansion of the Transferred Undertaking, other than expansions which have already commenced prior to the Appointed Date.

### **13. LEGAL PROCEEDINGS**

**13.1.** From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible. To the extent, such Proceedings cannot be taken over by the Transferee Company, the Proceedings shall be pursued by the Transferor Company as per the instructions of and entirely at the costs and expenses of the Transferee Company.

**13.2.** If the Proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 13.1 above, it shall defend the same in accordance with the advice and instructions of the Transferee Company and at the cost of the Transferee Company and the latter shall reimburse and indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

### **14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Assets and Liabilities of the Transferred Undertaking as per this Scheme and the continuance of the Proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or after the Appointed Date till the Effective Date, to the extent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts deeds and things done and executed by and on behalf of the Transferee Company.

### **15. STAFF & EMPLOYEES**

**15.1.** On and from the Appointed Date, the Employees who are part of the Transferred Undertaking as may be confirmed by the board of directors of the Transferor Company and the Transferee Company, or their respective delegates, shall, be deemed to have ceased to be employees of the Transferor Company, and the Transferee Company shall be deemed to have employed such Employees on the terms and conditions which are not less favorable or on the same terms and conditions on which they are engaged as on the Appointed Date by the Transferor Company without any interruption of service as a result of the transfer.

**15.2.** The services of all such Employees referred to in Clause 15.1 with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident fund plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company. However, it is hereby clarified that the management of the superannuation fund, provident fund, gratuity fund and other funds including any surplus in such funds shall continue to remain with the Transferor Company. It is clarified that the services of the Employees of the Transferred Undertaking of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds.

**15.3.** Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall jointly communicate to the Employees via a written notice in a form to be mutually agreed between the Transferee Company and the Transferor Company regarding the terms and conditions of employment with the Transferee Company.

## **16. INTELLECTUAL PROPERTY**

- 16.1.** It is clarified that notwithstanding anything to the contrary contained herein, all rights relating to patents, designs and drawings, trademarks, service marks, logos, domain names and utility models, copyrights, inventions and brand names which are possessed and/or owned by the Transferor Company including the right to use the "Tata" brand name and business names and any similar rights and the benefit of any of the foregoing shall be retained by the Transferor Company.
- 16.2.** Notwithstanding the Scheme coming into effect, the Transferor Company would retain to itself and would not be deemed to have assigned to the Transferee Company, the Intellectual Property along with all the commercial advantages associated with it.

## **17. REMAINING BUSINESS**

- 17.1.** The Remaining Business and all the assets other than the Assets, liabilities other than the Liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 17.2.** Any Proceedings by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted in future whether in respect of any matter arising before or after the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company, which shall keep the Transferee Company fully indemnified in that regard. The Transferee Company shall in no event be responsible or liable in relation to any such Proceedings against the Transferor Company.

## PART III- GENERAL TERMS AND CONDITIONS

### 18. APPLICATION TO COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions to the Hon'ble High Court of Bombay, under whose jurisdiction the registered office of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act and other applicable provisions of the Act, and for such other orders as the High Court may deem fit for carrying the Scheme into effect and all matters ancillary or incidental thereto.

### 19. MODIFICATION OR AMENDMENTS TO THE SCHEME

19.1. Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company by their respective board of directors or such other person or persons, as the respective board of directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications / amendments (i) to the Scheme (including but not limited to the terms and conditions thereof) or (ii) to any conditions or limitations that the court or any other authority may deem fit to direct or impose; or (iii) which may otherwise be considered necessary, desirable or appropriate by them.

19.2. The Transferor Company and the Transferee Company by their respective board of directors or such other person or persons, as the respective board of directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertaking".

19.3. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegates of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise 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 this Scheme.

### 20. CONDITIONALITY OF THE SCHEME

20.1. This Scheme is and shall be conditional upon and subject to:

20.1.1 the Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and the members and / or creditors of the Transferee Company as may be directed by the Court or any other competent authority, as may be applicable;

20.1.2 the Scheme being approved by special resolution through postal ballot and/or e-voting by the public members of the Transferor Company, if applicable;

20.1.3 the Scheme being approved by atleast two times in number of votes casted in favour of the proposal by the public members of the Transferor Company against the number of votes casted against the proposal by the public members of the Transferor Company, if required;

20.1.4 the Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 of the Act and to the necessary orders of the High Court or other appropriate authority being obtained;

20.1.5 all other sanctions and approvals as may be required by law in relation to the transfer of the Transferred Undertaking, the continuation of the business of the Transferred Undertaking by the Transferee Company or in relation to any of the provisions of this Scheme being obtained.



## **21. OPERATIONALIZATION OF THE SCHEME**

**21.1.** Though this Scheme shall have legal effect and force from the Appointed Date it shall not become effective (irrespective of whether any of the individual actions under Clause 20 or this Clause 21 have been completed) until the last of the following dates, namely:

21.1.1 the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 20.1 shall have been obtained or passed; or

21.1.2 the date on which all necessary certified copies of orders under Sections 391 to 394 of the Act shall be duly filed with the Registrar of Companies, Maharashtra.

**21.2.** The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

## **22. COMPLIANCE WITH TAX LAWS**

22.1. Upon the Scheme coming into effect, the Transferee Company may, if it considers necessary or expedient, revise (with retroactive effect if applicable) its income tax returns, TDS returns, services tax returns, sales tax returns and other tax returns, and claim refunds and/or credits, etc. pertaining to the Transferred Undertaking pursuant to the provisions of the Scheme.

22.2. Upon the Scheme coming into effect, the Transferor Company is also expressly permitted to revise (with retroactive effect if applicable) its income tax returns, TDS returns, services tax returns, sales tax returns and other tax returns, and to claim refunds and /or credits, etc. pertaining to the Remaining Business pursuant to the provisions of the Scheme.

## **23. EFFECT OF NON-RECEIPT OF SANCTIONS**

In the event of any of the said sanctions and approvals not being obtained and/or this Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid on or before 31 December 2015 or within such further period/s as may be agreed upon between the Transferor Company by its board of directors and the Transferee Company by its board of directors (and which the boards of directors of the Transferor Company and the Transferee Company are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto or as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **24. MISCELLANEOUS**

Upon the constitution and notification of the National Company Law Tribunal ("Tribunal"), and in the event of jurisdiction of sanctioning the Scheme vesting in the Tribunal, reference in the Scheme to 'the High Court of Judicature at Bombay' wherever it appears in the Scheme may be construed as reference to the Tribunal to the extent warranted by operation of the statutes or rules regulating the matters set out herein.

## **25. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferor Company.

## Schedule I

Key principles governing the respective Lease Agreements to be entered between the Transferor Company and the Transferee Company are as follows:

- ▶ The Transferor Company shall grant, transfer, convey and assure the Transferee Company exclusive right to use, occupy and enjoy the interest in certain floors in its premises ("Leased Premises") for the purpose of conducting the operations and business of the Transferee Company for a period of 20 years, further extendable to a period of 5 years.
- ▶ The Transferor Company shall not transfer any proportionate rights in the Leased Premises or the land on which the Leased Premises are situated. Consequently, the Transferee Company shall have no right to the designated floors in the Leased Premises in the event of destruction of the Leased Premises during the lease period.
- ▶ With reference to a portion of common premises there would be a 'right of way' granted to the Transferee Company, in case of any destruction, damage, etc by the Transferee Company the charges for reconstruction would be borne by the Transferee Company.
- ▶ The periodical lease payments for the Leased Premises would be charged over the period of the lease. Further, the value of such lease rentals for the Leased Premises may be arrived by adopting the valuation (based on municipal / other valuation) from registered valuers.
- ▶ Without prior written approval of the Transferor Company, the Transferee Company shall not have any right to sublease or assign any right under the Leased Premises to any third party.
- ▶ The right of lease of the Transferee Company shall be contingent upon the fact that the Transferee Company shall continue to carry on the specified business and / or the Transferee Company would not commence any competing business.
- ▶ The right to lease to the Transferee Company shall be contingent upon the Transferor Company holding at least 51% percentage of shares in Transferee Company.
- ▶ The Transferor Company will not be liable for any damages to the assets of Transferee Company located in Transferor Company's premises.

## Schedule II

Consideration attributable to the assets and liabilities of the Transferred Undertaking is as follows:

	<u>Rs.</u>	<u>Rs.</u>
<b><u>FIXED ASSETS</u></b>		
Computers	90,426,765	
Furniture	123,574,431	
Office Equipment	424,241,785	
Plant and Machinery	3,114,234,482	
WDV of assets	<b>3,752,477,463</b>	
Capital Work In Progress	<b>66,539,365</b>	<b>3,819,016,828</b>
<b><u>CURRENT ASSETS</u></b>		
Debtors	871,749,462	
Less : Provision for Doubtful Debt	(51,636,695)	
Net Debtors	<b>820,112,767</b>	
<b><u>LOANS AND ADVANCES</u></b>		
Prepaid expenses	84,597,369	
Loans and advances to employees	71,677	
	<b>84,669,046</b>	
	<b>904,781,813</b>	
<b><u>CURRENT LIABILITIES AND PROVISIONS</u></b>		
Current Liabilities		
Sundry Creditors	22,767,884	
Advance billing to customers	349,054,688	
Others	2,973,491	
	<b>374,796,064</b>	
Provisions		
Provision for employee benefit	<b>9,692,674</b>	
	<b>384,488,738</b>	
<b><u>NET CURRENT ASSETS</u></b>		<b>520,293,075</b>
Consideration being Net Book Value of the Division		<b>4,339,309,903</b>

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO\_\_ OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956;

AND

In the matter of the Scheme of Arrangement between Tata Communications Limited, a public company incorporated under the provisions of the Companies Act, 1956, having its registered office at VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001 (“Applicant Company” or “Transferor Company”) and S&A Internet Services Private Limited a company incorporated under the Companies Act, 1956, having its registered office at C-21 & C-36 ‘G’ Block, BandraKurla Complex, Mumbai – 400098 (“Transferee Company”) and their respective shareholders and creditors.

**TATA COMMUNICATIONS LIMITED**, a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at VSB, Mahatma Gandhi Road, Fort, Mumbai 400001. }

.....Applicant Company

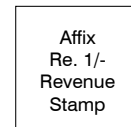
**FORM OF PROXY**

I/We, the undersigned, being the member/s of Tata Communications Limited do hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy, to act for me/us at Court convened meeting of the members of the Transferor Company to be held at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, on 22 August, 2013 at 10:00A.M., for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement of Tata Communications Limited, the Transferor Company, with S&A Internet Services Private Limited, the Transferee Company and their respective shareholders and creditors, and at such meeting and at any adjournment(s) thereof, to vote, for me/us and in my/our name(s) ..... (here, if 'for', insert 'for', if 'against', insert 'against', and in the latter case, strike out the words below after the 'the Scheme of Arrangement') the Scheme of Arrangement with or without modifications as my/our proxy may approve.

(Strike out what is not necessary)

Dated this []th day of [], 2013.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature across the Stamp

(For Demat holding)

DPID. \_\_\_\_\_ Client ID. \_\_\_\_\_

(For Physical handling)

Folio No. \_\_\_\_\_ No. of Shares held. \_\_\_\_\_

Signature of Sole Holder/First holder \_\_\_\_\_

Shareholder(s): Second Holder \_\_\_\_\_

Third Holder \_\_\_\_\_

Notes:

1. Please affix revenue stamp before putting signature.
2. Alterations, if any made in the Form of Proxy should be initialed.
3. Proxy must be deposited at the Registered Office of the Transferor Company, not later than 48 hours before the time scheduled/fixed for the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a shareholder of the Transferor Company.



## TATA COMMUNICATIONS LIMITED

Registered Office: VSB, Mahatma Gandhi Road, Fort, Mumbai, 400001, Maharashtra

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

(Joint Shareholder/s may obtain additional Attendance Slips at the venue of the meeting.)

### ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING AUDITORIUM

Joint shareholders may obtain additional Attendance Slip at the venue of the meeting.

DPID\* \_\_\_\_\_ Folio No. \_\_\_\_\_

ClientID\* \_\_\_\_\_ No. of Share(s) held \_\_\_\_\_

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER (in block letters):

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---

NAME AND ADDRESS OF THE PROXY HOLDER (in block letters, to be filled in by the proxy attending instead of the Equity Shareholders):

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I hereby certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.

I hereby record my presence at the meeting, convened pursuant to the Order dated 19 July 2013 of the Hon'ble High Court of Judicature at Bombay of the Equity Shareholders of the Company on 22 August 2013 at 10:00 AM at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Signature of the Equity Shareholder or proxy: \_\_\_\_\_

\* Applicable for shareholders holding shares in dematerialised form.

#### **Notes:**

1. Equity Shareholder/ Proxy holder wishing to attend Meeting must bring the Attendance Slip to the Meeting when he/she comes to the meeting and hand over it over at the gate after fixing his/ her signature on it..
2. Equity Shareholder/ Proxy holder desiring to attend the Meeting should bring his / her copy of the Notice for reference at the Meeting.
3. Joint shareholders may obtain additional Attendance Slip at the venue of the Meeting.





Ref: DCS/AMAL/RD/24(f)/088/2013-14

June 13, 2013

The Company Secretary  
**Tata Communications Limited**  
VSB, Mahatma Gandhi Road  
Fort, Mumbai – 400 001.

Dear Sir

**Sub: Observation letter regarding the Scheme of Arrangement between Tata Communications Limited and S & A Internet Services Private Limited**

We refer to your draft Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Tata Communications Limited (TCL) (Demerged Company) and S & A Internet Services Private Limited (SAISPL) (Resulting Company) and their respective shareholders and creditors inter alia involving the demerger of India Data Center (IDC) business of TCL into SAISPL.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013, SEBI has vide its letter dated June 10, 2013 given the following comments on the draft scheme of arrangement:

*"the said 'no-objection' is available subject to the company duly complying with the provisions of the Circular."*

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

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

Yours faithfully,



Jayesh Ashtekar  
Manager



Bhuvana Sriram  
Dy. Manager



Ref: NSE/LIST/207022-Z

June 13, 2013

The Company Secretary & Chief Legal Officer  
Tata Communications Limited  
VSB, M.G.Road,  
Fort, Mumbai – 400001.

**Kind Attn.: Mr. Satish Ranade**

Dear Sir,

**Sub: Observation letter for Scheme of Arrangement between Tata Communications Limited and S&A Internet Services Private Limited and their respective shareholders and creditors under sections 391 read with section 394 of the Companies Act, 1956.**

We are in receipt of the draft Scheme of Arrangement between Tata Communications Limited and S&A Internet Services Private Limited and their respective shareholders and creditors.

We have perused the draft Scheme of Arrangement and the related documents/details submitted by Tata Communications Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of the Securities Laws or the Stock Exchange requirements.


Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, the Exchange had forwarded the said draft scheme to SEBI for their comments. SEBI has vide letter dated June 10, 2013, has commented as follows:

“the said ‘no-objection’ is available subject to the Company duly complying with the various provisions of the Circular.”

Accordingly, we do hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with Hon’ble High Court.

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

Yours faithfully,  
For National Stock Exchange of India Ltd.

  
1 Kamlesh Patel  
2 Manager



HQ/CS/CL.24H/15095  
30 April 2013

The General Manager  
Corporate Relationship Department  
Bombay Stock Exchange  
1<sup>st</sup> Floor, Rotunda Building  
B.S Marg, Fort,  
MUMBAI - 400 001

Dear Sir,

**Ref: Clause 24 (f) of the Listing Agreement**  
**Sub: Scheme of Arrangement**

In terms of Clause (I)(E)(5.13) of the SEBI Circular No.CIR/CFD/DIL/5/2013 dated 4 February 2013, please find attached the Format for Complaints Report as prescribed in Annexure II of the said circular.

Request you to acknowledge receipt of above mentioned document and provide your no-objection to the Scheme.

Thanking you,

Yours faithfully,  
For Tata Communications Limited



Satish Ranade  
Company Secretary &  
Chief Legal Officer

Encl.: As above

**TATA COMMUNICATIONS**

**Tata Communications Limited**

Plot C 21 & C 36 'G' Block Bandra Kurla Complex Vidyanagri PO Mumbai 400098 India

Regd. Office VSB Mahatma Gandhi Road Fort Mumbai 400 001 India

Tel + 91 22 6657 8765 Fax + 91 22 6639 5162 Website [www.tatacommunications.com](http://www.tatacommunications.com)



**ANNEXURE II**  
**Format for Complaints Report**

**Part A**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number</b>
1	Number of complaints received directly	0
2	Number of complaints forwarded by Stock exchanges	0
3	Total Number of complaints/comments received (1+2)	0
4	Number of complaints resolved	0
5	Number of complaints pending	0

**Part B**

<b>Sr. No.</b>	<b>Name of complainant</b>	<b>Date of Complaint</b>	<b>Status (Resolved/pending)</b>
1	Not Applicable	Not Applicable	Not Applicable
2	Not Applicable	Not Applicable	Not Applicable
3	Not Applicable	Not Applicable	Not Applicable

**For Tata Communications Limited**



**Satish Ranade**  
**Company Secretary &**  
**Chief Legal Officer**



HQ/CS/CL.24H/15094  
30 April 2013

The Secretary  
National Stock Exchange of India Ltd.  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.

Dear Sir,

**Ref: Clause 24 (f) of the Listing Agreement**  
**Sub: Scheme of Arrangement**

In terms of Clause (I)(E)(5.13) of the SEBI Circular No.CIR/CFD/DIL/5/2013 dated 4 February 2013, please find attached the Format for Complaints Report as prescribed in Annexure II of the said circular.

Request you to acknowledge receipt of above mentioned document and provide your no-objection to the Scheme.

Thanking you,

Yours faithfully,  
For Tata Communications Limited



Satish Ranade  
Company Secretary &  
Chief Legal Officer

Encl.: As above

**TATA COMMUNICATIONS**

**Tata Communications Limited**

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Page 1 of 1



**ANNEXURE II**  
**Format for Complaints Report**

**Part A**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number</b>
1	Number of complaints received directly	0
2	Number of complaints forwarded by Stock exchanges	0
3	Total Number of complaints/comments received (1+2)	0
4	Number of complaints resolved	0
5	Number of complaints pending	0

**Part B**

<b>Sr. No.</b>	<b>Name of complainant</b>	<b>Date of Complaint</b>	<b>Status (Resolved/pending)</b>
1	Not Applicable	Not Applicable	Not Applicable
2	Not Applicable	Not Applicable	Not Applicable
3	Not Applicable	Not Applicable	Not Applicable

**For Tata Communications Limited**

  
**Satish Ranade**  
**Company Secretary &**  
**Chief Legal Officer**

**TATA COMMUNICATIONS**

**Tata Communications Limited**

Plot C 21 & C 36 'G' Block Bandra Kurla Complex Vidyanagri PO Mumbai 400098 India  
Regd. Office VSB Mahatma Gandhi Road Fort Mumbai 400 001 India  
Tel + 91 22 6657 8765 Fax + 91 22 6639 5162 Website [www.tatacommunications.com](http://www.tatacommunications.com)

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Courier

If undelivered, please return to:

**TATA COMMUNICATIONS LIMITED**

Registered Office: VSB, Mahatma Gandhi Road, Fort,  
Mumbai 400001, Maharashtra, India.