IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 362 OF 2011

In the matter of Scheme of Arrangement and De-Merger under Sections 391 to 394 of the Companies Act,1956 ;

AND

In the matter of **Gujarat Narmada Valley Fertilizers Co. Ltd.,** a Company incorporated under the Companies Act,1956 and having its Registered Office at P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat;

AND

In the matter of Scheme of Arrangement and De-Merger of V-SAT and ISP Gateway Business Division / Undertaking of Gujarat Narmada Valley Fertilizers Co. Ltd.,to ING Satcom Limited and their respective members

GUJARAT NARMADA VALLEY FERTILIZERS CO. LTD.,
a Company incorporated under the Companies Act,1956
and having its Regd. Office at P.O. Narmadanagar-392 015,
Dist. Bharuch, Gujarat .....Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To:
The Equity Shareholders of Gujarat Narmada Valley Fertilizers Co. Ltd.,

TAKE NOTICE THAT by an Oral Order made on the 11th day of July, 2011, in the above company application, the Hon'ble High Court of Gujarat at Ahmedabad, has directed that a Meeting of the Equity Shareholders of the Applicant Company be convened and held at H.T. Parekh Convention Hall, AMA Complex, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015, in the State of Gujarat, on Wednesday, the 31st August, 2011 at 11.00 A.M. for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement and De-Merger embodied in the Scheme of Arrangement and De-Merger of V-SAT and ISP Gateway Business Division / Undertaking of the Applicant Company as proposed between the Company and ING Satcom Limited (ISL) and its shareholders.

TAKE FURTHER NOTICE THAT in pursuance of the aforesaid Order and as directed therein, a Meeting of the Equity Shareholders of the Applicant Company will be convened and held at H.T. Parekh Convention Hall, AMA Complex, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015, in the State of Gujarat, on Wednesday, the 31st August, 2011 at 11.00 A.M., when 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 is deposited at the Registered Office at P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat, not later than 48 hours before the said Meeting.

The Hon'ble High Court has appointed Shri D C Anjaria, Director of the Company, and failing him Dr. Ashok Shah, Director of the Company to be the Chairman of the said Meeting.

A copy each of the said Scheme of Arrangement and De-Merger, the Statement under Section 393 of the Companies Act,1956, a form of proxy and attendance slip is enclosed.

Sd/-
D. C. Anjaria
Chairman appointed for the Meeting

Dated this 13th day of July, 2011
Registered Office:
P.O. Narmadanagar-392 015
Dist. Bharuch, Gujarat

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 362 of 2011

Explanatory Statement to the Scheme of Arrangement and De-Merger of V-SAT and ISP Gateway Business Division / Undertaking of Gujarat Narmada Valley Fertilizers Company Limited (GNFC) to ING Satcom Limited (ISL) under Section 393 (1) (a) of the Companies Act, 1956

1. A Scheme of Arrangement and De-Merger of V-SAT and ISP Gateway Business Division / Undertaking of Gujarat Narmada Valley Fertilizers Company Limited (hereinafter referred to as the Transferor Company or GNFC) with ING Satcom Limited (hereinafter referred to as the Transferee Company or ISL) is proposed under the provisions of Sections 391 to 394 of the Companies Act,1956. Pursuant to the Oral Order dated 11th July, 2011 passed by the Hon'ble High Court of Gujarat in Company Application referred to hereinabove, the Hon'ble High Court of Gujarat has directed to hold separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company. Notice of the said meeting together with the copy of the Scheme of Arrangement and De-Merger and Proxy Form are sent herewith. This statement explaining the terms of the Scheme of Arrangement and De-Merger is being furnished as required u/s 393 (1) (a) of the Companies Act, 1956.

2. The proposed Scheme envisages -
   a) the Transfer of V-SAT and ISP Gateway Business Division / Undertaking of GNFC to ISL;
   b) the Resulting Company / Transferee Company / ISL to make the payment of Rs.6,00,00,000/- (Rupees Six Crores Only) in Cash to GNFC; and
   c) the Remaining Undertaking to continue with the Transferor Company / GNFC .

3. (i) The Transferor Company viz. GNFC was incorporated on the 10th day of May,1976 in the name and style of Gujarat Narmada Valley Fertilizers Company Limited in the office of Registrar of Companies, Gujarat as a Company limited by Shares. The Transferor Company received the Certificate for Commencement of Business on 16th September,1976.

   (ii) The Registered Office of GNFC is situated at P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat.

   (iii) The Share Capital of the Transferor Company / GNFC as on 31.3.2011 was as under :

Authorised:	Amount (in Rupees)
25,00,00,000 Equity Shares of Rs. 10/- each	250,00,00,000
Total	250,00,00,000
Issued :	
15,54,18,783 Equity Shares of Rs.10/- each fully paid	155,41,87,830
Subscribed and Paid up:	
15,54,18,783 Equity Shares of Rs. 10/- each fully paid-up	155,41,87,830

The Equity Shares of GNFC are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited

   (iv) The objects of GNFC are set out in its Memorandum of Association. The Main Objects are narrated below :

To carry on in India and in any part of the world, the business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packaging, selling, transporting, distributing, importing, exporting and disposing –

(a) All types of fertilizers, chemicals, heavy chemicals, acids, alkalies, agro-chemicals and their by-products, derivatives and mixtures thereof, maintaining and rendering assistance and services of all and every kind of any description for selling, exchanging, altering, improving and dealing in artificial and other fertilizers, heavy chemicals, agro-chemicals and their by-products of every description, whether required for civil, commercial or military defense purposes and requirements or otherwise.

(b) All petrochemicals, plastics, methanol, melamine and derivatives thereof, whether liquid, solid or gaseous and including specifically benzene, ethylene, propylene, propane, ethane, butanes, butadiene, isoprene, oxides, glycols and polyglycols of ethylene, propylene and butylene, chlorinated hydrocarbons, aliphatic and aromatic alcohols, aldehydes, ketones, aromatic acid anhydrides, vinyl acetate, vinyl chloride, acrylics, esters of ortho, meta and terephthalic acids and all gases.

(c) All organic and inorganic chemicals, synthetic chemicals derived from petroleum hydrocarbons, elements, chemicals, compounds and products of any nature and kind whatsoever including by-products, derivatives, and mixtures thereof.

(d) To manufacture, import, export, buy, sell ,contract for and deal in either directly or through agents in all kinds of electronic goods, equipments and telecommunication systems and equipments and all accessories, fittings, appliances, instruments pertaining thereto.

(e) To manufacture, import, export, buy, sell, contract for and deal in either directly or through agents in all kinds of tractors and vehicles of two wheeler, three wheeler category and all accessories, fittings, appliances, tools, equipments thereof.

Besides, the following Sub-Clause (26) has been inserted in Objects Clause III (C) by passing a Special Resolution by the Shareholders of the GNFC at its meeting held on 28th September,2000 :

(26) To carry on or to undertake or to be interested or engaged in any of the business whether in India or outside India, either solely or in joint venture or in partnership with other companies, corporation or individual or firm or any other association of persons to establish, provide, manufacture, market, trade all or any of the following infrastructure or IT related activities consisting of

communication services, networking services, software services related activities in all areas such as Internet Gateways, Internet Service Provider (ISP), national long distance telephony services, basic services, mobile services, broad band services, infrastructure facility using fibre optic connectivity and providing bandwidth services, broadcasting services, application service providers, international private leased circuits, mobile computing services, establishment of call centre and data centre services, LAN and WAN networks on Build-Own-Operate-Maintain basis, Build-Own-Operate-Transfer basis, Telemedicine Services, ATM-based Wide Area Network services, providing software services in offshore projects and inland projects, product development and manufacture in software sector, providing security services and e-commerce, web page development, VPN services, payment Gateways, software for banking and insurance, digital signature certification services, development of portals, programming of various software and implementation services, customer services, providing various nets for education, agricultural, procurement etc., hardware manufacturing related to communication products, cellular telephone services, remote host login, office automation, net connectivity, e-mail services and related services thereof such as store and forward services, electronic mail using TCP/IP, file transfer and information discovery services, index file transfer, worldwide web, on line services such as Internet technology, video-telephone or video conference and electronic communication services, radio paging services, public mobile radio trunked services, voice mail, audio text service, closed user group domestic data/voice network, V-SAT services via satellite systems, multimedia services and value added services and value added infotech and cyber services, IT enabled services, web hosting services, software development and to do all activities for providing such services like excavation, construction, fabrication, installation, commission and testing of equipments, marketing and selling, trading of IT products such as servers, modems, routers, switches, fibre optic components, computers, printers, peripherals, laptops etc.

The Shareholders of GNFC have in their Meeting held on 28th September,2000 by passing a Special Resolution also approved the commencement and carrying on of all or any of the businesses and activities covered under aforesaid Sub-clause (26) in Clause III (C) of Memorandum of Association of the Transferor Company / GNFC.

(v) The summary of the Audited Financial Statements of the Transferor Company/GNFC for three years ended 31st March,2011, 31st March,2010 & 31st March,2009 is enclosed at Annexure – A.

4. (i) The Transferee Company / ISL was incorporated on 29.8.2003, in the name and style of ING Satcom Limited, as a Company limited by Shares, in the office of the Registrar of Companies, Gujarat.

(ii) The Registered Office of ISL is situated at 9th Floor, Shitiratna Building, Panchvati, Off C G Road, Ahmedabad-380 006, Gujarat.

(iii) The Share Capital of the Transferee Company / ISL as on 31.3.2011 was as under:

Authorised:	Amount (in Rupees)
50,000 Equity Shares of Rs. 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid up:	
50,000 Equity Shares of Rs. 10/- each	5,00,000
Total	5,00,000

The Equity Shares of ISL are not listed on any Stock Exchange.

(iv) The objects for which ISL was incorporated are set out in its Memorandum of Association. The Main Objects are narrated below :

To carry on or to undertake or to be interested or engaged in any of the business whether in India or outside India, either solely or in joint venture or in partnership with other companies, whether Indian or overseas, corporation or individual or firm or any other association of persons whether of Indian or foreign origin to establish, provide, manufacture, market, trade all or any of the following infrastructure or IT related activities consisting of communication services, networking services, wireless services, software services related activities in all areas such as Internet Gateways, Internet Service Provider (ISP), national long distance telephony services, basic services, mobile services, broad band services, infrastructure facility using fibre optic connectivity and providing bandwidth services, broadcasting services, application service providers, international private leased circuits, mobile computing services, establishment of call centre and data centre services, LAN and WAN networks on Build-Own-Operate-Maintain basis, Build-Own-Operate-Transfer basis, Telemedicine Services, ATM-based Wide Area Network services, providing software services in offshore projects and inland projects, product development and manufacture in software sector, providing security services and e-commerce, web page development, VPN services, payment Gateways, software for banking and insurance, digital signature certification services, development of portals, programming of various software and implementation services, customer services, providing various nets for education, agricultural, procurement etc., hardware manufacturing related to communication products, cellular telephone services, remote host login, office automation, net connectivity, e-mail services and related services thereof such as store and forward services, electronic mail using TCP/IP, file transfer and information discovery services, index file transfer, worldwide web, on line services such as Internet technology, video-telephone or video conference and electronic communication services, radio paging services, public mobile radio trunked services, voice mail, audio text services, closed user group domestic data/voice network, V-SAT services via satellite systems, multimedia services and value added services and value added infotech

and cyber services, IT enabled services, web hosting services, software development and to do all activities for providing such services like excavation, construction, fabrication, installation, commission and testing of equipments, marketing and selling, trading of IT products such as servers, modems, routers, switches, fibre optic components, computers, printers, peripherals, laptops etc.

(v) The summary of the Audited Financial Statements of the Transferee Company / ISL for three years ended 31st March, 2011, 31st March, 2010 & 31st March, 2009 is enclosed at Annexure – A.

5. The Transferor Company, GNFC, is a listed public limited company. GNFC was promoted jointly by Govt. of Gujarat and Gujarat State Fertilizers & Chemicals Ltd. GNFC is mainly engaged in the business of manufacturing and selling of Fertilizers and Chemicals as also in the business of Information Technology related services. The Transferor Company is also engaged in V-SAT / ISP Gateway Business. The turnover of GNFC during the last financial year i.e. 2010-11, was Rs.2845.89 Crores and it has made Net Profit of Rs.266.53 Crores. It has built up Reserves and Surplus of Rs.2131.45 Crores. GNFC has been paying dividend for the last 27 financial years.

6. The Transferee Company, ING Satcom Ltd. is unlisted closely held public limited company and formed for engaging in V-SAT and ISP Gateway business and carrying out the objects set out in the objects clause stated in para 4 (iv) above.

7. (i) With the end and intent of realigning and re-organizing the business operations, when V-SAT and ISP Gateway business undertaking of the Transferor Company is Demerged to ISL, the Demerged Company /GNFC would be able to concentrate on its core business activities and thereby benefit its shareholders.

(ii) The transfer and vesting of the Demerged Undertaking in the Resulting Company shall be in the larger interest of both the Companies, their shareholders, creditors and employees and the public in general. The restructuring would also result in enhancement of shareholder value, enable growth opportunities for both Companies by focusing in their core area of operations and attract capital/strategy investments.

(iii) The transfer and vesting of the Demerged Undertaking into the Resulting Company will contribute to enhance competitiveness for the Resulting Company, thereby increasing its ability to compete in domestic and international markets. The demerger will also provide scope for independent collaborations and expansion of the businesses of the Demerged Company and the Resulting Company respectively thereby contributing to better economic value creation for shareholders of the Demerged Company and the Resulting Company.

(iv) The Board of Directors of the Demerged Company is of the opinion that the demerger would benefit the shareholders, employees, creditors and the stakeholders of the Demerged Company, in as much as the business through the 'Demerged Undertaking' is resulting into revenue loss to the Demerged Company / GNFC. By hiving off the said Demerged Undertaking and vesting thereof in the Resulting Company, the Demerged Company would be able to concentrate on its Core Business Activities and reduce costs and thereby benefit its shareholders.

(v) The Board of Directors of both the Companies resolved at the respective Board meetings held on 31st July,2010 and 15th September, 2010, that subject to such approvals of Shareholders of both the companies and creditors of the Transferor Company, and subject to such sanctions of the appropriate Courts, as may be required in law, and subject to such consents and permissions of the Central Government and other authorities as may be necessary the scheme of Arrangement & De-merger be made between the Transferor Company and the Transferee Company on the broad basis referred to in the Scheme of Arrangement & De-merger.

8. The valuation of the business undertaking proposed to be demerged has been carried out by an Independent Valuer as per their Report submitted to the Company. The Valuer has arrived at the valuation by applying weights to the commonly used and accepted methods for determining the fair value of the business to be demerged of the Transferor Company, namely fair and reasonable market value of tangible assets and net present value of intangible assets.

9. The Board of Directors of the Transferee Company and the Transferor Company have, based on and relying upon the aforesaid expert advice and on the basis of their independent evaluation and judgement, come to the conclusion that the proposed consideration is fair and reasonable to the Transferor Company & Transferee Company and have accepted the same.

10. Pursuant to the requirements of the Securities and Exchange Board of India (SEBI) and the Listing Agreement, the Transferor company sought approval from the stock exchanges where its shares are listed. Both Bombay Stock Exchange Limited and National Stock Exchange of India Limited have by their letters dated 11.1.2011 & 7.1.2011 respectively granted their no objection under Clause 24(f) of the Listing Agreement to the said Scheme.

11. SALIENT FEATURES OF THE SCHEME

1. DEFINITIONS

In this Scheme unless repugnant to the meaning or context there of the following expression shall have the following meanings:-

(a) "Act" means the Companies Act, 1956, and includes any statutory re-enactment or modification thereof, or amendment thereto, from time to time;

(b) "Appointed Date" means 1st April, 2010;

(c) "Court" or "High Court" means the Hon'ble High Court of Gujarat at Ahmedabad and shall include the National Company Law Tribunal, if applicable.

(d) 'Demerged Company' or "Transferor Company" or "GNFC" means Gujarat Narmada Valley Fertilizers Co. Ltd., a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at P.O. Narmadanagar – 392 015, District: Bharuch, Gujarat.

(e) "Demerged Undertaking" means only the Undertaking / Division of V-SAT / ISP Gateway Business of the Demerged Company comprising of:

(i) All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the V-SAT / ISP Gateway Business of the Demerged Company.

(ii) Without prejudice to the generality of the provisions of Clause 1.5 a) above, the assets of the V-SAT / ISP Gateway Business shall include all assets, properties, current assets, reserves, provisions, funds, rights, benefits and claims belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company in connection with or pertaining or relatable only to the V-SAT / ISP Gateway Business.

(iii) All deposits, advantages, loans made by the Demerged Company including but not limited to loans already made to the Resulting Company, receivables, funds, cash, bank balances, accounts and all earnest money and/or deposits including security deposits paid by the Demerged Company in connection with or relating to only the V-SAT / ISP Gateway Business.

(iv) All necessary records, files, papers, documents, share certificates, demat account along with the securities held by the Demerged Company and lying to the credit of the Demerged Company and other records whether in physical or electronic form in connection with or relating to only the V-SAT / ISP Gateway Business of the Demerged Company.

(v) Without prejudice to the generality of the foregoing, it is clarified that all consents, permissions, approvals, authorizations, permits, licenses including in particular the license for V-SAT / ISP Gateway Business, certificates, granted by any authorities relating to V-SAT / ISP Gateway Business of the Demerged Company and issued to or executed in favour of the Demerged Company including but not limited to those described in schedule "I" annexed to this scheme shall stand transferred to the Resulting Company as if the same were originally granted or issued to or executed in favour of the Resulting Company. Without prejudice to the generality of the above, all incentives and benefits pertaining to the V-SAT / ISP Gateway Business including income tax, and any other direct or indirect taxes, benefits for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company.

(vi) Liabilities as defined in Clause 4.3.

(vii) All permanent employees of the Demerged Company employed in the V-SAT / ISP Gateway Business, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the V-SAT / ISP Gateway Business or whether it arises out of the activities or operations of the V-SAT / ISP Gateway Business shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company or through their respective delegate.

(f) "Effective Date" means the last of the dates on which the conditions and matters referred to in Clause 17 of this Scheme occur or have been fulfilled or waived and the Order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the Demerged Company and the Resulting Company. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme shall mean the Effective Date;

(g) "Remaining Undertaking" or 'Residual Company' is the term used to refer to and means all the undertakings, businesses, activities and operations of the Demerged Company as would remain with it including land, building etc., which are not agreed to be transferred / vested in the Resulting Company immediately after the transfer and vesting of Demerged undertaking in the Resulting Company.

(h) "Resulting Company" or "INGSL" or 'Transferee Company' means ING Satcom Limited, a Company incorporated under the Companies Act, 1956, having its registered office at 9th Floor, Shitiratna Building, Panchwati, Off. C.G. Road, Ahmedabad – 380 006, District: Ahmedabad, Gujarat, India.

(i) "Scheme" or "Scheme of Arrangement and De-merger" means this Scheme of Arrangement and De-merger including any modification or amendment thereto.

2. Transfer of Demerged Undertaking

2.1 Transfer of assets

(a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest, permissions, licences and authorities (including accretions and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, deed, matter or thing be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, permissions, licences, authorities and liabilities comprised in the Demerged Undertaking immediately before the demerger as specified in this Scheme shall become the properties, assets, rights, claims title, interest, permissions, licenses, authorities and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme. The assets as expressly listed in Schedule II and liabilities of De-merged Undertaking shall be transferred to the Resulting Company.

(b) All assets or investments, right, title, interest, permissions or licences acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and

stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however, that no onerous asset shall have been acquired by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company.

2.2 Contracts, deeds, etc.

(a) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature comprised in the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto or there under.

(b) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to the above on the part of the Demerged Company to be carried out or performed.

(c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company in which the Demerged Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

(d) It is clarified that if any assets (estate, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.

2.3 Transfer of liabilities

2.3.1 (a) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, liabilities and obligations incurred, and duties and obligations of any kind nature and description (including contingent liabilities) of the Demerged Company (as on the Appointed Date) and relating to the Demerged Undertaking, shall, without any further act or deed, be demerged from the Demerged Company and be and stand transferred to and be deemed to be transferred to the Resulting Company, to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

(b) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred,, and duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged 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 Resulting Company.

(c) All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of any Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting 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 and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans raised and used, liabilities and obligations incurred, dues and obligations shall have been assumed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company.

2.3.2 (a) The demerger and the transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company under Clause 4.1 of the Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

(b) The existing securities, mortgages, charges, encumbrances or liens (the “Encumbrances”) or those, if any created by the Demerged

Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company. Provided however that no Encumbrances shall have been created by the Demerged Company in relation to any Demerged Undertaking after the Appointed Date without prior written consent of the Resulting Company.

(c) In so far as any Encumbrances over the assets comprised in the Demerged Undertaking are security for liabilities of the Remaining Undertaking retained with the Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(d) The Demerged Company has, in the course of its operations for Demerged Undertaking viz.. Division of V-SAT/ISP Gateway Business, given Bank Guarantees from time to time for compliance of its obligations under the License Agreements entered into with Ministry of Communications and Information Technology, Department of Telecommunication, Govt. of India, New Delhi. On the Scheme becoming effective, the Resulting Company, shall arrange to replace those Bank Guarantees issued by the Demerged Company.

(e) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies, Gujarat, to give formal effect to the above provisions, if required.

(f) Upon the coming into effect of this Scheme (i) the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities which have been specifically transferred to it in terms of the Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities, and the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time, against the Demerged Company in respect of the liabilities which have been specifically transferred to the Resulting Company; and (ii) the Demerged Company alone shall be liable to perform all obligations in respect of the liabilities, duties and obligations which have not been specifically transferred to the Resulting Company in terms of the Scheme, and the Resulting Company shall not have any obligations in respect of such liabilities, duties and obligations and the Demerged Company shall indemnify the Resulting Company in relation to any claim, loss or damage at any time, against or incurred by the Resulting Company in respect of the liabilities, duties and obligations which have not been specifically transferred to the Resulting Company.

(g) It is expressly provided that, save as mentioned in the Clause 4.3.2, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(h) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the Clause 4.3.2 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deed, or writings shall stand modified and / or superseded by the foregoing provisions.

2.3.3 Except for the transfer and vesting of the Demerged Undertaking as provided in this Scheme, no other assets, properties, rights, entitlements, liabilities or obligations shall be transferred by the Demerged Company to the Resulting Company under this Scheme of Arrangement and De-merger.

3. Consideration

Upon the Scheme becoming effective and in consideration of the transfer and vesting of the 'Demerged Undertaking' of the Demerged Company into the 'Resulting Company', the Resulting Company shall make payment of Rs.6,00,00,000/- (Rupees six crores only), out of which an amount of Rs.3,00,00,000/- (Rupees three crores only) has already been received by the Demerged Company as a part payment towards the consideration. The balance consideration shall be paid by the Resulting Company to the Demerged Company immediately and in any case not later than two days upon the Scheme being sanctioned by the Court.

4. Conduct of Business

4.1 With effect from the Appointed Date and up to and including the Effective Date

(a) The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company; and

(b) All income, expenditure including management costs, profits relating to the Demerged Undertaking accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it shall, for all purposes, be treated as the income, expenditures, profits, taxes and losses, as the case may be, of the Resulting Company.

4.2 (i) With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business of the Demerged Undertaking, carried on by the Demerged Company.

(ii) The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

5. Remaining Undertaking to continue with Demerged Company

5.1 The Remaining Undertaking and all the assets, debts, liabilities, loans raised and used, liabilities and obligations incurred, duties or obligations of any kind or nature description pertaining to the Remaining Undertaking shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to Clause 4.3.2 of the Scheme in relation to Encumbrances in favour of banks, financial institutions.

5.2 (a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking.

(b) If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

5.3 With effect from the Appointed Date and up to and including the Effective Date

(a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

(c) All assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

6. No Change in the Share Capital of the Demerged Company

In view of the demerger and other related provisions of the Scheme, and upon coming into effect of this Scheme, the Share Capital of the Demerged Company shall remain unchanged; and there would not be any addition or deletion in the Share Capital of the Demerged Company.

7. Accounting Treatment

Accounting by the Demerged Company and the Resulting Company in respect of assets and liabilities

7.1 In the books of the Demerged Company

On the scheme becoming effective, and upon receipt of compensation of Rs. 6,00,00,000/- by the Demerged Company, the Demerged Company shall write off the entire value of its investment in Assets & Liabilities of the V-SAT / ISP Gateway Business of the Demerged Company as proposed in the scheme and considering the nature and characteristics of transaction i.e. vesting of assets and liabilities under scheme of reconstruction / rearrangement u/s 391 to 394 of the Companies Act, 1956 under a scheme approved by the Hon'ble High Court, the difference between the compensation received by the demerged company and the net value of book balance of assets and liabilities vested in the resulting company, is on account of capital and therefore such difference shall be adjusted against capital reserve account.

7.2 In the books of the Resulting Company

On the Scheme becoming effective, the Resulting Company shall provide for the following accounting treatment in its books of accounts.

(a) All the assets of the V-SAT / ISP Gateway Business recorded in the books of Demerged Company shall be recorded by the Resulting Company at their respective book value as appearing in the books of the Demerged Company on the Appointed Date. All liabilities of the V-SAT / ISP Gateway Business recorded in the books of Demerged Company shall upon becoming the liabilities of the Resulting Company be recorded by the Resulting Company at their respective book value as appearing in the books of the Demerged Company on the Appointed Date. Difference, if any, between the net assets value as per the above prescribed method and compensation paid to the Demerged Company, will be treated as Goodwill/ Capital Reserve in the books of the resulting Company.

(b) General Reserve Account, if any, of the Demerged Undertaking shall be set off or adjusted against the Goodwill and/or Miscellaneous Expenditure Account (to the extent not written off) in the books of the Resulting Company, and Goodwill Account and/or Miscellaneous Expenditure Account (to the extent not written off), if any, shall be set off or adjusted against the General Reserve Account in the books of the Resulting Company.

(c) Further, in case of any difference in accounting policy between the Demerged Company and the Resulting Company, the impact of the same till the scheme becomes effective shall be quantified and adjusted in the General Reserve or Goodwill Account as mentioned earlier to ensure that the financial statement of the Resulting Company reflects the financial position on the basis of consistency in the accounting policy.

7.3 Notwithstanding the above, the Board of Directors of the Demerged Company/ Resulting Company, in consultation with its Auditors, and in accordance with the Generally Accepted Accounting Principles(GAAP) and in compliance with the applicable Accounting Standards, is authorized to account any of the balances in any manner whatsoever as may be deemed fit.

8. Employees

(a) Upon the coming into effect of this Scheme, all permanent employees of the Demerged Company referred to in sub – clause (d) below engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Effective Date shall become the employees of the Resulting Company, and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company and without any interruptions of or break in service as a result of the transfer of the Demerged Undertaking.

(b) In so far as the existing provident fund, gratuity fund and pension and / or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the employees of the Demerged Undertaking referred to in sub-clause (d) below are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees of the Demerged Undertaking being transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

(c) In so far as the existing provident fund, gratuity and pension and / or superannuation fund, trusts created by the Demerged Company for the employees of the Remaining Undertaking are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held for the benefit of the employees of the Remaining Undertaking.

(d) The Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees engaged in the Demerged Undertaking, the past services of such employees with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable. The Resulting Company shall continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Demerged Company in relating to the Demerged Undertaking.

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

12. There is no proceeding pending under Section 235 to 251 of the Companies Act, 1956 against the Transferor Company or the Transferee Company.

13. The Scheme, inter-alia, do not envisage issuance of shares to the shareholders of the Transferor Company and therefore separate resolution by the Transferee Company under Section 81(1A) of the Companies Act,1956 is not required to be passed.

14. The Scheme would not be prejudicial to the interest of the creditors (secured and unsecured) of the Transferor Company. The latest audited accounts for the year ended 31st March,2011 of the Transferor Company indicate that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of Transferor Company 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 & Demerger will not cast any additional burden on the shareholders or creditors of Transferor Company nor will it affect the interest of any of its Shareholders or Creditors.

15. The Scheme, inter-alia, do not envisage issuance of shares to the shareholders of the Transferor Company and the consideration is to be paid by the Transferee Company to the Transferor Company in Cash. Hence, the Pre and Post Arrangement Capital Structure and Shareholding Pattern of the Transferor and Transferee Company would remain same. However, pursuant to the provisions of the Listing Agreement with the Stock Exchanges, the pre arrangement capital structure and shareholding pattern of the Transferor Company are given herein below :

(i) Pre Arrangement, capital structure of the Transferor Company i.e. GNFC is given herein below :

Capital Structure	Transferor Company / GNFC
Authorised	**Rs.250,00,00,000/-** consisting of 25,00,00,000 Equity Shares of Rs.10/- each
Issued, Subscribed & Paid-up :	**Rs.155,41,87,830/-** consisting of 15,54,18,783 Equity Shares of Rs.10/- each

(ii) The shareholding pattern of the Transferor Company i.e. GNFC as on 31.03.2011 was as follows :

	CATEGORY	Shares held	% of total shareholding
A.	PROMOTER'S HOLDING		
1	Promoters		
	- Indian		
	Bodies Corporate #	6,40,06,713	41.18
	- Foreign Promoters	NIL	NIL
	Sub Total (A1)	**6,40,06,713**	**41.18**
B.	NON-PROMOTER'S HOLDING		
2	Institutional Investors		
	a. Mutual Funds & UTI	1,35,07,251	8.69
	b. Banks, FIs, Insurance Companies, (Central/State Govt. Institutions/ Non-Govt. Institutions)	2,55,00,904	16.41
	c. Foreign Institutional Investors	91,05,196	5.86
	Sub Total (B2)	**4,81,13,351**	**30.96**
3	Others		
	a. Private Corporate Bodies	37,38,771	2.40
	b. Indian Public	3,59,89,416	23.16
	c. NRIs / OCBs	35,70,532	2.30
	Sub Total(B3)	**4,32,98,719**	**27.86**
	GRAND TOTAL (A1+B2+B3)	**15,54,18,783**	**100.00**

Includes shares held by Directors of the company jointly with Gujarat State Investments Limited (GSIL), one of the Promoters of the Company as the Qualification shares, as also shares held by GSIL in physical form under different Regd. Folio Nos.

16. No Director is common on the Board of the Transferor Company and the Transferee Company.

17. The Directors of the Transferor Company and the Transferee 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 Transferor Company or the Transferee Company. None of the Directors of the Transferor Company and/or the Transferee Company have any material interest in the Scheme except as shareholders to the extent, which will appear from the Register of Directors' Shareholding maintained by the Transferor Company and the Transferee Company. The shares held by the Directors of the Transferor Company and the Transferee Company, either individually or jointly are as follows :

(i) **DIRECTORS OF GNFC: SHAREHOLDING IN GNFC & ISL**

Sr. No.	Name of the Director	Shares held in GNFC	Shares held in ISL
1.	Shri A K Joti, IAS, Chairman	NIL	NIL
2.	Shri MM Srivastava, IAS	500*	NIL
3.	Shri DJ Pandian, IAS	NIL	NIL
4.	Shri RK Tripathy, IAS	500*	NIL
5.	Shri GC Murmu, IAS	500*	NIL
6.	Dr. TT Ram Mohan	500*	NIL
7.	Shri D C Anjaria	500*	NIL
8.	Dr. Ashok Shah	575*	NIL
9.	Shri HV Patel, IAS, Managing Director	500*	NIL

* Include 500 shares held jointly with Gujarat State Investments Ltd. as qualification Shares.

(ii) **DIRECTORS OF ISL: SHAREHOLDING IN ISL & GNFC**

Sr. No.	Name of the Director	Shares held in ISL	Shares held in GNFC
1.	Ajitbhai Champaklal Mehta	01	NIL
2.	Malav Ajitbhai Mehta	01	NIL
3.	Jayshree Ajitbhai Mehta	01	NIL

18. **THE DETAILS OF NAMES & PROFILE OF THE PROMOTERS AND DIRECTORS OF THE TRANSFEREE COMPANY/ISL**
Promoters : Infinium India Ltd., Ahmedabad.
Directors of Transferee Company / ISL :

Sr. No.	Name of Director	Age (Yrs.)	Educational Qualification	Experience & Expertise
1.	Shri Ajit C. Mehta	62	Commerce Graduate	42 Years Successful Businessman Since last 40 years.
2.	Shri Malav A. Mehta	38	Masters in Engineering	14 Years Satellite Communication
3.	Smt. Jayshreeben A. Mehta	59	Master of Science	25 Years Scientist & 12 Years Business

19. In case a body corporate which is a Member / Creditor of the Transferor Company authorizes any person to act as its representative at this Meeting of the Members / Creditors, a copy of the resolution of the Board of Directors or other Governing Body of such body corporate authorizing such person to act as its representative at the Meeting and certified to be a true copy by a Director, the Manager, the Secretary or authorized officer of such body corporate shall be lodged with the Transferor Company at its Registered Office not later than 48 hours before the Meeting.

20. The following documents will remain open for inspection at the Registered Office of the Transferor Company i.e. GNFC and the Transferee Company i.e. ISL on any working day between 9.30 AM to 11.30 AM prior o the date of the meeting.

(a) Certified Copy of the Order dated 11.07.2011 of the Hon'ble High Court of Gujarat at Ahmedabad passed in Company Application No. 362 of 2011 directing the convening of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company i.e. GNFC.

(b) Copy of the Scheme of Arrangement & De-merger.

(c) Memorandum & Articles of Association of the Transferor Company viz. GNFC and the Transferee Company viz. ISL.

(d) Audited Accounts of the Transferor Company viz. GNFC and of the Transferee Company viz. ISL for the three previous financial years ended 31-3-2009, 31-3-2010 and 31-3-2011.

(e) Valuation Report.

(f) Register of Directors' Shareholding of the Transferor Company viz. GNFC and copy of Register of Directors' Shareholding of the Transferee Company viz. ISL.

(g) Copies of the letters dated 11.1.2011 and 7.1.2011 received from Bombay Stock Exchange Limited and National Stock Exchange of India Limited respectively.

Sd/-
D. C. Anjaria
Chairman appointed for the Meeting

Dated this 13th day of July, 2011
Registered Office:
P.O. Narmadanagar-392 015
Dist. Bharuch, Gujarat

SUMMARY OF AUDITED FINANCIAL STATEMENTS OF GUJARAT NARMADA VALLEY FERTILIZERS CO. LTD. (G.N.F.C.) AND ING SATCOM LIMITED (ISL) FOR THE LAST 3 YEARS

Annexure-A

(Rs. in Lacs)

	G.N.F.C.			I.S.L		
Balance Sheet (As at)	**31-3-2009**	**31-3-2010**	**31-3-2011**	**31-3-2009**	**31-3-2010**	**31-3-2011**
Particulars						
Sources of Funds						
Shareholder's Funds						
Share Capital	15543.74	15541.88	15541.88	05.00	05.00	05.00
Reserve and Surplus	185867.88	192363.00	213145.37	NIL	NIL	NIL
Loan Funds						
Secured Loans	10284.95	29000.53	92089.34	NIL	NIL	NIL
Unsecured Loans	25305.00	26505.00	21864.04	NIL	NIL	300.19
Deferred Tax	23455.53	23047.23	21081.36	NIL	NIL	NIL
Total	**260457.10**	**286457.64**	**363721.99**	05.00	05.00	305.19
Application of Funds						
Fixed Assets	164915.93	219915.46	281961.85	NIL	NIL	NIL
Investments	8839.06	8951.46	8662.78	NIL	NIL	NIL
Net Current Assets	86702.11	57590.72	73097.36	04.06	04.01	303.98
Miscellaneous Exp. not written off	NIL	NIL	NIL	00.94	00.99	001.21
Total	**260457.10**	**286457.64**	**363721.99**	05.00	05.00	305.19

Profit & Loss Account	G.N.F.C.			I.S.L.		
(for the Year ended)	**31.3.2009**	**31.3.2010**	**31.3.2011**	**31.3.2009**	**31.3.2010**	**31.3.2011**
Particulars						
Income						
Sales (Net)	292005.61	261444.63	284589.30	NIL	NIL	NIL
Other Income	6534.06	8628.26	14356.43	NIL	NIL	NIL
Expenditure						
Purchase of Finished Products	30641.17	6264.59	4549.58	NIL	NIL	NIL
Manufacturing Expenses	181360.00	177580.75	209166.75	NIL	NIL	NIL
(Increase) / Decrease in stock of finished goods and stock in process	(363.18)	9719.75	(3957.29)	NIL	NIL	NIL
Marketing, Administration and other expenses	14544.48	20606.90	13359.82	0.05	0.05	0.21
Payments to and Provisions for Employees	22131.15	19682.71	23562.63	NIL	NIL	NIL
Interest	2692.18	2338.20	1839.10	NIL	NIL	NIL
Depreciation / Amortization	11972.57	11695.92	12111.23	NIL	NIL	NIL
R&D Expenses	190.85	195.39	172.96	NIL	NIL	NIL
Profit Before Tax	**35370.45**	**21988.68**	**38140.95**	**(0.05)**	**(0.05)**	**(0.21)**
Provision for Current Tax	10527.66	10013.24	13453.50	NIL	NIL	NIL
Provision for Deferred Tax	1859.06	(408.30)	(1965.87)	NIL	NIL	NIL
Provision for FBT	232.00	0.00	0.00	NIL	NIL	NIL
Net Profit / (Loss)	**22751.73**	**12383.74**	**26653.32**	**(0.05)**	**(0.05)**	**(0.21)**

Note : Previous years' figures have been regrouped wherever necessary to conform to the figures of year 2010-11.

SCHEME OF ARRANGEMENT AND DE-MERGER

BETWEEN

Gujarat Narmada Valley Fertilizers Company Limited

Demerged Company / Transferor Company

AND

ING Satcom Limited

Resulting Company / Transferee Company

PREAMBLE AND RATIONALE FOR THE SCHEME

A. Description of Companies

I. Gujarat Narmada Valley Fertilizers Company Limited :

Gujarat Narmada Valley Fertilizers Company Limited ('GNFC' or 'Transferor Company'), a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at: P.O. Narmadanagar – 392 015, District: Bharuch, Gujarat, is currently engaged in the business, inter alia, of manufacturing and marketing of fertilizers and chemicals and providing of information technology related services including a separate Division / Undertaking, for running V-SAT / ISP Gateway Business. GNFC acquired and installed then prevailing State of the Art Technology machines and equipments and employed highly qualified man power for the said V-SAT / ISP Gateway Undertaking.

II. ING Satcom Limited:

ING Satcom Limited ('INGSL' or 'Transferee Company') is a Company incorporated under the Companies Act, 1956, having its Registered Office at: 9th Floor, Shitiratna Building, Panchvati, Off. C.G. Road, Ahmedabad–380006. District Ahmedabad, Gujarat. INGSL is engaged in the business, inter alia, of all or any of the infrastructure or IT related activities including but not limited to communication services, V-SAT services via satellite systems, software services related activities in all areas such as internet Gateways, Internet Services Providers (ISP) etc.

B. Purpose of the Scheme:

The present Scheme of Arrangement and Demerger (hereinafter referred to as 'Scheme') provides for transfer and vesting of V-SAT/ ISP Gateway Division / Undertaking of the Transferor Company to the Transferee Company on a going concern basis, pursuant to the provisions of Sections 391-394 and other applicable provisions of the Companies Act, 1956 and its Rules and Regulations.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

Rationale of the Scheme

(i) With the end and intent of realigning and re-organizing the business operations undertaken by the Demerged Company, it is proposed to transfer and vest the Demerged Undertaking (as defined hereinafter), as a going concern, in the Resulting Company through the present Scheme of Arrangement and De-merger, resulting in the residual Company carrying on the remaining undertaking as defined in paragraph no.1.8 hereinafter.

(v) The transfer and vesting of the Demerged Undertaking in the Resulting Company shall be in the larger interest of both the Companies, their shareholders, creditors and employees and the public in general. The restructuring would also result in enhancement of shareholder value, enable growth opportunities for both Companies by focusing in their core area of operations and attract capital/strategy investments.

(vi) The transfer and vesting of the Demerged Undertaking (as defined hereinafter) into the Resulting Company will contribute to enhance competitiveness for the Resulting Company, thereby increasing its ability to compete in domestic and international markets. The demerger will also provide scope for independent collaborations and expansion of the businesses of the Demerged Company and the Resulting Company respectively thereby contributing to better economic value creation for shareholders of the Demerged Company and the Resulting Company.

(vii) The Board of Directors of the Demerged Company is of the opinion that the demerger would benefit the shareholders, employees, creditors and the stakeholders of the Demerged Company, in as much as the business through the 'Demerged Undertaking' is resulting into revenue loss to the Demerged Company / GNFC. By hiving off the said Demerged Undertaking and vesting thereof in the Resulting Company, the Demerged Company would be able to concentrate on its Core Business Activities and reduce costs and thereby benefit its shareholders.

(viii) The demerger of the Demerged Undertaking under the provisions of this Scheme of Arrangement will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956 and shall take place with effect from the Appointed Date.

C. Parts of the Scheme

This Scheme of Arrangement is divided into the following parts:

(a) PART I which deals with the definitions and share capital of the Demerged Company and the Resulting Company;

(b) PART II which deals with the demerger, transfer and vesting of the Demerged Undertaking to the Resulting Company/Transferee Company;

(c) PART III which deals with the Remaining Undertaking (as defined hereinafter) of the Demerged Company;

(d) PART IV which deals with accounting treatment for the Demerged Undertaking in the books of the Demerged Company and the Resulting Company;

(e) PART V which deals with general terms and conditions applicable to this Scheme of Arrangement and De-merger.

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 following meaning:

1.1 **"Act"** means the Companies Act, 1956, and includes any statutory re-enactment or modification thereof, or amendment thereto, from time to time;

1.2 **"Appointed Date"** means 1st April,2010;

1.3 **"Court"** or **"High Court"** means the Hon'ble High Court of Gujarat at Ahmedabad and shall include the National Company Law Tribunal, if applicable;

1.4 **'Demerged Company'** or **"Transferor Company"** or **"GNFC"** means Gujarat Narmada Valley Fertilizers Co. Ltd., a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at P.O. Narmadanagar – 392 015, District: Bharuch, Gujarat.

1.5 **"Demerged Undertaking"** means only the Undertaking / Division of V-SAT / ISP Gateway Business of the Demerged Company comprising of:

a) All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the V-SAT / ISP Gateway Business of the Demerged Company.

b) Without prejudice to the generality of the provisions of Clause 1.5.a) above, the assets of the V-SAT / ISP Gateway Business shall include all assets, properties, current assets, reserves, provisions, funds, rights, benefits and claims belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company in connection with or pertaining or relatable only to the V-SAT / ISP Gateway Business.

c) All deposits, advantages, loans made by the Demerged Company including but not limited to loans already made to the Resulting Company, receivables, funds, cash, bank balances, accounts and all earnest money and/or deposits including security deposits paid by the Demerged Company in connection with or relating to only the V-SAT / ISP Gateway Business.

d) All necessary records, files, papers, documents, share certificates, demat account along with the securities held by the Demerged Company and lying to the credit of the Demerged Company and other records whether in physical or electronic form in connection with or relating to only the V-SAT / ISP Gateway Business of the Demerged Company.

e) Without prejudice to the generality of the foregoing, it is clarified that all consents, permissions, approvals, authorizations, permits, licenses including in particular the license for V-SAT / ISP Gateway Business, certificates, granted by any authorities relating to V-SAT / ISP Gateway Business of the Demerged Company and issued to or executed in favour of the Demerged Company including but not limited to those described in schedule "I" annexed to this scheme shall stand transferred to the Resulting Company as if the same were originally granted or issued to or executed in favour of the Resulting Company. Without prejudice to the generality of the above, all incentives and benefits pertaining to the V-SAT / ISP Gateway Business including income tax, and any other direct or indirect taxes, benefits for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company.

f) Liabilities as defined in Clause 4.3.

g) All permanent employees of the Demerged Company employed in the V-SAT / ISP Gateway Business, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the V-SAT / ISP Gateway Business or whether it arises out of the activities or operations of the V-SAT / ISP Gateway Business shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company or through their respective delegate.

1.6 **"Effective Date"** means the last of the dates on which the conditions and matters referred to in Clause 17 of this Scheme occur or have been fulfilled or waived and the Order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the Demerged Company and the Resulting Company. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;

1.7 **"Governmental Authority"** means any applicable central, state or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India;

1.8 **"Remaining Undertaking"** or **'Residual Company'** is the term used to refer to and means all the undertakings, businesses, activities and operations of the Demerged Company as would remain with it including land, building etc., which are not agreed to be transferred / vested in the Resulting Company immediately after the transfer and vesting of Demerged undertaking in the Resulting Company.

1.9 **"Resulting Company"** or **"INGSL"** or **'Transferee Company'** means ING Satcom Limited, a Company incorporated under the Companies Act, 1956, having its registered office at 9th Floor, Shitiratna Building, Panchwati, Off. C.G. Road, Ahmedabad – 380 006, District: Ahmedabad, Gujarat, India.

1.10 **"Schedules"** means the schedules to this Scheme;

1.11 **"Scheme"** or **"Scheme of Arrangement and De-merger"** means this Scheme of Arrangement and De-merger including any modification or amendment hereto.

All terms and words not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning therefore, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, Depository Act, 1996 and other applicable laws, Rules, Regulations, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. Date of Taking Effect and Operative Date

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

3. Share Capital:

3.1 **Demerged Company**

The share capital structure of the Demerged Company as on 1st April , 2010 is as under:

Authorized	**Rupees**
Comprising 25,00,00,000 Equity shares of Rs.10/- each	250,00,00,000/-
Issued, Subscribed and Paid-up	
Comprising 15,54,18,783 Equity Shares of Rs.10/- each Fully Paid-up.	155,41,87,830/-

The equity shares of the Demerged Company are listed on the stock exchanges, i.e. at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

3.2 **Resulting Company:**

The share capital structure of the Resulting Company as on 1st April, 2010 is as under:

Authorized	**Rupees**
Comprising 50,000 equity shares of Rs.10/- each	5,00,000
Issued, Subscribed and Paid-up	
Comprising 50,000 equity shares of Rs.10/- each fully paid up	5,00,000

The Equity shares of the Resulting Company are not listed on any Stock Exchange.

PART II

DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING TO THE RESULTING COMPANY/TRANSFEREE COMPANY

4. Transfer of Demerged Undertaking

4.1 Transfer of assets:

(a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest, permissions, licences and authorities (including accretions and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, deed, matter or thing be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, permissions, licences, authorities and liabilities comprised in the Demerged Undertaking immediately before the demerger as specified in this Scheme shall become the properties, assets, rights, claims title, interest, permissions, licenses, authorities and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme. The assets as expressly listed in Schedule II and liabilities of De-merged Undertaking shall be transferred to the Resulting Company.

(b) All assets or investments, right, title, interest, permissions or licences acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however, that no onerous asset shall have been acquired by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company.

4.2 Contracts, deeds, etc.

(a) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature comprised in the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto or there under.

(b) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting 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, take such actions and execute such deeds

(including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to the above on the part of the Demerged Company to be carried out or performed.

(c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company in which the Demerged Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

(d) It is clarified that if any assets (estate, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.

4.3 Transfer of liabilities

4.3.1 (a) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, liabilities and obligations incurred, and duties and obligations of any kind nature and description (including contingent liabilities) of the Demerged Company (as on the Appointed Date) and relating to the Demerged Undertaking, shall, without any further act or deed, be demerged from the Demerged Company and be and stand transferred to and be deemed to be transferred to the Resulting Company, to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

(b) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred,, and duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged 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 Resulting Company.

(c) All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of any Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting 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 and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans raised and used, liabilities and obligations incurred, dues and obligations shall have been assumed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company.

4.3.2 (a) The demerger and the transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company under Clause 4.1 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

(b) The existing securities, mortgages, charges, encumbrances or liens (the “Encumbrances”) or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company. Provided however that no Encumbrances shall have been created by the Demerged Company in relation to any Demerged Undertaking after the Appointed Date without prior written consent of the Resulting Company.

(c) In so far as any Encumbrances over the assets comprised in the Demerged Undertaking are security for liabilities of the Remaining Undertaking retained with the Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

[d] The Demerged Company has, in the course of its operations for Demerged Undertaking viz.. Division of V-SAT/ISP Gateway Business, given Bank Guarantees from time to time for compliance of its obligations under the License Agreements entered into with Ministry of Communications and Information Technology, Department of Telecommunication, Govt. of India, New Delhi. On the Scheme becoming effective, the Resulting Company, shall arrange to replace those Bank Guarantees issued by the Demerged Company.

(e) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies, Gujarat, to give formal effect to the above provisions, if required.

(f) Upon the coming into effect of this Scheme (i) the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities which have been specifically transferred to it in terms of the Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities, and the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time, against the Demerged Company in respect of the liabilities which have been specifically transferred to the Resulting Company; and (ii) the Demerged Company alone shall be liable to perform all obligations in respect of the liabilities, duties and obligations which have not been specifically transferred to the Resulting Company in terms of the Scheme, and the Resulting Company shall not have any obligations in respect of such liabilities, duties and obligations and the Demerged Company shall indemnify the Resulting Company in relation to any claim, loss or damage at any time, against or incurred by the Resulting Company in respect of the liabilities, duties and obligations which have not been specifically transferred to the Resulting Company.

(g) It is expressly provided that, save as mentioned in this Clause 4.3.2, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(h) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4.3.2 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deed, or writings shall stand modified and / or superseded by the foregoing provisions.

4.3.3 Except for the transfer and vesting of the Demerged Undertaking as provided in this Scheme, no other assets, properties, rights, entitlements, liabilities or obligations shall be transferred by the Demerged Company to the Resulting Company under this Scheme of Arrangement and De-merger.

5. Transfer at Book Values

Stock in trade appearing in the books of accounts of Demerged Company of the Demerged Undertaking on the appointed date and corresponding unsecured loan of equal amount shall be transferred to the Resulting Company at the values appearing in the books of the Demerged Company.

6. Consideration:

Upon the Scheme becoming effective and in consideration of the transfer and vesting of the 'Demerged Undertaking' of the Demerged Company into the 'Resulting Company', the Resulting Company shall make payment of Rs.6,00,00,000/- (Rupees six crores only), out of which an amount of Rs.3,00,00,000/- (Rupees three crores only) has already been received by the Demerged Company as a part payment towards the consideration. The balance consideration shall be paid by the Resulting Company to the Demerged Company immediately and in any case not later than two days upon the Scheme being sanctioned by the Court.

7. Conduct of Business

7.1 With effect from the Appointed Date and up to and including the Effective Date:

(a) The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company; and

(b) All income, expenditure including management costs, profits relating to the Demerged Undertaking accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it shall, for all purposes, be treated as the income, expenditures, profits, taxes and losses, as the case may be, of the Resulting Company.

7.2 (i) With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business of the Demerged Undertaking, carried on by the Demerged Company.

(ii) The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

8. Employees

(a) Upon the coming into effect of this Scheme, all permanent employees of the Demerged Company referred to in sub – clause (d) below engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Effective Date shall become the employees of the Resulting Company, and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company and without any interruptions of or break in service as a result of the transfer of the Demerged Undertaking.

(b) In so far as the existing provident fund, gratuity fund and pension and / or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the employees of the Demerged Undertaking referred to in sub- clause (d) below are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees of the Demerged Undertaking being transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its

own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

(c) In so far as the existing provident fund, gratuity and pension and / or superannuation fund, trusts created by the Demerged Company for the employees of the Remaining Undertaking are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held for the benefit of the employees of the Remaining Undertaking.

(d) The Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees engaged in the Demerged Undertaking, the past services of such employees with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable. The Resulting Company shall continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Demerged Company in relating to the Demerged Undertaking.

9. Saving of Concluded Transactions

The Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking under Clause 4 of this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that subject to Clause 6.2 of this Scheme, the Resulting Company accepts all acts, deeds and things done and executed by and / or on behalf of the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company in terms of this Scheme of Arrangement and De-merger as acts, deeds and things made done and executed by and on behalf of the Resulting Company.

PART III

REMAINING UNDERTAKING

10. Remaining Undertaking to continue with Demerged Company

10.1 The Remaining Undertaking and all the assets, debts, liabilities, loans raised and used, liabilities and obligations incurred, duties or obligations of any kind or nature description pertaining to the Remaining Undertaking shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to Clause 4.3.2 of this Scheme in relation to Encumbrances in favour of banks, financial institutions.

10.2 (a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking.

(b) If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

10.3 With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

(c) All assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART IV

ACCOUNTING TREATMENT FOR DEMERGED UNDERTAKING IN THE BOOKS OF DEMERGED COMPANY AND RESULTING COMPANY

11. No Change in the Share Capital of the Demerged Company

In view of the demerger and other related provisions of the Scheme, and upon coming into effect of this Scheme, the Share Capital of the Demerged Company shall remain unchanged; and there would not be any addition or deletion in the Share Capital of the Demerged Company.

12. Accounting Treatment

Accounting by the Demerged Company and the Resulting Company in respect of assets and liabilities

12.1 In the books of the Demerged Company

On the scheme becoming effective, and upon receipt of compensation of Rs. 6,00,00,000/- by the Demerged Company, the Demerged Company shall write off the entire value of its investment in Assets & Liabilities of the V-SAT / ISP Gateway Business of the Demerged Company as proposed in the scheme and considering the nature and characteristics of transaction i.e. vesting of assets and liabilities under scheme of reconstruction / rearrangement u/s 391 to 394 of the Companies Act, 1956 under a scheme approved by the Hon'ble High Court, the difference between the compensation received by the demerged company and the net value of book balance of assets and liabilities vested in the resulting company, is on account of capital and therefore such difference shall be adjusted against capital reserve account.

12.2 In the books of the Resulting Company

On the Scheme becoming effective, the Resulting Company shall provide for the following accounting treatment in its books of accounts.

(a) All the assets of the V-SAT / ISP Gateway Business recorded in the books of Demerged Company shall be recorded by the Resulting Company at their respective book value as appearing in the books of the Demerged Company on the Appointed Date. All liabilities of the V-SAT / ISP Gateway Business recorded in the books of Demerged Company shall upon becoming the liabilities of the Resulting Company be recorded by the Resulting Company at their respective book value as appearing in the books of the Demerged Company on the Appointed Date. Difference, if any, between the net assets value as per the above prescribed method and compensation paid to the Demerged Company, will be treated as Goodwill/ Capital Reserve in the books of the resulting Company.

(b) General Reserve Account, if any, of the De-merged Undertaking shall be set off or adjusted against the Goodwill and/or Miscellaneous Expenditure Account (to the extent not written off) in the books of the Resulting Company, and Goodwill Account and/or Miscellaneous Expenditure Account (to the extent not written off), if any, shall be set off or adjusted against the General Reserve Account in the books of the Resulting Company.

(c) Further, in case of any difference in accounting policy between the Demerged Company and the Resulting Company, the impact of the same till the scheme becomes effective shall be quantified and adjusted in the General Reserve or Goodwill Account as mentioned earlier to ensure that the financial statement of the Resulting Company reflects the financial position on the basis of consistency in the accounting policy.

12.3 Notwithstanding the above, the Board of Directors of the Demerged Company/ Resulting Company, in consultation with its Auditors, and in accordance with the Generally Accepted Accounting Principles(GAAP) and in compliance with the applicable Accounting Standards, is authorized to account any of the balances in any manner whatsoever as may be deemed fit.

PART V

GENERAL TERMS AND CONDITIONS

13. Dividends

(a) The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

(b) The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

(c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/ or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the Resulting Company and subject to the approval of the shareholders of the Demerged Company and the Resulting Company respectively.

14. Approvals

The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government or any State Government and all other agencies, departments and authorities concerned as may be necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged Undertaking.

15. Filing of Applications

The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make and file all necessary applications and petitions before Hon'ble High Court of Gujarat for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Act and each of them shall apply for all necessary approvals as may be required under law.

16. Modification of Scheme

(a) The Demerged Company and the Resulting Company by their respective Boards of Directors or any committee thereof or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to their Scheme which the High Court(s) or any authorities under law may consider necessary for the proper working of the Scheme or which may be required for the purpose of resolving any doubts or difficulties which may arise or carrying out this Scheme and which the Demerged Company and the Resulting Company may in their discretion accept and the Demerged Company and the Resulting Company by their respective Boards of Directors or Delegate are hereby authorized to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive, any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by the High Court or any authorities, which the Demerged Company or the Resulting Company find unacceptable for any reason, then Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by the Delegate of the respective Companies.

(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Demerged Company and the Resulting Companies may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).

17. Conditional Upon

17.1 This Scheme is conditional upon and subject to:

(a) this Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable)of the Demerged Company and the Resulting Company and the requisite orders of the High Court referred to in Clause 15 of this Scheme being obtained;

(b) The requisite sanctions and approvals including but not limited to in-principle approvals, sanctions of any Governmental Authority, as may be required by law in respect of this Scheme being obtained; and

(c) The certified copies of the orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

17.2 In the event of this Scheme failing to take effect finally by December, 2011 or such later date as may be agreed by the respective Boards of Directors of the Demerged Company and the Resulting Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

18. Date when the Scheme comes into Operation

Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

19. Indemnity

In the event of non-fulfillment of any or all obligations under this Scheme by any party towards any other party, inter-se or to third parties, the non-performance of which will place any other party under any obligation, then the defaulting party will indemnify all costs and interest to such other affected party.

20. Costs, Charges, etc.

All costs, charges, levies and expenses (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Resulting Company.

SCHEDULE – I

Particulars of Licenses issued to Demerged Company for V-SAT/ISP Gateway Business

Sr. No.	Particulars	Services
1.	License Agreement No.815-76/99-LR dated 2.6.2000.	Closed Users Group Domestic 64 KBPS Data Network Via INSAT Satellite System (Using Satellites in inclined orbit only) using VSAT.
2.	License Agreement No.820-457/2002-LR dated 18.6.2002.	For provision of Internet Service (Including Internet Telephony).

SCHEDULE - II

Particulars of Assets to be transferred to the Resulting Company by the Demerged Company :

VSAT EQUIPMENT LIST :

NO	EQUIP.DETAILS	ABBREVIATION Full details	MODEL	MAKE	SR. NO
1	GPS Antenna 1	Global Positioning System		TIW	0340002577
2	GPS Antenna 2			TIW	0340011039
3	GPS Antenna 3			TIW	0340002610
4	GPS Antenna 4			TIW	0340011033
5	9.0 Mtr. Antenna Assembly			VERTEX	00-0057
6	LNB-1 (in Antenna)	Low Noise Blockc Convertor	NJS8478E		
7	LNB-2 (in Antenna)		NJS8478E		
8	W/G Switch for LNB selection (in Antenna)	W/G: Wave Guide			735
9	W/G Switch (TWTA Back side in RF Rack)				1702
10	SCU-1 (EIU-1, DCU-1, IDU-1)	SCU: Signalling Control Unit EIU:Ethernet Interface Unit DCU: Data Control Unit IDU:Inbound Demodulator Unit		TIW	001
11	SCU-2 (EIU-1, DCU-1, IDU-1)			TIW	002
12	SCU-3 (EIU-1, DCU-1, IDU-1)			TIW	003
13	SCU-4 (EIU-1, DCU-1, IDU-1)			TIW	004
14	FEP-1 (PC)	FEP:Front End Processor	SE440BX2-ATX-PIII450	Micron	2004850-0001
15	FEP-1 (Monitor+KB+Mouse)	KB:KeyBoard	5V1X	Micron	9345V11C02354
16	FEP-2 (PC)		SE440BX2-ATX-PIII450	Micron	2004847-0001
17	FEP-2 (Monitor+KB+Mouse)		5V1X	Micron	9345V11C02379
18	FEP-3 (PC)		SE440BX2-ATX-PIII450	Micron	2273062-0001
19	FEP-3 (Monitor+KB+Mouse)		5V1X	Micron	9345V11C02441
20	FEP-4 (PC)		SE440BX2-ATX-PIII450	Micron	2004849-0001
21	FEP-4 (Monitor+KB+Mouse)		5V1X	Micron	9345V11C02468
22	FDU22 (DCU-5, EIU-1)	FDU:Flexi DAMA Unit		TIW	002/A
23	FDU11 (DCU-2, EIU-2) (with Ringing Generator)			TIW	001/A
24	FDU12 (DCU-1, EIU-5)			TIW	001/B

25	FDU21 (DCU-2, EIU-4) (with Ringing Generator)			TIW	002/B
26	FDU24 (-, EIU-3)			NSI	02-0058
27	FDU23 (-, EIU-3)			NSI	02-0056
28	FDU14 (-, EIU-6)			NSI	02-0057
29	FDU13 (-, EIU-5)			NSI	02-0053
30	FDU26 (DCU-1,)			NSI	02-0059
31	FDU16 (-, EIU-1)			NSI	02-0055
32	FDU15 (-, EIU-4)			NSI	02-0054
33	FDU25 (-, EIU-3)			NSI	02-0052
34	M & C-PC	M & C: Monitoring & Control	SE440BX2-ATX-PIII450	Micron	2004848-0001
35	ACU-PC	ACU:Antenna Control Unit	Optiplex GM575	Dell	
36	Monitor(with KB+Mouse) for ACU/M&C				
37	CPU Accss Controller Switch		Serviw+	Rose Electronics	
38	Serial Hub with PLC Unit(SIMENS SIMATIC-S7-200)	PLC: programmable logic controller	Rockt Port	COMTROL	
39	NCC-2 (PC)	NCC:Network Control Computer	SE440BX2-ATX-PIII450	Micron	2004849-0001
40	NCC-1(Monitor+KB+Mouse)			Micron	2004849-0001
41	NCC-1 (PC)		SE440BX2-ATX-PIII450	Micron	2004897-0001
42	NCC-2 (Monitor+KB+Mouse)			Micron	2004897-0001
43	Attenuation Selection Switch(FDU1)			JFW-IND.USA	283102-9948
44	Attenuation Selection Switch(FDU2)			JFW-IND.USA	287619-0006
45	Attenuation Selection Switch(SCU1&2)			JFW-IND.USA	283102-9948
46	Attenuation Selection Switch(SCR3&4)			JFW-IND.USA	287619-0006
49	E&M CARD (Faulty)				0246
51	E&M CARD				917
52	E&M CARD				1067
53	FXS Card	foreign exchange station			1063
54	EIU Card				01-0516
55	OLD EIU Card				043
56	OLD EIU Card				025
59	UPS -1 (40 KVA) with 10 Spare Card			Numeric power sys.	002291
60	UPS -2 (40 KVA)			Numeric power sys.	002290
61	40 KVA Servo Stabiliser(UPS Room).			Numeric power sys.	
62	Spectrum Analyzer[9 khz to 26.5GHz]		E4408B	AGILENT	US40240644
63	Signal Generator		8657 A	HP	3346803273
64	Actuator Power Supply			UMS	1195
65	Tektronics Ocilloscope with manuals		X 2465A DM	Tektronics	B019606
66	plotter				2517A 09095
67	Telecom Analyzer-1		5500A-5000-1	Phoenix	2623R8040-702
68	Data comm Analyzer with manuals		M5500A-5000-2	Phoenix	1657R7522-601
69	Microwave Freq Counter with manuals		5342A	HP	2034A03303
70	Power Meter -1 with manuals		436A	HP	2016A07328
71	Power Meter -2		436A	HP	2016A07449
72	Synthesizer Signal Generator		8673C	HP	2410A00117
74	VHF Attenuator	Very High Frequency	355D	HP	2522A39566
75	VHF Attenuator		355D	HP	1204A36469
76	Attenuator Assembly			HP	2350A02977
77	Attenuator			HP	1801A01641
78	VHF Attenuator		355D	HP	2522A39679
79	Power Sensor with Cable & manuals		8481B	HP	1801A10641
80	Power Sensor with Cable& manuals		8481A	HP	2349A37525
81	Power Sensor with manuals		8481A	HP	1926A29386
82	Power Sensor with manuals		8481B	HP	2235A02345
83	Power Sensor		8484A	HP	349A16706
84	Power Sensor		8484A	HP	2349A20668
86	Static cubical (in UPS Room)				
87	AC Distribution panel (in UPS Room)				
88	Empty Battery rack (in UPS Room) with Fuse/Cables.				
89	EtherFast 10/100 Auto Sensing 16-Port Hub		EFAH16	Linksys	
90	EtherFast 10/100 Auto Sensing 24-Port Hub		EFAH24	Linksys	
91	EtherFast 10/100 Auto Sensing 24-Port Hub		EFAH24	Linksys	
92	48-Port Switch			3 Com	
93	BUC-1	block up converter		MAXTEXCH	D193601
94	BUC-2			MAXTEXCH	D193602
95	TWTA-1	Traveling Wave Tube Amplifier	XTRD-750C	XICOM TEC.	4206
96	TWTA-2		XTRD-750C	XICOM TEC.	4382
97	L-Band Transceiver-1			TIW	
98	L-Band Transceiver-2			TIW	
99	Dehydrator		ADH-3Com	Envi.Tech. Inc.	308
100	Antenna Drive Control Unit Cabinet (in RF Room)			VERTEX	
1	SpectrumAnalyzer(9 Khz-1.5GHZ)		E4411 B	Agilent	#US 4024 2348
2	Oscilloscope		2465 DMS	Tektronix	B030873

IT Gateway Equipment List :

NO	EQUIP.DETAILS	ABBREVIATION Full details	MODEL	MAKE	SR. NO	P/N
1	7.2 mtr. Anntena systems		7.2 M-KXC	Vertax	99-0131	
2	LNA-1	Low Noise Amplifier		MAXTECH	D832702	LCC4H35-XX
3	LNA-2			MAXTECH	D832203	LCC4H35-XX
4	SDM-2020 Modulator -A		SDM-2020	Comtech	022097372	2020M13070
5	SDM-2020 Modulator -B		SDM-2020	Comtech	022097373	2020M13070
6	SDM-2020 Demodulator -A		SDM-2020 BroadBand	Adaptive 002066719	2020D12A70	
7	SDM-2020 Demodulator -B		SDM-2020	Adaptive BroadBand	002066720	2020D12A70
8	SMS-451E ECL switch	ECL:emitter-coupled logic	SMS-451E	EFDATA	002066759	SMS451/ DA7ECL2
9	Vertex 7134 controller		7134 AST	Vertex RSI	VC10189	800326-01
32	UB-300 Universal Breakout Panel				2064229	
41	RAD-Modem			RAD	9714630	
42	RAD-Modem			RAD	9713286	
43	RAD-Modem			RAD	0199511	
44	RAD-Modem			RAD	0090900	
49	NOKIA DC-PSA(with Two Fan in Left/Right Rack)	PSA:Power Supply Assembly	DC-PSA	NOKIA	61010316008	T30810.01…C3
51	CLASS 1 Laser Product[opti-mux]	Optical Multiplexer		NOKIA	H2010402045	T30428.01…B5
52	V.35 Cable					
53	HSSI Cable	High Speed Serial Interface				
54	opti-mux power modual		Del-595	NOKIA	541469	
55	600 Router Module (BRI-03 and E&M-01Nos.)	BRI:Basic Rate Interface, E&M: Ear & Mouth	SSR-600	Cabletron		
58	Serial Card		SSR- SERCE-04-AA	Cabletron Sys.	00050730180C	
59	Serial Card		SSR- SERCE-04-AA	Cabletron Sys.	00050765180C	
60	Serial Card		SSR-SERCE-04-AA	Cabletron Sys.	00220489180C	
61	Serial Card		SSR-SERCE-04-AA	Cabletron Sys.	00100295180C	
62	Serial Card		SSR-SERCE-04-AA	Cabletron Sys.	00051336180C	
66	V.35 Card			Ascom		
67	G-703 Card			Ascom		
69	VOIP	Voice over IP	MVP 200	Multitch	2712315	
71	Nokia Fiber DDF-rack (wall mounted)	DDF:Digital distribution frame		Nokia		
72	Atenuation Selector Switch (GW Rack Top)					
75	Ascom modem G.703			ASCOM	05000046	
76	Ascom modem V.35			ASCOM	06000051	
77	IPricot DVB receiver	Digital Video Broadcasting		iPricot	00D0B5-B401-97	
85	DVB_IP receiver		575-0100	Novra	009263	
86	SDM-8000 Modulator-A		SDM-800	EFDATA	002065756	8000B02UH0
87	SMS-301 1:1 SWITCH		SMS-301	EFDATA	002065621	S3010020
88	SDM-8000 Modulator-B		SDM-800	EFDATA	002065757	S3010020
89	7150 drive unit (Vertex RSI)					
90	TWTA-A	Traweling Wave Tube Amplifier	XTRD-400C	XICOM	5669	305-0060-101
91	TWTA-B		XTRD-400C	XICOM	5670	305-0060-101
92	1:1 CONTROLLER		XTC-110D	XICOM	5066	305-0089-011
93	TRACKING RECEIVER		TRC-14	VERTEX		
94	UP Converter -A		UT-4505	COMPTECH		
95	UP Converter -B		UT-4505	COMPTECH		
96	1:1 Redundant System Controller			MAXTECH	D818901	LAC1 C35 XXAXDX1
97	Down Converter-A		DT-4503	COMPTECH		
98	Down Converter-B		DT-4503	COMPTECH		
99	Dehydrator		ADH-3COM Technology	Envirment 0387	17479	
100	LNB -1 for iPricrot-1	Low Noise Block Convertor				
101	LNB -2 for iPricrot -2					
102	Serial Card V.35		SSR- SERCE-04-AA	Cabletron Sys.	00210764180C	
103	Serial Card V.35		SSR-SERCE-04-AA	Cabletron Sys.	00210776180C	
104	Serial Card V.35		SSR-SERCE-04-AA	Cabletron Sys.	336102090102320A	
105	Serial Card V.35		SSR-SERCE-04-AA	Cabletron Sys.	00051334180C	
106	Serial Card V.35		SSR-SERCE-04-AA	Cabletron Sys.	336102090054320A	
107	NMS PC	Network Management System	Compaq-W 6000	P201FCD2001		
108	C-DoT Monitoring PC with Dial-Up Modem	Centre for Development of Telematics				

GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LIMITED

Regd. Office : P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat.

Regd.Folio / D.P. No. & Client ID No
No. of Shares held

ATTENDANCE CARD

I/We hereby record my/our presence at the Meeting of the Equity Shareholders of the Company convened, under the direction passed by the Hon'ble High Court of Gujarat at Ahmedabad, and held on **Wednesday**, the **31st August, 2011** at **11.00 A.M.** at H.T. Parekh Convention Hall, AMA Complex, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 in the State of Gujarat.

Name of the Shareholder (In Block Letters)

Signature of the Shareholder

Name of the Proxy (In Block Letters)

Signature of the Proxy

Note : Equity shareholders attending the meeting in person or by proxy are requested to complete the slip and hand it over at the venue of the Meeting.

GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LIMITED

Regd. Office : P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 362 OF 2011

In the matter of Scheme of Arrangement and Demerger under Sections 391 to 394 of the Companies Act, 1956 ;

AND

In the matter of **Gujarat Narmada Valley Fertilizers Company Limited.,** a Company incorporated under the Companies Act, 1956 and having its Registered Office at P. O. Narmadanagar-392 015, Dist. Bharuch, Gujarat;

AND

In the matter of Scheme of Arrangement & Demerger with ING Satcom Limited and their respective members.

GUJARAT NARMADA VALLEY FERTILIZERS CO. LTD.,
a Company incorporated under the Companies Act, 1956 and having its Registered Office at P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat .....Applicant Company

FORM OF PROXY

I / We, the undersigned, Equity Shareholder(s) of the Applicant Company, holding _____ shares, hereby appoint _____ _____ and failing him / her _____ of _____ as my / our Proxy, to act for me / us at the Meeting of Equity Shareholders of the Applicant Company to be held on **Wednesday**, the **31st August, 2011** at **11.00 A.M.** at H.T. Parekh Convention Hall, AMA Complex, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 in the State of Gujarat. for the purpose of considering and, if thought fit, with or without modification(s), the arrangement embodied in the Scheme of Arrangement & De-merger (the Scheme) of Gujarat Narmada Valley Fertilizers Company Limited ("the Applicant Company" or "GNFC") with ING Satcom Limited ("the Transferee Company" or "ISL") and at such meeting and 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 later case strike out the words below after "Scheme of Arrangement & De-merger") the said Scheme of Arrangement & De-merger (either with or without modification as my Proxy may approve).

(Strike out what is not necessary)

Dated this _____ Day of _____ 2011

Folio No./DP ID (for Demat holding) _____Client ID _____ No. of shares _____

Name(s) : _____

Address : _____

Notes : 1. Proxy must be deposited at the Registered Office of the Applicant Company, not later than 48 hours (forty eight hours) before the Meeting. The Proxy need not be a Member of the Applicant Company.

2. In case of multiple Proxies, proxy later in time shall be accepted.

3. All alterations made in the Form of Proxy should be initialled.

4. In case a body corporate which is a Member of the Transferor Company authorizes any person to act as its representative at this Meeting of the Members, a copy of the resolution of the Board of Directors or other Governing Body of such body corporate authorizing such person to act as its representative at the Meeting and certified to be a true copy by a Director, the Manager, the Secretary or authorized officer of such body corporate shall be lodged with the Transferor Company at its Registered Office not later than 48 hours before the Meeting.

Affix Re.1 Revenue Stamp

Signature

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GNFC

GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LIMITED
(An ISO 14001 & OHSAS 18001 Company)

P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat.
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