bharti

July 27, 2018

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051, India

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001, India

Ref: Bharti Airtel Limited (532454 / BHARTIARTL)

Sub: Notice of Tribunal Convened Meeting of Bharti Airtel Limited

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that pursuant to an order dated June 14, 2018 of the Hon'ble Principal Bench of the National Company Law Tribunal ("Tribunal") at New Delhi, a meeting of the equity shareholders and unsecured creditors of Bharti Airtel Limited ("the Company") will be held at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi - 110034 on Tuesday, the August 28, 2018 at 10:30 A.M. and 01:30 P.M. respectively for the purpose of considering, and if thought fit, approving with or without modification, the proposed composite scheme of arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013.

The Company is also providing postal ballot/ e-voting facility to enable the shareholders to vote on the resolution proposed in the aforesaid notice of the Tribunal Convened meeting of the equity shareholders. The Company has engaged Karvy Computershare Private Limited ("Karvy") for the purpose of providing e-voting facility to all its shareholders. The e-voting facility can be availed by logging on to Karvy's e-voting website https://evoting.karvy.com.

Voting through postal ballot/ e-voting in connection with the resolution proposed in the Notice, will commence on and from 09.00 a.m. on Sunday, July 29, 2018 and will end at 05.00 p.m. on Monday, August 27, 2018. The Company is also providing facility for voting by way of polling papers at the meeting for the members attending the meeting who have not cast their vote by postal ballot or e-voting.

We are enclosing herewith the copy of the notices of the aforesaid meetings. The said notices are also available on the Company's website www.airtel.com.

Kindly take the same on record.

Thanking you,

Sincerely Yours

For Bharti Airtel Limited

BHARTI AIRTEL LIMITED NEW DELHI

Rohit Krishan Puri
Dy. Company Secretary

Encl: As above

Bharti Airtel Limited

CIN: L74899DL1995PLC070609

Registered & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070

Phone: +91-11-4666 6100 **Fax:** +91-11-4666 6137

Email: compliance.officer@bharti.in **Website:** www.airtel.com

MEETING OF THE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED

(convened vide order dated June 14, 2018 of the Hon'ble Principal Bench of the National Company Law Tribunal)

DETAILS OF THE MEETING:

Day	Tuesday
Date	August 28, 2018
Time	10:30 A.M. (Indian Standard Time)
Venue	Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034

POSTAL BALLOT AND E-VOTING:

Commencing on	Sunday, July 29, 2018 at 9:00 A.M. (Indian Standard Time)
Ending on	Monday, August 27, 2018 at 5:00 P.M. (Indian Standard Time)

DOCUMENTS ENCLOSED:

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3	Composite Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013, as filed before the Tribunal, enclosed as **ANNEXURE 1**.	27-60
4	Order dated June 14, 2018 passed by the Hon'ble Principal Bench of the Tribunal in Company Application No. CA (CAA)98/PB/2018, enclosed as **ANNEXURE 2**.	61-80
5	Share Entitlement Report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP, enclosed as **ANNEXURE 3**.	81-96
6	Fairness Opinion dated December 19, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India, enclosed as **ANNEXURE 4**.	97-100
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9	Observation Letter dated April 26, 2018 issued by the National Stock Exchange of India Limited to Bharti Airtel Limited, enclosed as **ANNEXURE 7**.	105-106
10	Observation Letter dated April 27, 2018 issued by BSE Limited to Bharti Airtel Limited, enclosed as **ANNEXURE 8**.	107-108
11	Report adopted by the board of directors of Tata Teleservices Limited pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as **ANNEXURE 9**.	109-112
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13	Report adopted by the board of directors of Bharti Hexacom Limited pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as **ANNEXURE 11**.	116-118
14	Audited financials of Tata Teleservices Limited as on March 31, 2018, enclosed as **ANNEXURE 12**.	119-131
15	Audited financials of Bharti Airtel Limited as on March 31, 2018, enclosed as **ANNEXURE 13**.	132-159
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17	Pre and post-arrangement, expected capital structure and shareholding pattern of Bharti Airtel Limited and Bharti Hexacom Limited, respectively, enclosed as **ANNEXURE 15**.	173-176
18	The applicable information of Tata Teleservices Limited in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR**"), enclosed as **ANNEXURE 16**.	177-187
19	The applicable information of Bharti Hexacom Limited in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the SEBI ICDR, enclosed as **ANNEXURE 17**.	188-197
20	Order of the Competition Commission of India dated November 16, 2017 approving the transaction contemplated in the Scheme under Section 31(1) of the Competition Act, 2002, enclosed as **ANNEXURE 18**.	198-203
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24	Postal Ballot Form with instructions and self-addressed postage pre-paid Business Reply Envelope.	Loose Leaf

BHARTI AIRTEL LIMITED

CIN: L74899DL1995PLC070609
Registered & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070
Phone: +91-11-4666 6100 **Fax**: +91-11-4666 6137
Email: compliance.officer@bharti.in **Website**: www.airtel.com

MEETING OF THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED

(convened vide order dated June 14, 2018 of the Hon'ble Principal Bench of the National Company Law Tribunal)

DETAILS OF THE MEETING:

Day	Tuesday
Date	August 28, 2018
Time	1:30 P.M. (Indian Standard Time)
Venue	Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi - 110034

DOCUMENTS ENCLOSED:

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4.	Order dated June 14, 2018 passed by the Hon'ble Principal Bench of the Tribunal in Company Application No. CA (CAA)98/PB/2018, enclosed as **ANNEXURE 2**.	60
5.	Share Entitlement Report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP, enclosed as **ANNEXURE 3**.	80
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18.	The applicable information of Tata Teleservices Limited in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR**"), enclosed as **ANNEXURE 16**.	177
19.	The applicable information of Bharti Hexacom Limited in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the SEBI ICDR, enclosed as **ANNEXURE 17**.	188
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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO. CA (CAA)-98(PB) OF 2018
(under Sections 230-232 of the Companies Act, 2013)

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN TATA TELESERVICES LIMITED, BHARTI AIRTEL LIMITED AND BHARTI HEXACOM LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

Tata Teleservices Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi – 110001

…Applicant Company 1/ Transferor Company

AND

Bharti Airtel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 2/ Transferee Company 1

AND

Bharti Hexacom Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 3/ Transferee Company 2

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED

Notice is hereby given that by an order dated the 14th day of June, 2018 ("**Order**"), the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi ("**Tribunal**"), has directed a meeting to be held of the unsecured creditors of Bharti Airtel Limited ("**Transferee Company 1**") for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of the Transferee Company 1 will be held at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbir I, New Delhi - 110034 on Tuesday, the 28th day of August, 2018 at 1:30 P.M. ("**Meeting**"), at which place, day, date and time, the said unsecured creditors of the Transferee Company 1 are requested to attend.

Copies of the said Scheme and of the statement under Section 230 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company 1 at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 and/ or from the office of its advocates, M/s. AZB & Partners at Plot No. A8, Sector 4, Noida - 201301, Uttar Pradesh.

Persons entitled to attend and vote at the Meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly completed and signed or authenticated by the concerned person, are deposited at the registered office of the Transferee Company 1 as mentioned above not later than 48 hours before the scheduled time of the Meeting. Forms of Proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company 1 and/ or from the office of its advocates as mentioned above.

The Hon'ble Tribunal has appointed Mr. Anant Palli, Advocate, as the Chairperson of the Meeting, including for any adjournment(s) thereof and failing him, Mr. Sandeep Vermani, Advocate, as the Alternate Chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Vivek Goel, Chartered Accountant, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof. The Scheme, if approved by the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("**Act**") and the provisions of the memorandum of association and the articles of association of Bharti Airtel Limited ("**Transferee Company 1**"), for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Act ("**Scheme**").

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"), the applicable rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India (to the extent applicable), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (to the extent applicable), the observation letter dated April 26, 2018 issued by the National Stock Exchange of India Limited and the observation letter dated April 27, 2018 issued by BSE Limited and subject to the provisions of the memorandum of association and the articles of association of Bharti Airtel Limited ("**Transferee Company 1**") and subject to the approval of the New Delhi Bench of the Hon'ble National Company Law Tribunal ("**Tribunal**") and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the board of directors of the Transferee Company 1 ("**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Act ("**Scheme**") as enclosed to the notice of the Tribunal convened meeting of the unsecured creditors of the Transferee Company 1 and placed before this meeting, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the preceding resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required and/ or imposed by the Tribunal while sanctioning the Scheme or by any authorities under applicable law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/ or making such adjustments in the books of accounts of the Transferee Company 1 as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

A copy of the statement under Section 230(3) of the Act read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**") ("**Explanatory Statement**"), the Scheme and other enclosures including the Form of Proxy and the Attendance Slip are enclosed and form part of the notice.

Dated this 20th day of July, 2018.

For Bharti Airtel Limited

Sd/-
Rohit Krishan Puri
(Authorized Signatory)

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
CIN: L74899DL1995PLC070609
Email: compliance.officer@bharti.in

NOTES

1. **ONLY AN UNSECURED CREDITOR OF THE TRANSFEREE COMPANY 1 IS ENTITLED TO ATTEND AND VOTE AT THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF THE TRANSFEREE COMPANY 1 ("MEETING"), EITHER IN PERSON OR BY PROXY OR THROUGH AN AUTHORIZED REPRESENTATIVE (IN CASE THE UNSECURED CREDITOR IS A BODY CORPORATE), AS THE CASE MAY BE. WHERE A BODY CORPORATE WHICH IS AN UNSECURED CREDITOR AUTHORISES ANY PERSON TO ACT AS ITS REPRESENTATIVE AT THE MEETING, A COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BODY OF SUCH BODY CORPORATE AUTHORISING 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 OTHER AUTHORISED OFFICER OF SUCH BODY CORPORATE SHALL BE LODGED WITH THE TRANSFEREE COMPANY 1 AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. **SUCH UNSECURED CREDITOR IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD AND ON BEHALF OF SUCH UNSECURED CREDITOR AND SUCH PROXY NEED NOT BE AN UNSECURED CREDITOR. PROXIES TO BE VALID AND EFFECTIVE SHOULD BE IN THE PRESCRIBED FORM OF PROXY, DULY COMPLETED AND SIGNED OR AUTHENTICATED BY THE CONCERNED PERSON AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY 1 NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
3. An unsecured creditor/ its proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed, signed or authenticated by the concerned person along with a copy of the deposited Form of Proxy (in case of a proxy).

4. An unsecured creditor (in case such unsecured creditor is an individual) or the authorized representative of the unsecured creditor (in case such unsecured creditor is a body corporate) or the proxy holder, should carry their valid and legible identity proof (i.e. a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card). Additionally, an unsecured creditor (in case such unsecured creditor is a sole proprietorship) or the proxy should carry a valid document evidencing the individual as the proprietor of the sole proprietorship.

5. The notice together with the documents accompanying the same, are being sent to all the unsecured creditors by permitted modes whose names appear in the chartered accountant's certificate certifying the list of unsecured creditors as on March 31, 2018 as had been filed with the Hon'ble Tribunal in Company Application No. CA (CAA)-98(PB)/2018. Such unsecured creditors shall be entitled to vote at the Meeting. The notice together with the documents accompanying the same, will be displayed on the website of the Transferee Company 1 at www.airtel.com, besides being communicated to the stock exchanges where the equity shares of the Transferee Company 1 are listed, namely, the National Stock Exchange of India Limited and BSE Limited (collectively, the "**Stock Exchanges**").

6. In terms of the directions contained in the order dated June 14, 2018 ("**Order**"), the quorum for the Meeting shall be 50 unsecured creditors. Further, in case the aforesaid quorum for the Meeting is not present, then the Meeting shall be adjourned by 30 minutes and thereafter, the unsecured creditors present and voting shall be deemed to constitute the quorum. For the purposes of computing the quorum, the valid proxies shall also be considered.

7. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered as approved by the unsecured creditors if the resolution mentioned above in the notice has been approved at the Meeting by a majority of persons representing three-fourths in value of the unsecured debt of the unsecured creditors, voting in person or by proxy at the Meeting.

8. In terms of the directions contained in the Order, the advertisement of the Meeting will be published in the "*Indian Express*" (Delhi edition, in English) and "*Jansatta*" (Delhi edition, in Hindi) indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement and the Form of Proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company 1 and/ or from the office of its advocates, M/s. AZB & Partners at Plot No. A8, Sector 4, Noida - 201301, Uttar Pradesh.

9. It may be noted that the voting facility through ballot/ polling paper will be provided at the Meeting venue.

10. The scrutinizer will submit his report to the chairperson and/ or the alternate chairperson (as the case may be) after completion of the scrutiny of the ballot/ polling papers submitted by the unsecured creditors at the Meeting during the voting process. The scrutinizer's decision on the validity of the vote shall be final. The results along with the report of the scrutinizer shall be displayed at the registered office of the Transferee Company 1 at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070 and its website at www.airtel.com, besides being communicated to the Stock Exchanges.

11. All documents referred to in the notice and the accompanying Explanatory Statement will be available for inspection by the unsecured creditors at the registered office of the Transferee Company 1 on all days, except Saturday, Sunday and public holidays, between 11:00 A.M. and 1:00 P.M. upto the date of the Meeting.

12. Any queries/grievances in relation to notice may be addressed to the company secretary of the Transferee Company 1 through e-mail at compliance.officer@bharti.in. The company secretary of the Transferee Company 1 can also be contacted at 011-46666100.

Enclosures: As above

STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED

1. This statement is being furnished pursuant to Section 230(3) of the Companies Act, 2013 ("**Act**") and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**"Rules"**) ("**Explanatory Statement**").

2. Pursuant to the order dated June 14, 2018, passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi ("**Tribunal**") in Company Application No. CA (CAA)-98(PB)/2018 ("**Order**"), a meeting of the unsecured creditors of Bharti Airtel Limited ("**Transferee Company 1**" or "**BAL**") is being convened at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034 on Tuesday, the 28th day of August, 2018 at 1:30 P.M. ("**Meeting**") for the purpose of considering and, if thought fit, approving with or without modification(s), the composite scheme of arrangement between Tata Teleservices Limited ("**Transferor Company**" or "**TTSL**"), the Transferee Company 1 and Bharti Hexacom Limited ("**Transferee Company 2**" or "**BHL**") (collectively referred to as "**Companies**") and their respective shareholders and creditors under Sections 230 to 232 of the Act ("**Scheme**"). The Scheme as filed before the Tribunal is enclosed as **ANNEXURE 1**. Please refer to paragraphs 49 and 51 of this Explanatory Statement for the rationale and salient features of the Scheme.

3. The proposed Scheme was placed before the Audit & Risk Management Committee of the Transferee Company 1, now reconstituted as Audit Committee ("**BAL Audit Committee**"), at its meeting held on December 19, 2017. On the basis of its evaluation and independent judgment and consideration of the share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP ("**Share Entitlement Report**") and the fairness opinion dated December 19, 2017 issued to the Transferee Company 1 by RBSA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India ("**SEBI**"), the BAL Audit Committee approved and recommended the Scheme to the board of directors ("**Board**") of the Transferee Company 1.

4. The Board of the Transferee Company 1, based on the independent recommendation of the BAL Audit Committee, approved the Scheme *vide* resolution dated December 19, 2017. The following directors voted on the resolution passed by the Board of the Transferee Company 1 on December 19, 2017: (i) Mr. Sunil Bharti Mittal; (ii) Mr. D.K. Mittal; (iii) Mr. Rakesh Bharti Mittal; and (iv) Mr. V.K. Viswanathan.

5. The Board of the Transferee Company 2 approved the Scheme *vide* resolution dated December 26, 2017. The following directors voted on the resolution passed by the Board of the Transferee Company 2 on December 26, 2017: (i) Mr. Devendra Khanna; (ii) Mr. Ravi Kumar Kaushal; (iii) Mr. Mukesh Bhavnani; and (iv) Mr. Narendra Jain.

6. The Board of the Transferor Company approved the Scheme *vide* resolution passed on December 19, 2017. The following directors voted on the resolution passed by the Board of the Transferor Company on December 19, 2017: (i) Dr. Gopichand Katragadda; (ii) Dr. Narendra Damodar Jadhav; and (iii) Mr. N. Srinath.

7. The Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions of the Income-Tax Act, 1961, for the transfer by way of demerger of:

   (i) the Demerged Undertaking 1 (*defined under Clause 1.13 of Part B of the Scheme*) of the Transferor Company to the Transferee Company 1 and the consequent issue of BAL RPS (*defined under Clause 1.6 of Part B of the Scheme*) by the Transferee Company 1 to the shareholders of the Transferor Company in accordance to Clause 6 of Part C of the Scheme;

   (ii) the Demerged Undertaking 2 (*defined under Clause 1.14 of Part B of the Scheme*) of the Transferor Company to the Transferee Company 2 and the consequent issue of BHL RPS (*defined under Clause 1.7 of Part B of the Scheme*) by the Transferee Company 2 to the shareholders of the Transferor Company in accordance to Clause 10 of Part D of the Scheme; and

   various other matters consequential or otherwise integrally connected therewith.

8. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the unsecured creditors of the Transferee Company 1 if the resolution mentioned in the notice has been approved at the Meeting by a majority in number representing three-fourths in value of the unsecured debt of the unsecured creditors of the Transferee Company 1, voting in person or by proxy.

DETAILS OF THE TRANSFEREE COMPANY 1 AS PER RULE 6(3) OF THE RULES

9. Details of the Transferee Company 1:

Bharti Airtel Limited (Transferee Company 1)	
Corporate Identification No. (CIN)	L74899DL1995PLC070609
Permanent Account No. (PAN)	AAACB2894G
Incorporation Date	July 7, 1995
Type of Company	Public Limited Company
Registered Office Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Email	compliance.officer@bharti.in
Stock Exchange(s) where securities of the Transferee Company 1 are listed	(i) BSE Limited; and (ii) National Stock Exchange of India Limited

10. Summary of the main objects as per the memorandum of association of the Transferee Company 1:

The main objects of the Transferee Company 1 are set out under Clause III(A) of its memorandum of association, which are as under:

"1. To promote & establish Companies, Funds, Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network. Multimedia communication systems or the combinations thereof and for execution of undertakings. Works, projects or enterprises in the Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares /securities in such companies, and funds and interest in such associations or partnerships.

2. To provide telecom networks and to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, video-text, voice mail & data systems, private switching network services, transmission networks of all types, computer networks like local area network, wide area network, Electronic Mail, Intelligent network, Multi media communication systems or the combinations thereof.

3. To carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockists, and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurnish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments -whether corded, cordless, mobile or of any other kind; tele- terminals, fax machines, telegraphs, recording instruments and devices, telephone message/ answering machines and devices; dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc; telecom switching equipments of all kinds; telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto.

4. To buy, sell, manufacture, assemble, repair, design, alter, research and improve, develop, exchange, ware- house, let on hire, import, export, and deal in all sorts of Electronic, non-Electronic, Computerized and Electrical items and equipment including Computer and Data Processing Equipment, Peripherals. Printers. Disc-drives, Intelligent Terminals, Modems, Software, Hardware, Personal Computers, 'CAD'CAM' Computer, Graphic Systems, Office Automation Equipments, Word processors, Photopesetting, Text Editing and Electronic Printing and/or Typing Systems, Circuits, including integrated, hybrid, 'VLSI' Chips, Microprocessors and Microprocessor based equipment, Semiconductor Memories including bubble Memories, Discrete electronic devices, Facsimile Equipments, Copying Machines. Xerox Machines, Telephone Cable Pressurization Systems, Printed Circuit Boards, all sorts of automatic Float charges, Electronic, Electrical and Computerized Systems and Equipment and Plant and Machineries and Field Engineering support and for all above, their incidental and allied equipment, accessories, components, parts, sub-parts, tools, manufactured and semi manufactured goods, raw materials, plant and machineries, substance, goods, articles and things and VCR, VCP, Cassettes, Cameras, Radios, Stereo and Amplifiers, television sets, audio visual equipment, teleprinters, telecommunications satellite Station and electronic equipment, remote control systems, business machines, calculators, hoists, elevators, trolleys and their components including valves, transistors, resistors, condensors, coils and circuits.

5. To guarantee/ counter guarantee the obligations of any of its subsidiary/ associate/ group companies and/or other companies in which the company has equity interest under any agreements/ contracts/ debentures, bonds, stocks, mortgages, charges and securities."

11. Main business carried on by the Transferee Company 1: The Transferee Company 1 is presently engaged in the business of providing global telecommunications with operations in 16 countries across Asia and Africa. In India, the Transferee Company 1's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long-distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce.

12. Details of change of name of the Transferee Company 1 during the last five years: The Transferee Company 1 was incorporated on July 7, 1995 under the provisions of the Companies Act, 1956 under the name '*Bharti Tele-Ventures Limited*'. Thereafter, on April 24, 2006, the name of the Transferee Company 1 was changed to its present name i.e. "*Bharti Airtel Limited*". Accordingly, there has been no change in the name of the Transferee Company 1 during the last five years.

13. Details of change in registered office of the Transferee Company 1 during the last five years: There has been no change in the registered office of the Transferee Company 1 during the last five years.

14. Details of change in objects of the Transferee Company 1 during the last five years: There has been no change in the objects of the Transferee Company 1 during the last five years.

15. Details of the capital structure of the Transferee Company 1 including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (Rs.)
Authorized Share Capital as on June 30, 2018	
29,50,60,00,000 equity shares having face value of Rs. 5/- each	1,47,53,00,00,000
Total	**1,47,53,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital as on June 30, 2018	
3,99,74,00,107 equity shares having face value of Rs. 5/- each	19,98,70,00,535
Total	**19,98,70,00,535**

Please refer to **ANNEXURE 15** for details regarding the pre and post-arrangement, expected capital structure and shareholding pattern of Transferee Company 1.

16. Names of the promoters of the Transferee Company 1 as on June 30, 2018 along with their addresses**:**

S. No.	Name of the Promoter	Address
1.	Bharti Telecom Limited	Plot No. 16, Udyog Vihar, Phase IV, Gurgaon, - 122001, Haryana, India
2.	Pastel Limited	Level 3, Alexender House, 36 Cybercity, Ebene, Mauritius
3.	Indian Continent Investment Limited	6, Sir William Newton Street, Port Louis, Mauritius
4.	Viridian Limited	C/o intercontinental Trust Limited Level 3, Alexender House, 36 Cybercity, Ebene, Mauritius

Notes:

(i) Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 7, 2002.

(ii) Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concert" with promoter (Bharti Telecom Limited) as specified u/r 2(1)(q) of the Regulations.

(iii) Indian Continent Investment Limited is person acting in concert with promoter "Bharti Telecom Limited".

(iv) Viridian Limited is person acting in concert with Pastel Limited.

17. Names of the directors of the Transferee Company 1 as on June 30, 2018 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	**Mr. Sunil Bharti Mittal** (Chairman)	19, Amrita Shergil Marg, New Delhi – 110003, India
2.	**Mr. Gopal Vittal** [Managing Director & CEO (India & South Asia)]	A2/1202, World Spa East, Sector 30 & 41, Gurgaon – 122001, Haryana, India
3.	**Mr. Ben Verwaayen** (Independent Director)	Prince's Gate 1,Flat 7, London SW7 1QJ, United Kingdom
4.	**Mr. Craig Ehrlich** (Independent Director)	Block - B, 6/F, Best View Court, 66, Mac Donnell Road, Hong Kong
5.	**Mr. D.K. Mittal** (Independent Director)	B-71, Sector 44, Noida – 201301, Uttar Pradesh, India
6.	**Ms. Chua Sock Koong** (Non-Executive Director)	15A Oei Tiong Ham Park, Singapore – 268302
7.	**Mr. Manish Kejriwal** (Independent Director)	Prabhat Building, 3rdFloor, Flat No. 18, B Road, Churchgate, Mumbai – 400020, Maharashtra, India
8.	**Mr. Rakesh Bharti Mittal** (Non-Executive Director)	4 Pearl Lane, DLF Chattarpur Farms, New Delhi – 110074, India
9.	**Mr. Shishir Priyadarshi** (Independent Director)	24, Cret De Champel, Geneva, 1206, Switzerland
10.	**Ms. Tan Yong Choo** (Non-Executive Director)	22, Park Villas Green, Singapore – 545430
11.	**Mr. V.K. Viswanathan** (Independent Director)	F - 01, First Floor, Legacy Caldera, 56, SRT Road, Cunningham Road, Bangalore - 560052, Karnataka, India

18. The date of the board meeting at which the Scheme was approved by the Board of the Transferee Company 1 including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of the Transferee Company 1 on December 19, 2017. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on

such resolution are as under:

S. No.	Names of the Directors	Votes
1.	**Mr. Sunil Bharti Mittal** (Chairman)	In Favour
2.	**Mr. Gopal Vittal** [Managing Director & CEO (India & South Asia)]	Leave of Absence
3.	**Mr. Ben Verwaayen** (Independent Director)	Leave of Absence
4.	**Mr. Craig Ehrlich** (Independent Director)	Leave of Absence
5.	**Mr. D.K. Mittal** (Independent Director)	In Favour
6.	**Ms. Chua Sock Koong** (Non-Executive Director)	Leave of Absence
7.	**Mr. Manish Kejriwal** (Independent Director)	Leave of Absence
8.	**Mr. Rakesh Bharti Mittal** (Non-Executive Director)	In Favour
9.	**Mr. Shishir Priyadarshi** (Independent Director)	Leave of Absence
10.	**Ms. Tan Yong Choo** (Non-Executive Director)	Leave of Absence
11.	**Mr. V.K. Viswanathan** (Independent Director)	In Favour

Note: Mr. Ben Verwaayen, Mr. Manish Kejriwal, Mr. Shishir Priyadarshi, Mr. Craig Ehrlich and Ms. Tan Yong Choo, directors participated in the meeting / discussions through audio conference and were granted leave of absence from physical presence.

19. As on March 31, 2018, the amount due to the unsecured creditors of the Transferee Company 1 is Rs. 29,764.13 Crores.

20. Disclosure about effect of the Scheme on the following stakeholders:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	In terms of Clause 6.1 of Part C of the Scheme, upon Part C of the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1, the Transferee Company 1 shall, issue and allot: (A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme (**"BAL RPS"**), to all (and not each) TTSL Equity Holders *(defined under Clause 1.36 of Part B of the Scheme)* in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date *(defined under Clause 1.27 of Part B of the Scheme)*; (B) 10 BAL RPS to all (and not each) TTSL CCPS Holders *(defined under Clause 1.35 of Part B of the Scheme)* in proportion to their holding of fully paid up, compulsorily, convertible preference shares *(of any series whatsoever)* of the Transferor Company on the relevant Record Date; and (C) 10 BAL RPS to all (and not each) TTSL OCPS Holders *(defined under Clause 1.39 of Part B of the Scheme)* in proportion to their holding of fully paid up, optionally, convertible preference shares *(of any series whatsoever)* of the Transferor Company on the relevant Record Date. Further, in terms of Clause 6.2 of Part C of the Scheme, the Transferee Company 1 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1 of Part C of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BAL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to

		fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Transferee Company 1 so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 6.3.1 of Part C of the Scheme, the Board shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority *(defined under Clause 1.4 of Part B of the Scheme)* and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 6.1 of Part C of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent *(setout under Clause 13 of Part E of the Scheme)* have been satisfied, then in such event the Transferee Company 1 shall pay cash computed at the rate of Rs. 100/- per BAL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.
2.	Promoter	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of the Transferee Company 1.
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel ("**KMPs**")/ Directors	Upon the Scheme coming into effect, the existing directors shall continue on the board of the Transferee Company 1 and the existing KMPs shall continue being with the Transferee Company 1.
5.	Creditors/ Debenture Holders	The Scheme is expected to be in the best interests of the creditors and debenture holders of the Transferee Company 1.
6.	Depositors/ Deposit Trustee	Not Applicable. The Transferee Company 1 does not have any depositors nor any deposit trustee.
7.	Debenture Trustee	The Scheme is expected to have no effect on the interests of the security/ bond trustee appointed in connection with the overseas bonds issued by the Transferee Company 1 as well as the debenture trustee appointed in connection with the debentures issued by the Transferee Company 1.
8.	Employees	In terms of Clause 5.5 of Part C of the Scheme, upon the Effective Date *(defined under Clause 1.17 of Part B of the Scheme)*, all Transferring Employees 1 shall be deemed to have become the employees of the Transferee Company 1, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 *(defined under Clause 1.13 of Part B of the Scheme)* and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Transferee Company 1. The Transferring Employees 1 are defined under Clause 1.13(d) of Part B of the Scheme as *"all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 1"*.

21. <u>Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferee Company 1:</u>

None of the "Directors" *(as defined under the Act)*, the "Key Managerial Personnel" *(as defined under the Act)* of the Transferee Company 1 and their respective "Relatives" *(as defined under the Act)* have any interests, financial or otherwise in the Scheme except to the extent of shareholding in the Transferee Company 1 as set out below and/or to the extent the said Directors/ Key Managerial Personnel of

Transferee Company 1 are directors on the board of/ key managerial personnel of the Transferee Company 2 as set out below:

Details as on June 30, 2018				
S. No.	**Name/ Designation**	**No. of shares held in the Transferor Company**	**No. of shares held in the Transferee Company 1**	**No. of shares held in the Transferee Company 2**
1.	Mr. Gopal Vittal [Managing Director & CEO (India & South Asia)]	Nil	3,42,664 equity shares	Nil
2.	Mr. Nilanjan Roy (Chief Financial Officer)	Nil	13,003 equity shares	Nil

Details as on June 30, 2018				
S. No.	**Name of Director/ KMP**	**Designation in the Transferor Company**	**Designation in the Transferee Company 1**	**Designation in the Transferee Company 2**
1.	Mr. Nilanjan Roy (KMP)	None	Chief Financial Officer	Director

Further, the security/ bond trustee appointed in connection with the overseas bonds issued by the Transferee Company 1 and the debenture trustee appointed in connection with the debentures issued by the Transferee Company 1 are not expected to have any material interest in the Scheme.

DETAILS OF THE TRANSFEREE COMPANY 2 AS PER RULE 6(3) OF THE RULES

22. Details of the Transferee Company 2:

Bharti Hexacom Limited (Transferee Company 2)	
Corporate Identification No. (CIN)	U74899DL1995PLC067527
Permanent Account No. (PAN)	AAACH1766P
Incorporation Date	April 20, 1995
Type of Company	Public Limited Company
Regd. Office Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Email	corporate.secretarial@bharti.in
Stock Exchange(s) where securities of the Transferee Company 2 are listed	Not applicable as the shares of the Transferee Company 2 are not listed.

23. Summary of the main objects as per the memorandum of association of the Transferee Company 2:

The main objects of the Transferee Company 2 are set out under Clause III(A) of its memorandum of association, which are as under:

"1. To provide telecom network and to run and maintain telecom services including basic/fixed line services, cellular/mobile services, long distance services, Broadband services, paging, video text, voice mail and data system, private switching network services, transmission networks of all types, computer networks like local area network, wide are network, Electronic Mail, Intelligent Network, Multimedia Communication systems or the combination thereof.

2. To provide data/short messaging/intelligent network services over the cellular Network, including construction of the required additions to Cellular Network, operations and maintenance of the network.

3. To provide complete paging services including construction of paging network and to purchase, sell, hire, import, export, manufacture, repair and to provide service support to pagers of all kinds.

4. To carry on the business of telecommunication consulting engineers for design, installation, validation, acceptance, testing, quality assurance of Cellular Mobile Telephone Systems, paging systems and data and other services relating to cellular services.

5. To buy, sell, lease and trade in cellular mobile handsets and pagers.

6. To manufacture, install, operate and maintain mobile telephones, Hand held telephones, module switches, Base Stations including self supporting stell structures, antenna, wave-guides power plant and air conditioning equipment relating to Cellular Mobile Telephone System and paging system."

24. Main business carried on by the Transferee Company 2: The Transferee Company 2 has Unified Access (Basic and Cellular) Service License in Rajasthan and North-Eastern circle. The Transferee Company 2 is presently engaged in the business of cellular mobile, broadband and telephone services in Rajasthan and North-Eastern circles.

25. Details of change of name of the Transferee Company 2 during the last five years: The Transferee Company 2 was incorporated on April 20, 1995 under the provisions of the Companies Act, 1956 under the name "*Hexacom India Limited*". Thereafter, on December 2, 2004, the name of the Transferee Company 2 was changed to its present name i.e. "*Bharti Hexacom Limited*". Accordingly, there has been no change in the name of the Transferee Company 2 during the last five years.

26. Details of change in registered office of the Transferee Company 2 during the last five years: There has been no change in the registered office of the Transferee Company 2 during the last five years.

27. Details of change in objects of the Transferee Company 2 during the last five years: There has been no change in the objects of the Transferee Company 2 during the last five years.

28. Details of the capital structure of the Transferee Company 2 including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (Rs.)
Authorized Share Capital as on June 30, 2018	
25,00,00,000 equity shares of Rs. 10/- each	250,00,00,000
Total	**250,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital as on June 30, 2018	
25,00,00,000 equity shares of Rs. 10/- each	250,00,00,000
Total	**250,00,00,000**

Please refer to **ANNEXURE 15** for details regarding the pre and post-arrangement, expected capital structure and shareholding pattern of Transferee Company 2.

29. Names of the promoters of the Transferee Company 2 as on June 30, 2018 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Airtel Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070

30. Names of the directors of the Transferee Company 2 as on June 30, 2018 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	**Mr. Devendra Khanna** (Director)	S333, 1st Floor, Panchsheel Park, New Delhi
2.	**Mr. Sunil Kumar Goyal** (Independent Director)	Flat No. 902 Block-14 Heritage City Mehrauli Gurgaon Road, Gurgaon – 122002
3.	**Mr. Nilanjan Roy** (Director)	A-4/901, Uni World Spa East, Sector-30, NH 8 Gurgaon - 122002
4.	**Mr. Ravi Kumar Kaushal** (Independent Director)	B/3-4/3245 Vasant Kunj, New Delhi - 110070
5.	**Mr. Mukesh Hassanand Bhavnani** (Director)	C-294, 29th Floor Tower - C, Belaire, Golf Course Road, Gurgaon - 122011
6.	**Mr. Seshagiri Rao Annangi** (Director)	Tower 21, FN-502 Vipul Green, Sohna Road Gurgaon - 122001
7.	**Ms. Shefali Malhotra** (Director)	J-6/95 2nd Floor Rajouri Garden, New Delhi - 110027
8.	**Mr. Narendra Jain** (Director)	IC-IV/505 Essel Towers, MG Road Gurgaon - 122002

31. The date of the board meeting at which the Scheme was approved by the Board of the Transferee Company 2 including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of the Transferee Company 2 on December 26, 2017. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors	Votes
1.	**Mr. Devendra Khanna** (Director)	In Favour
2.	**Mr. Sunil Kumar Goyal** (Independent Director)	Leave of Absence
3.	**Mr. Nilanjan Roy** (Director)	Leave of Absence (present only audio call)
4.	**Mr. Ravi Kumar Kaushal** (Independent Director)	In Favour
5.	**Mr. Mukesh Hassanand Bhavnani** (Director)	In Favour
6.	**Mr. Seshagiri Rao Annangi** (Director)	Leave of Absence
7.	**Ms. Shefali Malhotra** (Director)	Leave of Absence
8.	**Mr. Narendra Jain** (Director)	In Favour

32. As on March 31, 2018, the amount due to the unsecured creditors of the Transferee Company 2 is Rs. 21,19,49,00,000/-.

33. Disclosure about effect of the Scheme on the following stakeholders:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	In terms of Clause 10.2 of Part D of the Scheme, upon Part D of the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2, the Transferee Company 2 shall, issue and allot: (A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/- each and

		having the terms set forth in Schedule 3 of the Scheme (**"BHL RPS"**), to all (and not each) TTSL Equity Holders *(defined under Clause 1.36 of Part B of the Scheme)* in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date *(defined under Clause 1.27 of Part B of the Scheme)*; (B) 10 BHL RPS to all (and not each) TTSL CCPS Holders *(defined under Clause 1.35 of Part B of the Scheme)* in proportion to their holding of fully paid up, compulsorily, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date; and (C) 10 BHL RPS to all (and not each) TTSL OCPS Holders *(defined under Clause 1.39 of Part B of the Scheme)* in proportion to their holding of fully paid up, optionally, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date. Further, in terms of Clause 10.3 of Part D of the Scheme, the Transferee Company 2 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2 of Part D of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BHL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Transferee Company 2 so			allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 10.4.1 of Part D of the Scheme, the Board shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority *(defined under Clause 1.4 of Part B of the Scheme)* and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 10.2 of Part D of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent *(setout under Clause 13 of Part E of the Scheme)* have been satisfied, then in such event the Transferee Company 2 shall pay cash computed at the rate of Rs. 100/- per BHL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.
			2.	Promoters	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of the Transferee Company 2
			3.	Non-Promoter Shareholders	
			4.	Key Managerial Personnel ("**KMPs**")/ Directors	Upon the Scheme coming into effect, the existing directors shall continue on the board of the Transferee Company 2 and the existing KMPs shall continue being with the Transferee Company 2.
			5.	Creditors/ Debenture Holders	The Scheme is expected to be in the best interests of the creditors of the Transferee Company 2. Further, the Transferee Company 2 does not have any debentures.

6.	Depositors/ Deposit Trustee	Not Applicable. The Transferee Company 2 does not have any depositors nor any deposit trustee.
7.	Debenture Trustee	Not Applicable. The Transferee Company 2 does not have any debentures.
8.	Employees	In terms of Clause 9.5 of Part D of the Scheme, upon the Effective Date *(defined under Clause 1.17 of Part B of the Scheme)*, all Transferring Employees 2 shall be deemed to have become the employees of the Transferee Company 2, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 (defined under Clause 1.14 of Part B of the Scheme) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Transferee Company 2. The Transferring Employees 2 are defined under Clause 1.14(d) of Part B of the Scheme as *"all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2"*.

34. Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferee Company 2:

None of the "Directors" *(as defined under the Act)*, the "Key Managerial Personnel" *(as defined under the Act)* of the Transferee Company 2 and their respective "Relatives" (as defined under the Act) have any interests, financial or otherwise in the Scheme except to the extent of 1 equity share of the Transferee Company 2 held by Mr. Devendra Khanna and Mr. Mukesh Hassanand Bhavnani (both directors of the Transferee Company 2) in the capacity of nominees of Bharti Airtel Limited (i.e. the Transferee Company 1) and to the extent the said Directors/ Key Managerial Personnel of the Transferee Company 2 are directors on the Board of/ key managerial personnel of the Transferee Company 1 as set out below:

Details as on June 30, 2018				
S. No.	**Name of Director/ KMP**	**Designation in the Transferor Company**	**Designation in the Transferee Company 1**	**Designation in the Transferee Company 2**
1.	Mr. Nilanjan Roy (KMP)	None	Chief Financial Officer	Director

DETAILS OF THE TRANSFEROR COMPANY AS PER RULE 6(3) OF THE RULES

35. Details of the Transferor Company:

Tata Teleservices Limited (Transferor Company)	
Corporate Identification No. (CIN)	U74899DL1995PLC066685
Permanent Account No. (PAN)	AAACT2438A
Incorporation Date	March 23, 1995
Type of Company	Public Limited Company
Registered Office Address	10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi – 110001
Email	pravin.jogani@tatatel.co.in
Stock Exchange(s) where securities of the Transferor Company are listed	Not applicable as the shares of the Transferor Company are not listed.

36. Summary of the main objects as per the memorandum of association of the Transferor Company:

The main objects of the Transferor Company are set out under Clause III(A) of its memorandum of association, which are as under:

"1. To carry on the business of providing Basic Telecommunication Service, manufacturers, franchisers, dealers, importers, exporters, assemblers and fabricators, repairers, maintainers, owners and operators of all kinds of telecommunication equipment and cryptographic equipment including terminal equipment, exchange equipment subscriber and equipment, transmission lines and equipment of all kinds, used to provide voice, text, data or image communications services, including but not limited to telephone instruments of all kinds, switching exchanges of all kinds such as public switching exchanges, private exchanges, mobile switching exchanges, radio transmitting and receiving apparatus, commercial radio receivers, high power radio telephone telegraph transmitters for radio links, medium, long and short wave radio broadcasting transmitters for radio links, medium, long and short wave radio broadcasting transmitters and receivers, multichannel radio links, wireless, cellular, mobile telephone and microwave telecommunication systems, network systems and products, assemblies and apparatus modules and

hardware and software relating thereto, including data processing units, printers, display devices, computer keys boards and key pads, digitizers, encoders, storage units, optical readers compact disc and microfiche readers, video terminals and display units, computers and computer terminals, radar and satellite communications equipment, tele-printers, digital telemetering tele-control systems, video terminals, computers, other sub-systems, components and parts thereof including basic components such as valves, transistors, condensers, coils-magnetic materials, microwave components, capacitors, integrated circuits, diodes, registers, electronic control instruments, plastic, PVS and resin components, electrical wires, cables, lugs, switches and electrical and wireless sets, magnetic materials and microwave components and to own, hire or take on lease, hire out or provide on lease communications and information services and any equipment required for such services whether for providing voice, text, data, or image services, including carriers for such purposes including cables and networks whether optical or electrical microwave or satellite linkages or any other medium that may be used for such purposes, to provide consultancy services in relation to these activities mentioned therein.

1A. To carry on in India or elsewhere any of the business in the field of Internet Service providers, Telecommunications, to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T.V., on line Shopping, creation of Web sites and Web based solutions, CGI Interface, FTP Access, Usenet and Telnet, Internet Relay Chat, Domain name Registration and Routing, Computer Storage Space Solutions, To develop, design, conceptualize, improve, produce, reproduce, market, patent, distribute, buy, sell, license, provide, import, export, implement, operate, support and maintain Information Technology and Communication based products and services including those through the Internet World wide computer network, voice data and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training, designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products and the development and marketing of software and all types of products and services relating to the computer industry.

IB. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the world wide computer networks and web services available and to obtain/offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell, market, distribute or deal in such products and services and acquire or rent computer/storage space on the worldwide web or similar networks for this purpose.

1C. To establish, promote, purchase, setup or connect with and/or lease any database, network, data and information possessing centers and bureaus either of its own or franchise centers for dissemination of knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronic media and digital media, internet, intranet, Modems, Fax modems, Video Conferencing, E-Mail, Voicemail, Voice Response Systems, Multiplexers, Line Drivers, Routers, Bridges, Hubs, VSAT's Radio Trunking, Networking, Telecom Software, Cable, Wireless Networks, ERP solutions and satellite communications.

2. To carry on the business of designers, manufacturers, assemblers, importers, exporters, stockists, agents, hirers, fabricators, repairers, maintainers of computer systems and product including hardware and software, all kinds of calculators, business machines, accounting machines and computer based products, and in particular computer systems and microprocessor controls required in the operation of the teleservices equipment manufactured by the Company.

3. To carry on all or any of the business of manufacturers, installers, maintainers, repairers of and dealers in electrical and electronic appliances and apparatus of every description, and of and in radio, television and supplies and electrical and electronic apparatus, appliances, equipment and stores of all kinds."

37. Main business carried on by the Transferor Company: The Transferor Company is primarily engaged in the business in the telecom sector including, inter alia, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) Wi-Fi business.

38. Details of change of name of the Transferor Company during the last five years: The Transferor Company was incorporated on March 23, 1995 under the provisions of the Companies Act, 1956 under the name '*Tata Teleservices Private Limited*. Thereafter, on June 5, 1995, the name of the Transferor Company was changed to its present name i.e. "*Tata Teleservices Limited*". Accordingly, there has been no change in the name of the Transferor Company during the last five years.

39. Details of change in registered office of the Transferor Company during the last five years: There has been no change in the registered office of the Transferor Company during the last five years.

40. Details of change in objects of the Transferor Company during the last five years: There has been no change in the objects of the Transferor Company during the last five years.

41. Details of the capital structure of the Transferor Company including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (Rs. Crore)
Authorized Share Capital as on June 30, 2018	
2263,00,00,000 equity shares of Rs.10/- each	22,630
63,00,00,000 compulsorily convertible non-cumulative preference shares ("**CCPS**") for Rs.100/- each	6,300
112,20,00,000 preference shares of Rs.100/- each	11,220
1000,00,00,000 unclassified share of Rs.10/- each	10,000
400,00,00,000 unclassified shares of Rs.100/- each	40,000
Total	**90,150**
Issued, Subscribed and Fully Paid-up Share Capital as on June 30, 2018	
577,50,33,234 equity shares of Rs.10/- each	5,775.03
62,24,49,170 CCPS of Rs.100/- each	6,224.49
23,00,00,000 optionally convertible non-cumulative preference shares of Rs.100/- each	2,300.00
Total	**14,299.52**

Note: There will be no change in the capital structure of the Transferor Company pursuant to the Scheme.

42. Names of the promoters of the Transferor Company as on June 30, 2018 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Tata Sons Limited	Bombay House, 24, Homi Mody Street, Mumbai – 400001

43. Names of the directors of the Transferor Company as on June 30, 2018 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	**Mr. Saurabh Agrawal** (Director)	Flat No. 2803, Imperial Towers, BB Nakashe Marg, Tardeo, Mumbai – 400034
2.	**Dr. Gopichand Katragadda** (Director)	4th Floor, Vaswani Gardens, 25 Sobani Road, Cuffe Parade, Mumbai – 400005
3.	**Mr. Ankur Verma** (Director)	A-501, Attrai Akruti Housing Society, Saiwadi, Andheri East, Mumbai – 400069
4.	**Dr. Narendra Damodar Jadhav** (Independent Director)	D 852, 2, Sujan Mahendra Road, New Friends Colony, New Delhi – 110025
5.	**Ms. Bharati Rao** (Independent Director)	Flat #308, 'Kumar Paradise', B.P. Wadia Road, Basavanagudi, Bangalore – 560004
6.	**Ms. Vibha Paul Rishi** (Independent Director)	812, Aralias, 12th Floor, Block – 8, Golf Link, DLF City - V, Gurgaon – 122002
7.	**Mr. N. Srinath** (Managing Director)	201, Domus Josephi Building, Plot No. 160, Master Vinayak Rd (formerly Perry Rd), Bandra (West), Mumbai – 400050

44. The date of the board meeting at which the Scheme was approved by the Board of the Transferor Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The details of the directors who voted on the resolution passed on December 19, 2017, are as follows:

S. No.	Names of the Directors	Votes
1.	**Mr. Saurabh Agrawal** (Director)	Leave of Absence
2.	**Dr. Gopichand Katragadda** (Director)	In Favour
3.	**Dr. Narendra Damodar Jadhav** (Independent Director)	In Favour
4.	**Ms. Bharati Rao** (Independent Director)	Present through video conference
5.	**Ms. Vibha Paul Rishi** (Independent Director)	Present through video conference
6.	**Mr. N. Srinath** (Managing Director)	In Favour

45. As on May 31, 2018, the amount due to the unsecured creditors of the Transferor Company is Rs. 3,31,42,58,83,648/-.

46. Disclosure about effect of the Scheme on following stakeholders:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Equity Shareholders	In terms of Clause 6 of the Scheme, BAL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be mutually agreed by TTSL and BAL (**"Record Date 1"**). In terms of Clause 10 of the Scheme, BHL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be mutually agreed by TTSL and BHL (**"Record Date 2"**). Even after the allotment of the equity shares by BAL and BHL, the equity shareholders of TTSL will continue to hold the equity shares of TTSL held by them as on the Record Date 1 or Record Date 2 (as the case maybe).
2.	Preference Shareholders	In terms of Clause 6 of the Scheme, BAL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. (ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. Even after the allotment of the RPS by BAL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 1. In terms of Clause 10 of the Scheme, BHL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2. (ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2. Even after the allotment of the RPS by BHL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 2.
3.	Key Managerial Personnel and Directors	None of the Key Managerial Personnel ("**KMPs**") of TTSL (i.e. chief executive officer, company secretary, whole-time director, chief financial officer etc.)

		and existing Directors will be transferred to BAL or BHL as part of the Scheme. The KMPs will continue with TTSL for the other businesses of TTSL.
4.	Promoters	The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in TTSL as detailed in S. Nos. 1 and 2 above.
5.	Non-Promoter Shareholders	Please refer to S. Nos. 1 and 2 above regarding effect on the equity and preference shareholders.
6.	Depositors	Not Applicable. The Transferor Company does not have any depositors.
7.	Creditors	The Scheme is expected to be in the best interest of the Transferor Company's creditors
8.	Debenture Holders	The Scheme does not contemplate payment of any additional considerations to the Debenture holders of the Transferor Company.
9.	Debenture Trustees	Not Applicable. The Transferor Company does not have any debenture trustee.
10.	Employees	In terms of Clause 5.5 of the Scheme, upon the Scheme coming into effect, all Transferring Employees 1 *(as defined in the Scheme)* shall be deemed to have become the employees of the Transferee Company 1, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 (as defined in the Scheme) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Transferee Company 1. In terms of Clause 9.5 of the Scheme, upon the Scheme becoming Effective, all Transferring Employees 2 (as defined in the Scheme) shall be deemed to have become the employees of the Transferee Company 2, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 (as defined in the Scheme) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Transferee Company 2.

47. Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferor Company:

Please refer to para 46 above for the effect of the Scheme on material interests of Directors, Key Managerial Personnel and Debenture Trustee of the Transferor Company.

48. Relationship between the Companies: There is no relationship between the Transferor Company and the Transferee Company 1/ Transferee Company 2. The Transferee Company 2 is a subsidiary of the Transferee Company 1.

49. Rationale of the Scheme and the benefits of the Scheme as perceived by the Board of Directors of the respective Companies: Part III of Part (A) of the Scheme (i.e. Rationale and Benefits of the Scheme) states as under:

"This Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 (as defined hereinafter) of TTSL to BAL and BHL, respectively, results in the following benefits:

a) expanding the business of the Transferee companies in the growing markets of India, thereby creating greater value for the shareholders/stakeholders of the Transferee Companies;

b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;

c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;

d) the combination of the Demerged Undertakings and Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;

f) increase in customer base and also acquisition of new customers;

g) provision of state of the art services to the customers using the spectrum and other assets; and

h) enhanced generation of revenues and therefore enhanced license fee to the Government.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties"

50. Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:

Clause 1.2 of Part B of the Scheme defines Appointed Date as *"means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor Company as well as the Transferee Company 1 or the Transferee Company 2, as the case may be, and thereafter approved by the NCLT*".

Clause 1.17 of Part B of the Scheme defines Effective Date as "*shall have the following meaning:*

a) In the event that Part C and Part D take effect simultaneously, "Effective Date" shall mean the date on which they so take effect in accordance with Clause 13 hereof, and

b) In the event that Part C takes effect before Part D takes effect in accordance with Clause 13 hereof, "Effective Date", wherever used in the context of Demerged Undertaking 1, shall mean the date on which Part C takes effect and "Effective Date", wherever used in the context of Demerged Undertaking 2, shall mean the date on which Part D takes effect.

Clause 1.27 of Part B of the Scheme defines Record Date as*: in relation to Demerged Undertaking 1 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 1, and in relation to Demerged Undertaking 2 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 2, in each case for the purpose of reckoning the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders as applicable, eligible to receive BAL RPS or BHL RPS as the case may be in accordance with Clause 6.1 or Clause 10.2, as the case may be."*

6. *Consideration for the Demerger*

6.1 Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of the Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

- *500 (Five Hundred) BAL RPS to all (and not each) to TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;*
- *10 (Ten) BAL RPS to all (and not each) to TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and*
- *10 (Ten) BAL RPS to all (and not each) to TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date;*

10. Consideration for the Demerger

10.1 Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of the Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

- *500 (Five Hundred) BHL RPS to all (and not each) to TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;*
- *10 (Ten) BHL RPS to all (and not each) to TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date;*
- *10 (Ten) BHL RPS to all (and not each) to TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date;*

51. Salient Features of the Scheme:

***1.* DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expression shall have the meaning assigned against them:

*1.2 "**Appointed Date**" means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor Company as well as the Transferee Company 1 or the Transferee Company 2, as the case may be, and thereafter approved by the NCLT;*

*1.6 "**BAL RPS**" means fully paid up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1 and having the terms set forth in Schedule 3;*

*1.7 "**BHL RPS**" means fully paid up redeemable, non-participating, non-cumulative preference shares of ace value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 2 and having the terms set forth in Schedule 3;*

*1.13 "**Demerged Undertaking 1**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the TTSL Circles, other than the Demerged Undertaking 2, to be transferred to BAL as a going concern with effect from the Appointed Date and, unless mutually*

agreed to and /or identified between the relevant Parties, includes without limitation:

(a) *all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 1, including without limitation:*

(i) *the Spectrum allocated in relation to the Demerged Undertaking 1 as set out in Schedule 1;*

(ii) *various resources granted by the DoT in relation to the TTSL Circles. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.*

(iii) *all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;*

(iv) *the Cash pertaining to the Demerged Undertaking 1, accrued to, or available with, the Transferor Company as on the Appointed Date;*

(v) *all statutory and regulatory approvals, licenses except UASL, UL and NLD agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 1 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/ services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 1;*

(vi) *the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor Company for operating the Demerged Undertaking 1, including base station controllers, switches, packet core, router and switches, Mobility IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);*

(vii) *plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 1:*

(viii) *all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 1; and*

(ix) *indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties;*

(b) *the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 1;*

(c) *specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 1;*

(d) *all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 1 ("**Transferring Employees 1**");*

(e) *all subscribers of the Demerged*

Undertaking 1 in the TTSL Circles other than the subscribers of the Demerged Undertaking 2 and the Residual Undertaking;

(f) *all Liabilities of the Demerged Undertaking 1;*

(g) *all Contracts, deeds, bonds, lease, deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 1 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 1 may be eligible, and which are subsisting or have effect ("**Transferring Contracts 1**");*

(h) *all deposits an balances with Appropriate Authorities and any other persons, earnest moneys and./or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 1, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by the Transferee Company 1 except identified bank guarantees, as mutually agreed to between the relevant Parties;*

(i) *all civil, legal or other proceedings in relation to the Demerged Undertaking 1, except the Excluded Litigations ("**Transferring Litigations 1**");*

(j) *all necessary books, tax, books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 1; and*

(k) *the microwave backhaul of the Transferor Company.*

1.14 *"**Demerged Undertaking 2"** means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the Rajasthan Circle provided under the Rajasthan Telecom License, other than the Demerged Undertaking 1, to be transferred to BHL as a going concern with effect from the Appointed Date and, unless mutually agree to and/or identified between the relevant Parties, includes without limitation;*

(a) *all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 2, including without limitation;*

(i) *the Spectrum allocated in relation to the Demerged Undertaking 2 as set out in Schedule 2;*

(ii) *various resources granted by the DoT in relation to the Rajasthan Circle. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;*

(iii) *all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;*

(iv) *the Cash pertaining to the Demerged Undertaking 2, accrued to, or available with, the Transferor Company as on the Appointed Date;*

(v) *all statutory and regulatory approvals, licenses except UASL and NLD, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 2 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/ services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 2;*

(vi) *the base station transmitting and/or receiving equipment and other active equipment installed at any site, which*

is primarily used by the Transferor Company for operating the Demerged Undertaking 2, including base station controllers, switches, packet core, router and switches, Mobility IN/HLER/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 2;

(viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 2; and

(ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.

(b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 2;

(c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 2;

*(d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2 ("**Transferring Employees 2**");*

(e) all subscribers of the Demerged Undertaking 2 in the Rajasthan Circle other than the subscribers o the Demerged Undertaking 1 and the Residual Undertaking;

(f) all Liabilities of the Demerged Undertaking 2;

*(g) all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 2 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 2 may be eligible and which are subsisting or have effect ("**Transferring Contracts 2**");*

(h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 2, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by Transferee Company 2 except identified bank guarantees, as mutually agreed to between the relevant Parties;

*(i) all civil, legal or other proceedings in relation to Demerged Undertaking 2, except the Excluded Litigations ("**Transferring Litigations 2**");*

(j) all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 2; and

(k) the microwave backhaul of the Transferor Company.

*1.17 "**Effective Date"** as "shall have the following meaning:*

(a) In the event that Part C and Part D take effect simultaneously, "Effective Date" shall mean the date on which they so take effect in accordance with Clause 13 hereof, and

(b) In the event that Part C takes effect before Part D takes effect in accordance with Clause 13 hereof, "Effective Date", wherever used in the context of Demerged Undertaking 1, shall mean the date on which Part C takes effect and "Effective Date", wherever used in the context of Demerged Undertaking 2, shall mean the date on which Part D takes effect.

References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construe accordingly."

1.27 "Record Date" in relation to Demerged Undertaking 1 shall mean a date to be mutually

agreed by the Transferor Company and the Transferee Company 1, and in relation to Demerged Undertaking 2 means the date to be mutually agreed by the Transferor Company and the Transferee Company 2, in each case for the purpose of reckoning the TTSL Equity Holders or TTSL CCPS Holders or TTSL OCPS Holders as applicable, eligible to receive BAL RPS or BHL RPS as the case may be, in accordance with Clause 6.1 or Clause 10.2 as the case may be.

6. CONSIDERATION FOR DEMERGER

6.1 Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BAL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BAL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BAL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

6.2 The Transferee Company 1 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1. The Board of Transferee Company 1 shall consolidate all such fractional entitlements and thereupon issue BAL RPS, as applicable (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 1 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 1 so allotted on the Stock Exchange or otherwise at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) in proportion to their respective fractional entitlements.

6.3 For the purpose of issue and allotment of BAL RPS pursuant to this Clause 6, the following terms shall apply:

6.3.1 The Board of Transferee Company 1 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) pursuant to Clause 6.1 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 1 shall pay cash computed at the rate of INR 100 (Rupees one hundred) per BAL RPS to such TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder as the case may be.

6.3.2 The BAL RPS issued pursuant to Clause 6.1 shall be issued in the dematerialised or physical form as the Transferor Company and Transferee Company 1 may mutually agree.

6.3.3 Approval of the Scheme by the shareholders of Transferee Company 1 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of BAL RPS by Transferee Company 1 as provided in the Scheme.

6.3.4 The BAL RPS to be issued by Transferee Company 1 pursuant to Clause 6.1 of the Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

10. CONSIDERATION FOR DEMERGER

10.1 The Transferee Company 2 shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the BHL RPS and if applicable, for the issuance of necessary share certificates and/or letters of allotment representing BHL RPS.

10.2 Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of this Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

10.3 The Transferee Company 2 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per

Clause 10.2. The Board of Transferee Company 2 shall consolidate all such fractional entitlements and thereupon issue BHL RPS, as applicable (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 2 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 2 so allotted on the Stock Exchange or otherwise at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) in proportion to their respective fractional entitlements.

10.4 For the purpose of issue and allotment of BAL RPS pursuant to this Clause 10, the following terms shall apply:

10.4.1 The Board of Transferee Company 2 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) pursuant to Clause 10.2 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 2 shall pay cash computed at the rate of INR 100 (Rupees one hundred) per BHL RPS to such TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder as the case may be.

10.4.2 The BHL RPS issued pursuant to Clause 10.2 shall be issued in the dematerialised or physical form as the Transferor Company and Transferee Company 2 may mutually agree.

10.4.3 Approval of the Scheme by the shareholders of Transferee Company 2 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of BHL RPS by Transferee Company 1 as provided in the Scheme.

10.4.4 The BHL RPS to be issued by Transferee Company 1 pursuant to Clause 10.2 of the Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

7. ACCOUNTING TREATMENT

7.1 Notwithstanding, anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 1, the accounting treatment shall also take into account the provisions of Clause 7.2 below.

7.2 Accounting treatment in the books of the Transferee Company 1

7.2.1 Upon the Scheme becoming effective from the Appointed Date, the Transferee Company 1 shall account for the transfer and vesting of Demerged Undertaking 1 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 1 shall, on the Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 1;

(ii) For the liabilities of the Demerged Undertaking 1 recognized in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 1 shall record the consideration transferred (BAL RPS issued to equity share holders of Transferor Company pursuant to the Scheme);

(iv) The difference, if any, being excess/ deficit arising pursuant to the Scheme shall be accounted as capital reserve/ goodwill; and

(v) To the extent there are inter-corporate balances between the Transferee Company 1 and the Demerged Undertaking 1, the obligations in respect thereof shall stand cancelled.

11 ACCOUNTING TREATMENT

11.1 Notwithstanding, anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 2, the accounting treatment shall also take into account the provisions of Clause 11.2 below.

11.2 Accounting treatment in the books of the Transferee Company 2

11.2.1 Upon the Scheme becoming effective from the Appointed Date, the Transferee Company 2 shall account for the transfer and vesting of Demerged Undertaking 2 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) *The Transferee Company 2 shall, on the Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 2;*

(ii) *For the liabilities of the Demerged Undertaking 2 recognized in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;*

(iii) *The Transferee Company 2 shall record the consideration transferred (BHL RPS issued to equity share holders of Transferor Company pursuant to the Scheme);*

(iv) *The difference, if any, being excess/ deficit arising pursuant to the Scheme shall be accounted as capital reserve/ goodwill; and*

(v) *To the extent there are inter-corporate balances between the Transferee Company 2 and the Demerged Undertaking 2, the obligations in respect thereof shall stand cancelled.*

13 CONDITIONS PRECEDENT

*13.1 The effectiveness of this Scheme shall be conditional upon satisfaction or waiver (if applicable) of the following conditions ("**Conditions Precedent**") and this Scheme shall take effect from the later of any of the dates set out below:*

13.1.1 The written approvals of the DoT with respect to the transactions contemplated under the Scheme shall have been received.

13.1.2 Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Parties.

13.1.3 Execution of an agreement between the Parties in relation to the Scheme and fulfilment/waiver of the conditions precedent thereunder in the manner stated therein.

13.2 Notwithstanding anything to the contrary contained in this Scheme, if the approval of shareholders and/or creditors and/or any Appropriate Authority required in relation to the transactions contemplated by Part D of the Scheme is not obtained but all Conditions Precedent are satisfied for the transactions contemplated under Part C of the Scheme, then the Scheme shall take effect in so far as it relates to Part C and Parties shall continue to undertake their commercially reasonable efforts to procure the approvals necessary to give effect to Part D.

13.3 This Scheme shall come into effect simultaneously with the effectiveness of the Scheme for the demerger of the consumer mobile telephony business of Tata Teleservices (Maharashtra) Limited into the Transferee Company 1.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE UNSECURED CREDITORS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HEREWITH) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF AND THE RATIONALE OF THE SCHEME.

52. Summary of the Valuation Report including basis of valuation and the Fairness Opinion of the Registered Valuer:

The Share Entitlement Report recommends that the share entitlement ratios for the proposed transactions should be anywhere in the following range:

- For transfer by way of demerger of the Demerged Undertaking 1 into the Transferee Company 1: Nil (lower range) to 3.8 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**").

- For transfer by way of demerger of the Demerged Undertaking 2 into the Transferee Company 2: Nil (lower range) to 0.29 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**").

The issuance of BAL RPS and BHL RPS by the Transferee Company 1 and the Transferee Company 2, respectively, to the compulsorily/ optionally convertible preference shareholders of the Transferor Company have not been considered for the above estimation of the share entitlement ratios. No special valuation difficulties were reported by the valuers.

The fairness opinion dated December 19, 2017 issued to the Transferee Company 1 by RBSA Capital Advisors LLP, a SEBI registered merchant banker ("**Fairness Opinion**") has been issued in respect of the Share Entitlement Report wherein it has been stated that the proposed share swap entitlement range as recommended by valuers, which forms the basis of the proposed demergers, is fair.

Please refer to the Share Entitlement Report and the Fairness Opinion that are enclosed as **ANNEXURE 3** and **ANNEXURE 4**, respectively.

53. Details of capital or debt restructuring, if any: Clause 8 of Part C of the Scheme, as set out below, envisages the reclassification/ reorganization of the authorized share capital of the Transferee Company 1:

"8. RECLASSIFICATION/ REORGANIZATION OF THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY 1

8.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company 1 shall be reclassified/ reorganized as

under.

A.	*Authorized share capital*	*Amount (in INR)*
	549,99,80,000 equity shares of INR 5 each	*2749,99,00,000*
	1,000 preference shares of INR 100 each	*1,00,000*
	TOTAL	***2750,00,00,000***

8.2 Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be due compliance of the provisions of Section 13 and Section 61 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the reclassification of the authorized share capital envisaged under Clause 8.1 above.

8.3 Clause V of the memorandum of association of the Transferee Company 1 shall stand amended to give effect to the relevant provisions of this Scheme."

It may be noted that the Board of the Transferee Company 1 approved the Scheme on December 19, 2017 post which the authorized share capital of the Transferee Company 1 has increased. Please refer to Para 15 of the Explanatory Statement for details regarding the capital structure of the Transferee Company 1.

Further, there shall be no debt restructuring of any of the Companies pursuant to the Scheme.

54. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:

a) The equity shares of the Transferee Company 1 are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, the" **Stock Exchanges**"). The NSE was appointed as the designated stock exchange by the Transferee Company 1 for the purpose of coordinating with SEBI, pursuant to the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by SEBI ("**SEBI Circular**"). The Transferee Company 1 has received an observation letter dated April 26, 2018 from NSE and an observation letter dated April 27, 2018 from BSE wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Tribunal. The said observation letters issued by the NSE and the BSE are enclosed as **ANNEXURE 7** and **ANNEXURE 8**, respectively.

b) As required by the SEBI Circular, the Transferee Company 1 has filed its Complaint Report with NSE and BSE, on February 23, 2018 and March 8, 2018 respectively. The Complaint Report filed by the Transferee Company 1 indicates that it has received 'NIL' complaints. A copy of the Complaint Reports is enclosed as **ANNEXURE 5** and **ANNEXURE 6** respectively.

c) The Competition Commission of India ("CCI") has provided its approval on the transaction contemplated in the Scheme under Section 31(1) of the Competition Act, 2002 by way of an order dated November 16, 2017. A copy of the order of the CCI is enclosed as **ANNEXURE 18**.

d) The Scheme was filed by the Companies with the Tribunal, on May 17, 2018. Consequently, the Hon'ble Principal Bench of the Tribunal *vide* order dated June 14, 2018, has directed, *inter alia,* the convening of the Meeting.

e) Pursuant to Clause 3(a) of the "*Guidelines for transfer/ merger of various categories of telecommunication service / licenses / authorization under unified license on compromises, arrangements, and* amalgamation *of the Companies*" dated February 20, 2014 ("**DoT Merger Guidelines**") issued by the Department of Telecommunications ("**DoT**"), the Companies were required to notify the DoT of the Scheme. Accordingly, in accordance with the DoT Merger Guidelines, the Transferee Company 1 and Transferee Company 2 jointly notified the DoT *vide* letter dated May 22, 2018 bearing No. RP/FY18-19/037/338 upon which the DoT has issued a letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1). Transferor Company separately notified the DoT *vide* letter dated May 23, 2018 bearing No. TTSL/Demerger/merger/2018/01 upon which also the DoT has issued a letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1) to the Transferor Company.

55. No investigation or proceedings have been instituted or are pending in relation to any of the Companies under the Act.

56. The Companies have filed a copy of the Scheme with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.

57. Inspection of Documents: Copies of the following documents will be open for inspection to the unsecured creditors of the Transferee Company 1 at its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 on all days except Saturday, Sunday and public holidays between 11:00 A.M. to 1:00 P.M. up to the date of the Meeting:

a) Order dated June 14, 2018 passed by the Hon'ble Principal Bench of the Tribunal in Company Application No. (CAA)98/PB/2018, directing *inter alia*, the convening of the Meeting;

b) Scheme, as filed before the Hon'ble Tribunal;

c) Share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP;

d) Fairness opinion dated December 19, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with SEBI;

e) Complaints report submitted by the Transferee Company 1 to the NSE on February 23, 2018;

f) Complaints report submitted by the Transferee Company 1 to BSE on March 8, 2018;

g) Observation letter dated April 26, 2018 issued by the NSE to the Transferee Company 1;

h) Observation letter dated April 27, 2018 issued by BSE to the Transferee Company 1;

i) Certificate of incorporation dated March 23, 1995 along with copies of the memorandum of association and articles of association of the Transferor Company;

j) Certificate of incorporation dated July 7, 1995, the certificate for commencement of business dated January 18, 1996 and the fresh certificate of incorporation consequent upon change of name dated April 24, 2006 along with copies of the memorandum of association and articles of association of the Transferee Company 1;

k) Certificate of incorporation dated April 20, 1995 the certificate for commencement of business dated April 26, 1995, and the fresh certificate of incorporation consequent upon change of name dated December 2, 2004 along with copies of the memorandum of association and articles of association of the Transferee Company 2;

l) Certificate dated December 19, 2017 issued by Price Waterhouse Chartered Accountants LLP, the statutory auditor of the Transferor Company in terms of the proviso to Section 230(7)/ 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

m) Certificate dated December 19, 2017 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Transferee Company 1 in terms of the proviso to Section 230(7)/232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

n) Certificate dated December 19, 2017 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Transferee Company 2 in terms of the proviso to Section 230(7)/ 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

o) Annual reports of the Transferee Company 1 for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016;

p) Audited financial statements of each of the Companies for the period ended March 31, 2018;

q) Extracts of the resolutions dated December 19, 2017 passed by the Boards' of the Transferor Company and Transferee Company 1 and the resolution dated December 26, 2017 passed by the Board of the Transferee Company 2, *inter alia,* approving the Scheme and the filing thereof with the Tribunal;

r) Report of the Audit & Risk Management Committee (now reconstituted as 'Audit Committee') of the Transferee Company 1 dated December 19, 2017 recommending the Scheme to the Board of the Transferee Company 1;

s) Reports adopted by the respective Boards' of each of the Companies pursuant to Section 232(2)(c) of the Act;

t) Order of the Competition Commission of India dated November 16, 2017 approving the transaction contemplated in the Scheme under Section 31(1) of the Competition Act, 2002;

u) Letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1) issued by the DoT under the DoT Merger Guidelines pursuant to the letter dated May 22, 2018 bearing No. RP/FY18-19/037/338 of the Transferee Company 1 and the Transferee Company 2;

v) Letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1) issued by the DoT under the DoT Merger Guidelines pursuant to the letter dated May 23, 2018 bearing No. TTSL/Demerger/merger/2018/01 of the Transferor Company;

w) Other documents displayed on the websites of the Stock Exchanges and the Transferee Company 1 in terms of the SEBI Circular;

x) Abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 specifying applicable information of Transferor Company;

y) Abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 specifying applicable information of Transferee Company 2;

z) any other contracts or agreements material to the Scheme; and

aa) Copies of the paper books filed in Company Application No. (CAA) 98/PB/2018.

Dated this 20th day of July, 2018

For Bharti Airtel Limited

Sd/-
Rohit Krishan Puri
(Authorized Signatory)

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
CIN: L74899DL1995PLC070609
Email: compliance.officer@bharti.in

COMPOSITE SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

AMONGST

TATA TELESERVICES LIMITED
(TTSL or Transferor Company)

AND
BHARTI AIRTEL LIMITED
(BAL or Transferee Company 1)

AND
BHARTI HEXACOM LIMITED
(BHL or Transferee Company 2)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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PART A – GENERAL

I. PREAMBLE AND OVERVIEW OF THE SCHEME

(a) This composite scheme of arrangement ("**Scheme**", as more particularly defined below) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined below) read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, between Tata Teleservices Limited ("**TTSL**" or the "**Transferor Company**") and Bharti Airtel Limited ("**BAL**" or the "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or the "**Transferee Company 2**"), collectively known as "**Transferee Companies**" and their respective shareholders and creditors.

(b) This Scheme provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking 1 (as defined below) of the Transferor Company to the Transferee Company 1, and the consequent issue of BAL RPS (as defined below) by the Transferee Company 1 to the shareholders of the Transferor Company in accordance with Clause 6 below;

(ii) the transfer by way of a demerger of the Demerged Undertaking 2 (as defined below) of the Transferor Company to the Transferee Company 2, and the consequent issue of BHL RPS (as defined below) by the Transferee Company 2 to the shareholders of the Transferor Company in accordance with Clause 10 below; and

(iii) various other matters consequential or otherwise integrally connected therewith.

II. INTRODUCTION

(a) TTSL is a public limited company incorporated on March 23, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1995PLC066685. Its registered office is situated at Jeevan Bharati Tower I, 10th Floor, 124, Connaught Circus, New Delhi - 110001. TTSL became a pan-India telecom operator in January 2005. It has Unified Access (Basic and Cellular) Service License to operate in 16 circles, Unified License for Andhra Pradesh and National Long Distance ("**NLD**") license to provide NLD services across India (collectively, referred to as the "**Telecom Licenses**"). TTSL is engaged in businesses in the telecom sector including, *inter alia*, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) wi-fi business, which are all provided under the same Telecom License. The consumer mobile telephony business as carried out by TTSL as a part of the Demerged Undertakings and the enterprise business and other businesses carried on as part of the Residual Undertaking are separate and different business of TTSL. TTSL is a subsidiary of Tata Sons Limited.

(b) BAL is a public listed company incorporated on July 7, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number L74899DL1995PLC070609. Its registered office is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. BAL is engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. In India, the Transferee Company 1's product offerings include consumer mobile services (2G, 3G and 4G), mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national and international long distance services to carriers. It has Unified License to operate in Punjab, Himachal Pradesh, Karnataka, Andhra Pradesh, Delhi

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and Kolkata and Unified Access Service License in remaining circles except in Rajasthan and North-Eastern circle. In the rest of the geographies, it offers consumer mobile services (2G, 3G and 4G) and mobile commerce.

(c) BHL is a public limited company incorporated on April 20, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1995PLC067527. Its registered office is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. It has Unified Access (Basic and Cellular) Service License in Rajasthan and North-Eastern circle. It is engaged in cellular mobile, broadband and telephone services in Rajasthan and North-Eastern circles. BHL is a subsidiary of BAL. BAL holds 70% of the equity share capital of BHL and Government of India, through Telecommunications Consultants India Ltd., holds 30% of the equity share capital of BHL.

III. RATIONALE AND BENEFITS OF THIS SCHEME

This Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 (as defined hereinafter) of TTSL to BAL and BHL, respectively, results in the following benefits:

(a) expanding the business of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;

(b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;

(c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;

(d) the combination of the Demerged Undertakings and the Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;

(f) increase in customer base and also acquisition of new customers;

(g) provision of state of the art services to the customers using the spectrum and other assets; and

(h) enhanced generation of revenues and therefore enhanced license fee to the Government.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.

IV. PARTS OF THE SCHEME

The Scheme is divided into following parts:

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(a) **Part A** deals with background of the Parties and the rationale and benefits of the Scheme;

(b) **Part B** deals with the Definitions, Interpretation and Share Capital;

(c) **Part C** deals with demerger of the Demerged Undertaking 1 as a going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income-tax Act, 1961;

(d) **Part D** deals with demerger of the Demerged Undertaking 2 as a going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income-tax Act, 1961; and

(e) **Part E** deals with the General Terms and Conditions applicable to the Scheme.

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PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1. "**Act**" means the Companies Act, 2013 and the Companies Act, 1956 (to the extent the same is in force and applicable), the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;

1.2. "**Appointed Date**" means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor Company as well as the Transferee Company 1 or the Transferee Company 2, as the case may be, and thereafter approved by the NCLT;

1.3. "**Applicable Law**" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/ or jurisdiction; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time;

1.4. "**Appropriate Authority**" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange in India or any other country including the Registrar of Companies, Regional Director, DoT, CCI, Reserve Bank of India, SEBI, Stock Exchanges, NCLT, and such other sectoral regulators or authorities as may be applicable;

1.5. "**Assets**" shall mean and include without limitation, assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, whether owned or leased or otherwise acquired by or in the possession of the Transferor Company, in connection with or pertaining or relatable to the Demerged Undertakings;

1.6. "**BAL RPS**" means fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1 and having the terms set forth in Schedule 3;

1.7. "**BHL RPS**" means fully paid-up redeemable, non-participating, non-cumulative preference share of face value INR 100 (Rupees hundred only) in the share capital of Transferee Company 2 and having the terms set forth in Schedule 3;

1.8. "**Board**" in respect of a company means the board of directors of such company at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;

1.9. "**Cash**" means and includes, the aggregate amount in respect of the following items, including without limitation: (a) cash and bank balances; (b) securities held by or on behalf of the

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Transferor Company which are readily convertible into cash (i.e. cash equivalents); (c) fixed deposit receipts and any interest accrued thereon; and (d) any other cash equivalent;

1.10. "**Contract**" means any contract, lease, licence, indenture, agreement, commitment or any other legally binding arrangement;

1.11. "**CCI**" means the Competition Commission of India;

1.12. "**Demerged Undertakings**" mean Demerged Undertaking 1 and Demerged Undertaking 2;

1.13. "**Demerged Undertaking 1**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the TTSL Circles, other than the Demerged Undertaking 2, to be transferred to BAL as a going concern with effect from the Appointed Date and, unless mutually agreed to and/ or identified between the relevant Parties, includes without limitation:

(a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 1, including without limitation:

(i) the Spectrum allocated in relation to the Demerged Undertaking 1 as set out in Schedule 1;

(ii) various resources granted by the DoT in relation to the TTSL Circles. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;

(iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;

(iv) the Cash pertaining to the Demerged Undertaking 1, accrued to, or available with, the Transferor Company as on the Appointed Date;

(v) all statutory and regulatory approvals, licenses except UASL, UL and NLD, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 1 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/ or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 1;

(vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor

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Company for operating the Demerged Undertaking 1, including base station controllers, switches, packet core, router and switches, Mobility IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 1;

(viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 1; and

(ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.

(b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 1;

(c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 1;

(d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 1 ("**Transferring Employees 1**");

(e) all subscribers of the Demerged Undertaking 1 in the TTSL Circles other than the subscribers of the Demerged Undertaking 2 and the Residual Undertaking;

(f) all Liabilities of the Demerged Undertaking 1;

(g) all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 1 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 1 may be eligible, and which are subsisting or have effect ("**Transferring Contracts 1**");

(h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 1, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by the Transferee Company 1 except identified bank guarantees, as mutually agreed to between the relevant Parties;

(i) all civil, legal or other proceedings in relation to the Demerged Undertaking 1, except the Excluded Litigations ("**Transferring Litigations 1**");

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(j) all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 1; and

(k) the microwave backhaul of the Transferor Company.

1.14. "**Demerged Undertaking 2**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the Rajasthan Circle provided under the Rajasthan Telecom License, other than the Demerged Undertaking 1, to be transferred to BHL as a going concern with effect from the Appointed Date and, unless mutually agreed to and/ or identified between the relevant Parties, includes without limitation:

(a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 2, including without limitation:

(i) the Spectrum allocated in relation to the Demerged Undertaking 2 as set out in Schedule 2;

(ii) various resources granted by the DoT in relation to the Rajasthan Circle. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;

(iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;

(iv) the Cash pertaining to the Demerged Undertaking 2, accrued to, or available with, the Transferor Company as on the Appointed Date;

(v) all statutory and regulatory approvals, licenses except UASL and NLD, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 2 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/ or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 2;

(vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor Company for operating the Demerged Undertaking 2, including base station controllers, switches, packet core, router and switches, Mobility

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IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 2;

(viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 2; and

(ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.

(b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 2;

(c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 2;

(d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2 ("**Transferring Employees 2**");

(e) all subscribers of the Demerged Undertaking 2 in the Rajasthan Circle other than the subscribers of the Demerged Undertaking 1 and the Residual Undertaking;

(f) all Liabilities of the Demerged Undertaking 2;

(g) all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 2 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 2 may be eligible, and which are subsisting or have effect ("**Transferring Contracts 2**");

(h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 2, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by Transferee Company 2 except identified bank guarantees, as mutually agreed to between the relevant Parties;

(i) all civil, legal or other proceedings in relation to the Demerged Undertaking 2, except the Excluded Litigations ("**Transferring Litigations 2**");

(j) all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues,

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quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 2; and

(k) the microwave backhaul of the Transferor Company.

1.15. "**DoT**" means the Department of Telecommunications, Government of India;

1.16. "**DoT Bank Guarantees**" means all the bank guarantees provided by TTSL to DoT in terms of any notice inviting application issued by DoT or UL or UASL held by TTSL or as mutually agreed to and/ or identified between the relevant Parties;

1.17. "**Effective Date**" shall have the following meaning:

(a) in the event that Part C and Part D take effect simultaneously, "Effective Date" shall mean the date on which they so take effect in accordance with Clause 13 hereof, and

(b) in the event that Part C takes effect before Part D takes effect in accordance with Clause 13 hereof, "Effective Date", wherever used in the context of Demerged Undertaking 1, shall mean the date on which Part C takes effect and "Effective Date", wherever used in the context of Demerged Undertaking 2, shall mean the date on which Part D takes effect.

References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly;

1.18. "**Excluded Litigations**" means:

(a) all criminal proceedings (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against the Transferor Company arising and pertaining to the period prior to a specified date, as mutually agreed to between the relevant Parties; and

(b) any other civil, legal, regulatory, taxation or other litigation or proceedings (including before any statutory or quasi-judicial authority or tribunal), as are specifically agreed to between the relevant Parties, including under or in accordance with any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme.

1.19. "**GAAP**" means generally accepted accounting principles;

1.20. "**INR**" means Indian Rupees;

1.21. "**Intellectual Property**" means all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software), in relation to the Demerged Undertakings, excluding Intellectual Property owned by Tata Sons Limited, NTT Docomo Inc. and Future Corporate Resources Limited;

1.22. "**Liabilities**" means liabilities determined and identified after due consideration of the applicable provisions of Section 2(19AA) of the Income-tax Act, 1961, and includes without limitation:

(a) liabilities in connection with or pertaining or relatable to the Demerged Undertakings of every kind, nature and description, and recognized as liabilities in the books of

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accounts of the Transferor Company, as on the Appointed Date, in accordance with Indian GAAP;

(b) the specific loans or borrowings (including debentures, if any, raised, incurred and utilized solely for the activities or operations) of the Demerged Undertakings; and

(c) in cases other than those referred to in (a) or (b) above, so much of the amounts of general or multipurpose borrowings, if any, of Transferor Company, as stand in the same proportion which the value of the assets transferred with the Demerged Undertakings bears to the total value of the assets of the Transferor Company immediately prior to the Appointed Date.

1.23. "**NCLT**" means the National Company Law Tribunal at New Delhi having jurisdiction in relation to the Parties as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;

1.24. "**Parties**" mean Transferor Company, Transferee Company 1 and Transferee Company 2 collectively;

1.25. "**Rajasthan Circle**" shall mean the telecom circle of Rajasthan as stipulated by the DoT;

1.26. "**Rajasthan Telecom License**" means TTSL's UASL license for Rajasthan Circle with effective date of January 30, 2004 bearing license number 20-216/2003-TATA/BS-III;

1.27. "**Record Date**" in relation to Demerged Undertaking 1 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 1, and in relation to Demerged Undertaking 2 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 2, in each case for the purpose of reckoning the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders as applicable, eligible to receive BAL RPS or BHL RPS as the case may be in accordance with Clause 6.1 or Clause 10.2, as the case may be;

1.28. "**Residual Undertaking**" means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company that are not part of the demerger of the Demerged Undertaking 1 and the Demerged Undertaking 2 to the Transferee Company 1 and the Transferee Company 2, respectively, in terms of and upon the effectiveness of this Scheme. For the avoidance of doubt, it is hereby clarified that the Residual Undertaking shall also mean and include, without limitation, the following:

(a) wireline business, wi-fi business, managed services business (such as internet of things, cloud and SaaS services) and wholesale data services business and undertakings of the Transferor Company;

(b) national long distance business of the Transferor Company;

(c) the optical fibre and copper fibre network and the indefeasible right to use the optical fibre and copper fibre network of other operators;

(d) retail wireline voice and broadband business of the Transferor Company;

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(e) the Transferor Company's passive infrastructure assets (not including telecom towers owned by the Transferor Company) comprising of the following, unless mutually agreed otherwise between the Parties: all the uninterrupted power supply, rectifier power supplies, electrical panels, air conditioners, battery banks, DG sets and associated power cables, fire alarm and fire suppression systems;

(f) investment of the Transferor Company in shares of other companies including 32.86% of the equity share capital (comprising of 21,76,38,273 equity shares of face value INR 10 each) of ATC Telecom Infrastructure Private Limited held by the Transferor Company;

(g) infrastructure and allocations including unlicensed band radios network associated with, or related to, (a) to (e);

(h) the UASL, UL and NLD; and

(i) the IPV4/IPV6 allocations and SDCA based numbering series, SMS codes (alpha numeric) given to subscribers of the businesses mentioned at (a) to (d) above, toll free services numbering series.

1.29. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this composite scheme of arrangement in as modified from time to time, as per Clause 12 of the Scheme;

1.30. "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.31. "**Spectrum**" means the spectrum allotted to the Transferor Company, details of which are set out in Schedule 1 and Schedule 2;

1.32. "**Stock Exchange**" means BSE Limited and/ or the National Stock Exchange of India Limited and "**Stock Exchanges**" shall mean both collectively

1.33. "**Taxes**" or "**Tax**" or "**Taxation**" means: (a) all forms of direct tax and indirect tax, levy, duty (including stamp duty), charge, impost, withholding or other amount whenever or wherever created or imposed under Applicable Laws; and (b) all charges, interest, penalties and fines (by whatever name called) incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

1.34. "**TTSL CCPS**" means fully paid-up, compulsorily, convertible preference shares (of any series whatsoever) of TTSL of face value INR 100 (Rupees hundred only) each;

1.35. "**TTSL CCPS Holders**" means a person recorded in the Transferor Company's register of members as the owner of one or more TTSL CCPS as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;

1.36. "**TTSL Equity Holders**" means a person recorded in the Transferor Company's register of members as the owner of one or more TTSL Equity Shares as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;

1.37. "**TTSL Equity Shares**" means fully paid up equity shares of TTSL of face value INR 10 (Rupees ten only) each in the share capital of TTSL;

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1.38. "**TTSL OCPS**" means fully paid-up, optionally, convertible preference shares (of any series whatsoever) of TTSL of face value INR 100 (Rupees hundred only) each;

1.39. "**TTSL OCPS Holders**" means a person recorded in the Transferor Company's register of members as the owner of one or more TTSL OCPS as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;

1.40. "**Transferee Companies**" shall have the meaning set out in Preamble I (a);

1.41. "**Transferee Company 1**" or "**BAL**" shall have the meaning set out in Preamble I (a);

1.42. "**Transferee Company 2**" or "**BHL**" shall have the meaning set out in Preamble I (a);

1.43. "**Transferor Company**" or "**TTSL**" shall have the meaning set out in Preamble I (a);

1.44. **"Transferring Contracts 1"** shall have the meaning set out in Clause 1.13(g);

1.45. **"Transferring Contracts 2"** shall have the meaning set out in Clause 1.14(g);

1.46. **"Transferring Employees 1"** shall have the meaning set out in Clause 1.13(d)

1.47. **"Transferring Employees 2"** shall have the meaning set out in Clause 1.14(d)

1.48. "**Transferring Litigations 1**" shall have the meaning set out in Clause 1.13(i)**;**

1.49. **"Transferring Litigations 2"** shall have the meaning set out in Clause 1.14(i);

1.50. "**TTSL Circles**" means the telecom service areas of Karnataka, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Uttar Pradesh (E), Uttar Pradesh (W), Punjab, Haryana, Gujarat, Delhi, Kolkata, Kerala, Orissa, Bihar, Bengal and Himachal Pradesh;

1.51. **"UASL**" means Unified Access Service License granted by the DoT to TTSL for all TTSL Circles except Andhra Pradesh; and

1.52. "**UL**" mean Unified License with access service authorization for Andhra Pradesh service area granted by the DoT to TTSL.

2. INTERPRETATION

2.1.1. References to clauses and schedules, unless otherwise provided, are to clauses and schedules of and to this Scheme.

2.1.2. The headings herein shall not affect the construction or interpretation of this Scheme.

2.1.3. Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

2.1.4. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

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2.1.5. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2.1.6. An asset, contract, proceeding, resource or other matter that is mutually agreed in writing by the Parties to be or not to be primarily relatable to or used in a Demerged Undertaking shall be deemed for the purposes of this Scheme to be or not be (respectively) primarily relatable to or used in a Demerged Undertaking.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be operative and effective from the Appointed Date.

4. SHARE CAPITAL

4.1. The authorized, issued and paid up share capital of the Transferor Company as on December 15, 2017 is as under:

Share Capital	Amount (INR in Crores)
Authorized Share Capital	
2263,00,00,000 equity shares of INR 10 each	22,630
63,00,00,000 compulsory convertible non-cumulative preference shares (CCPS) of INR 100 each	6,300
112,20,00,000 preference shares of INR 100 each	11,220
1000,00,00,000 unclassified shares of INR.10/-	10,000
400,00,00,000 unclassified shares of INR.100 each	40,000
TOTAL	**90,150**
Issued and paid-up Share Capital	
577,50,33,234 fully paid up equity shares of INR 10 each	5,775.03
62,24,49,170 fully paid up CCPS of INR 100 each	6,224.49
23,00,00,000 fully paid up optionally convertible preference shares of INR 100 each	2,300.00
TOTAL	**14,299.52**

4.2. The authorized, issued and paid up share capital of BAL as on December 15, 2017 is as under:

Share Capital	Amount (INR in Crores)
Authorized Share Capital	
550,00,00,000 equity shares of INR 5 each	2750
TOTAL	2750
Issued and paid-up Share Capital	
399,74,00,102 fully paid up equity shares of INR 5 each	1998.7
TOTAL	1998.7

4.3. The authorized, issued, subscribed and paid up share capital of BHL as on December 15, 2017 is as under:

Share Capital	Amount (INR in Crores)
Authorized Share Capital	
25,00,00,000 equity shares of INR 10 each	250

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Share Capital	Amount (INR in Crores)
TOTAL	250
Issued and paid-up Share Capital	
25,00,00,000 fully paid up equity shares of INR 10 each	250
TOTAL	250

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PART C - DEMERGER AND VESTING OF DEMERGED UNDERTAKING 1 OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY 1

5. DEMERGER AND VESTING OF DEMERGED UNDERTAKING 1

5.1. Upon the Scheme becoming effective, the Demerged Undertaking 1 shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Act, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 1 as a going concern.

5.2. **Transfer of Assets**

5.2.1. Upon the Scheme becoming effective and subject to any agreement between the Parties:

(i) all the Assets relating primarily to the Demerged Undertaking 1 and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company 1 and shall become the property of the Transferee Company 1 in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same;

(ii) in respect of the Assets relating to the Demerged Undertaking 1 other than those specified in Clause 5.2.1(i) above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company 1 and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company 1 may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company 1 and be paid or made good or held on account of the Transferee Company 1 as the person entitled thereto;

(iii) the Assets relating to the Demerged Undertaking 1 that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company 1, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company 1. With effect from the Effective Date, the Transferee Company 1 shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 1 by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof; and

(iv) for purposes of taking on record the name of the Transferee Company 1 in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company 1 pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company 1 may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or

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leave or licence (as the case may be) by the Transferor Company in favour of the Transferee Company 1.

(v) It is hereby clarified that for continuation of the non-wireless business (i.e. the wireline business), the Residual Undertaking will retain the UASL, UL and NLD.

5.3. **Transfer of Liabilities**

5.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities relating to the Demerged Undertaking 1 shall be transferred or deemed to be transferred to the Transferee Company 1 so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company 1 which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking 1 and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.

5.3.2. The provisions of this Clause 5.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

5.4. **Legal Proceedings**

5.4.1. Upon the Scheme becoming effective, all Transferring Litigations 1, pending on the Effective Date, shall be continued, prosecuted and enforced by or against the Transferee Company 1, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company.

5.4.2. The Transferee Company 1: (a) shall be replaced/added as party to Transferring Litigations 1; and (b) shall prosecute or defend such proceedings at its own cost and subject to any agreement between the Parties, the liability of the Transferor Company shall consequently stand nullified. Each of the Parties shall make relevant applications in that behalf, as may be required.

5.4.3. Upon the Scheme becoming effective, the outcome of the Writ Petition No. 10617 (W) 2013 (Tata Teleservices Limited and another v. Union of India) before the Calcutta High Court or any appellate/ review proceedings thereof ("**Spectrum Proceeding**") shall (to the extent it relates to any TTSL Circle other than Rajasthan Circle) be to the account of the Transferee Company 1. In other words,

(A) In the event any spectrum is held to be owned by the Transferor Company pursuant to the Spectrum Proceeding, such spectrum (to the extent it relates to any TTSL Circle other than Rajasthan Circle) shall be deemed to have been transferred to the Transferee Company 1; and

(B) All liabilities associated with or arising from such spectrum and the Spectrum Proceedings (in each case, to the extent it relates to any TTSL Circle other than Rajasthan Circle) shall be assumed by the Transferee Company 1.

5.5. **Employees**

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5.5.1. Upon the Scheme becoming Effective, all Transferring Employees 1 shall be deemed to have become the employees of the Transferee Company 1, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Transferee Company 1.

5.5.2. The Transferee Company 1 agrees that for the purpose of payment of any compensation, retrenchment compensation, gratuity and other terminal benefits, the past services of the Transferring Employees 1 with the Transferor Company shall also be taken into account, and pay the same as and when payable.

5.5.3. On the Scheme becoming effective, in so far as all employee benefits including the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of Transferor Company are concerned (collectively referred to as the "**Employee Benefit Funds**"), such proportion of the investments made in the funds and liabilities which are referable to the Transferring Employees 1 shall be transferred to the similar funds existing or created by the Transferee Company 1 and shall be held for their benefit pursuant to this Scheme, or maintained as separate funds by Transferee Company 1.

5.6. **Contracts, Deeds, etc.**

Notwithstanding anything to the contrary contained in any Transferring Contracts 1, upon the coming into effect of the Scheme, all Transferring Contracts 1 subsisting or having effect on the Effective Date, shall continue in full force and effect and all rights and obligations stipulated therein (except as otherwise agreed) shall be for the benefit of the Transferee Company 1, and may be enforced effectively by or against the Transferee Company 1 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 1 had been a party thereto from inception.

5.7. **Permits**

5.7.1. All governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking 1, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company 1 and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto.

5.7.2. The Transferee Company 1 shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking 1 pursuant to the effectiveness of the Scheme on its own account, pending the transfer of any approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Transferee Company 1 and would be entitled to make any applications, requests and the like in this regard.

5.8. **Taxes and Taxation**

5.8.1. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company 1 are expressly permitted to revise their respective financial statements and returns along with



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prescribed forms, filings and annexures under the Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

5.8.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Transferor Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking 1, shall be available to and vest in the Transferee Company 1, upon this Scheme coming into effect.

5.8.3. This Scheme complies with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions, of the Income-tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

6. CONSIDERATION FOR DEMERGER

6.1. Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BAL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BAL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BAL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

6.2. The Transferee Company 1 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1. The Board of Transferee Company 1 shall consolidate all such fractional entitlements and thereupon issue BAL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 1 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 1 so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements.

6.3. For the purpose of issue and allotment of the BAL RPS pursuant to this Clause 6, the following terms shall apply:

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6.3.1. The Board of Transferee Company 1 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 6.1 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 1 shall pay cash computed at the rate of INR 100 (Rupees hundred only) per BAL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

6.3.2. The BAL RPS issued pursuant to Clause 6.1 shall be issued in dematerialized or physical form as the Transferor Company and Transferee Company 1 may mutually agree.

6.3.3. Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the BAL RPS by Transferee Company 1 as provided in this Scheme.

6.3.4. The BAL RPS to be issued by Transferee Company 1 pursuant to Clause 6.1 of this Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

7. ACCOUNTING TREATMENT

7.1 Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 1, the accounting treatment shall also take into account the provisions of Clause 7.2 below:

7.2 **Accounting treatment in the books of the Transferee Company 1**

7.2.1 On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company 1 shall account for the transfer and vesting of Demerged Undertaking 1 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 1 shall, on this Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 1;

(ii) For the liabilities of the Demerged Undertaking 1 recognised in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 1 shall record the consideration transferred (BAL RPS issued to equity holders of Transferor Company pursuant to this Scheme);

(iv) The difference, if any, being excess / deficit arising pursuant to this Scheme shall be accounted as capital reserve / goodwill; and

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(v) To the extent there are inter-corporate balances between the Transferee Company 1 and the Demerged Undertaking 1, the obligations in respect thereof shall stand cancelled.

8. RECLASSIFICATION/ REORGANIZATION OF THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY 1

8.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company 1 shall be reclassified/ reorganized as under.

A.	Authorized share capital	Amount (in INR)
	549,99,80,000 equity shares of INR 5 each	2749,99,00,000
	1,000 preference shares of INR 100 each	1,00,000
	TOTAL	**2750,00,00,000**

8.2. Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be due compliance of the provisions of Section 13 and Section 61 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the reclassification of the authorized share capital envisaged under Clause 8.1 above.

8.3. Clause V of the memorandum of association of the Transferee Company 1 shall stand amended to give effect to the relevant provisions of this Scheme.

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PART D - DEMERGER AND VESTING OF DEMERGED UNDERTAKING 2 OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY 2

9. DEMERGER AND VESTING OF DEMERGED UNDERTAKING 2

9.1. Upon the Scheme becoming effective, the Demerged Undertaking 2 shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Act, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 2 as a going concern.

9.2. **Transfer of Assets**

9.2.1. Upon the Scheme becoming effective and subject to any agreement between the Parties:

(i) all the Assets relating primarily to the Demerged Undertaking 2 and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company 2 and shall become the property of the Transferee Company 2 in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same;

(ii) in respect of the Assets relating to the Demerged Undertaking 2 other than those specified in Clause 9.2.1(i) above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company 2 and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company 2 may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company 2 and be paid or made good or held on account of the Transferee Company 2 as the person entitled thereto;

(iii) the Assets relating to the Demerged Undertaking 2 that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company 2, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company 2. With effect from the Effective Date, the Transferee Company 2 shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 2 by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof; and

(iv) for purposes of taking on record the name of the Transferee Company 2 in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company 2 pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company 2 may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or

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leave or licence (as the case may be) by the Transferor Company in favour of the Transferee Company 2.

(v) It is hereby clarified that for continuation of the non-wireless business (i.e. the wireline business), the Residual Undertaking will retain the UASL and NLD.

9.3. **Transfer of Liabilities**

9.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities relating to the Demerged Undertaking 2 shall be transferred or deemed to be transferred to the Transferee Company 2 so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company 2 which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking 2 and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.

9.3.2. The provisions of this Clause 9.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

9.4. **Legal Proceedings**

9.4.1. Upon the Scheme becoming effective, all Transferring Litigations 2, pending on the Effective Date, shall be continued, prosecuted and enforced by or against the Transferee Company 2, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company.

9.4.2. The Transferee Company 2: (a) shall be replaced/added as party to Transferring Litigations 2; and (b) shall prosecute or defend such proceedings at its own cost and subject to any agreement between the Parties, the liability of the Transferor Company shall consequently stand nullified. Each of the Parties shall make relevant applications in that behalf, as may be required.

9.4.3. Upon the Scheme becoming effective, the outcome of the Spectrum Proceeding shall (to the extent it relates to the Rajasthan Circle) be to the account of the Transferee Company 2. In other words,

(A) In the event any spectrum is held to be owned by the Transferor Company pursuant to the Spectrum Proceeding, such spectrum shall (to the extent it relates to the Rajasthan Circle) shall be deemed to have been transferred to the Transferee Company 2; and

(B) All liabilities associated with or arising from such spectrum and the Spectrum Proceedings shall (in each case, to the extent it relates to the Rajasthan Circle) shall be assumed by the Transferee Company 2.

9.5. **Employees**

9.5.1. Upon the Scheme becoming Effective, all Transferring Employees 2 shall be deemed to have become the employees of the Transferee Company 2, on terms and conditions not less

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favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Transferee Company 2.

9.5.2. The Transferee Company 2 agrees that for the purpose of payment of any compensation, retrenchment compensation, gratuity and other terminal benefits, the past services of the Transferring Employees 2 with the Transferor Company shall also be taken into account, and pay the same as and when payable.

9.5.3. On the Scheme becoming effective, in so far as the Employee Benefit Funds are concerned, such proportion of the investments made in the funds and liabilities which are referable to the Transferring Employees 2 shall be transferred to the similar funds existing or created by the Transferee Company 2 and shall be held for their benefit pursuant to this Scheme, or maintained as separate funds by Transferee Company 2.

9.6. **Contracts, Deeds, etc.**

9.6.1. Notwithstanding anything to the contrary contained in any Transferring Contracts 2, upon the coming into effect of the Scheme, all Transferring Contracts 2 subsisting or having effect on the Effective Date, shall continue in full force and effect and all rights and obligations stipulated therein (except as otherwise agreed) shall be for the benefit of the Transferee Company 2, and may be enforced effectively by or against the Transferee Company 2 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party thereto from inception.

9.7. **Permits**

9.7.1. All governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking 2, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company 2 and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto.

9.7.2. The Transferee Company 2 shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking 2 pursuant to the effectiveness of the Scheme on its own account, pending the transfer of any approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Transferee Company 2 and would be entitled to make any applications, requests and the like in this regard.

9.8. **Taxes and Taxation**

9.8.1. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company 2 are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

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9.8.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Transferor Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking 2, shall be available to and vest in the Transferee Company 2, upon this Scheme coming into effect.

9.8.3. This Scheme complies with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions, of the Income-tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

10. CONSIDERATION FOR DEMERGER

10.1. The Transferee Company 2 shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorized share capital suitably so as to enable it to issue and allot the BHL RPS and if applicable, for the issuance of the necessary share certificates and/or letters of allotment representing the BHL RPS.

10.2. Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of this Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

10.3. The Transferee Company 2 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2. The Board of Transferee Company 2 shall consolidate all such fractional entitlements and thereupon issue BHL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 2 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 2 so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements.

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10.4. For the purpose of issue and allotment of the BHL RPS pursuant to this Clause 10, the following terms shall apply:

10.4.1. The Board of Transferee Company 2 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 10.2 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 2 shall pay cash computed at the rate of INR 100 (Rupees hundred only) per BHL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

10.4.2. The BHL RPS issued pursuant to Clause 10.2 shall be issued in dematerialized or physical form as the Transferor Company and Transferee Company 2 may mutually agree.

10.4.3. Approval of this Scheme by the shareholders of Transferee Company 2 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the BHL RPS by Transferee Company 2 as provided in this Scheme.

10.4.4. The BHL RPS to be issued by Transferee Company 2 pursuant to Clause 10.2 of this Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

11. ACCOUNTING TREATMENT

11.1. Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 2, the accounting treatment shall also take into account the provisions of Clause 11.2 below:

11.2. **Accounting treatment in the books of the Transferee Company 2**

11.2.1 On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company 2 shall account for the transfer and vesting of Demerged Undertaking 2 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 2 shall, on this Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 2;

(ii) For the liabilities of the Demerged Undertaking 2 recognised in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 2 shall record the consideration transferred (BHL RPS issued to equity holders of Transferor Company pursuant to this Scheme);

(iv) The difference, if any, being excess / deficit arising pursuant to this Scheme shall be accounted as capital reserve / goodwill; and

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(v) To the extent there are inter-corporate balances between the Transferee Company 2 and the Demerged Undertaking 2, the obligations in respect thereof shall stand cancelled.

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PART E - GENERAL TERMS AND CONDITIONS

12. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Companies shall have the right to amend or modify the Scheme, as they deem fit, subject to Applicable Law. Provided that no amendment or modification will be made to the Scheme without specific and written approval of the authorized signatory of each of the Transferor Company, Transferee Company 1 and Transferee Company 2.

13. CONDITIONS PRECEDENT

13.1. The effectiveness of this Scheme shall be conditional upon satisfaction or waiver (if applicable) of the following conditions (**"Conditions Precedent"**) and this Scheme shall take effect from the later of any of the dates set out below:

13.1.1. The written approvals of the DoT with respect to the transactions contemplated under the Scheme shall have been received.

13.1.2. Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Parties.

13.1.3. Execution of an agreement between the Parties in relation to the Scheme and fulfilment/ waiver of the conditions precedent thereunder in the manner stated therein.

13.2. Notwithstanding anything to the contrary contained in this Scheme, if the approval of shareholders and/ or creditors and/ or any Appropriate Authority required in relation to the transactions contemplated by Part D of the Scheme is not obtained but all Conditions Precedent are satisfied for the transactions contemplated under Part C of the Scheme, then the Scheme shall take effect in so far as it relates to Part C and Parties shall continue to undertake their commercially reasonable efforts to procure the approvals necessary to give effect to Part D.

13.3. This Scheme shall come into effect simultaneously with the effectiveness of the Scheme for the demerger of the consumer mobile telephony business of Tata Teleservices (Maharashtra) Limited into the Transferee Company 1.

14. COSTS AND EXPENSES

Stamp duty costs incurred in connection with this Scheme (including any order sanctioning this Scheme) shall be borne by the Parties in such manner as may be mutually agreed.

15. RESIDUAL PROVISIONS

The consent of the shareholders and creditors of each of the Parties to the Scheme in accordance with the Act, as applicable, shall be deemed to be sufficient for purposes of effecting all the actions set out in this Scheme and no additional actions of the Parties shall be separately required.

16. POWER TO REMOVE DIFFICULTIES

The authorised signatories of the Parties, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing, including without limitation through any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme:

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(a) give such directions (acting jointly) as may be mutually agreed in writing by the Parties as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of 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;

(b) do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect; and

(c) make any inclusions or exclusions (including without limitation in relation to Assets, Liabilities, Excluded Litigations and/ or the like) to the Demerged Undertakings.

17. SEVERABILITY

If any part of this Scheme is found to be invalid, unenforceable or unworkable for any reason whatsoever, the same shall not, subject to the decision of the Boards of the respective Parties, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. CONDUCT OF BUSINESS OF THE RESIDUAL UNDERTAKING OF THE TRANSFEROR COMPANY

18.1. The Residual Undertaking and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company 1 or the Transferee Company 2, as the case may be, shall have no right, claim or obligation in relation to the Residual Undertaking.

18.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking and the Excluded Litigations shall be continued and enforced by or against the Transferor Company. The Transferee Company 1 or the Transferee Company 2, as the case may be, shall, unless otherwise agreed between the Transferor Company and the Transferee Company 1 or the Transferee Company 2, as the case may be, in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.

18.3. With effect from and beyond the Effective Date, the Transferor Company:

(i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf; and

(ii) all profits accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company.

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Schedule 1

Spectrum (auction acquired) forming part of Demerged Undertaking 1

800 Mhz	Mhz	Auction Year	Allotment letter date	Spectrum Expiry date	Price/Mhz (Rs crs)	Cost (Rs crs)
Andhra Pradesh	2.50	Mar15	28-May-15	27-May-35	606	1,515
Andhra Pradesh	1.25	Mar15	21-Dec-15	20-Dec-35	606	757
Delhi	1.25	Mar15	21-Apr-16	20-Apr-36	848	1,060
Harayana	1.25	Mar15	28-May-15	27-May-35	57	71
1800 Mhz						
Andhra Pradesh	2.60	Mar15	27-May-15	26-May-35	243	631
Andhra Pradesh	2.40	Oct16	10-Nov-16	29-Sep-37	243	583
2100 Mhz						
Gujarat	5.00	Jun10	1-Sep-10	31-Aug-30	215	1,076
Harayana	5.00	Jun10	1-Sep-10	31-Aug-30	45	223
Karnataka	5.00	Jun10	1-Sep-10	31-Aug-30	316	1,580
Kerala	5.00	Jun10	1-Sep-10	31-Aug-30	62	312
Madhya Pradesh	5.00	Jun10	1-Sep-10	31-Aug-30	52	258
Punjab	5.00	Jun10	1-Sep-10	31-Aug-30	64	322
Uttar Pradesh (W)	5.00	Jun10	1-Sep-10	31-Aug-30	103	514

Administratively Allocated Spectrum

800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs. crs)
Delhi	2.5	Sep 02	16-Sep-02	30-Aug-2021	170.7
Delhi	1.25	Aug 04	13-Aug-04		No cost
Kolkata	2.5	Jul 04	06-Jul-04	29-Jan-2024	78.01
Gujarat	2.5	Sep 02	03-Sep-02	30-Aug-2021	109.01
Karnataka	2.5	Jun 02	28-Jun-02	30-Aug-2021	206.83
Tamilnadu	2.5	Jun 02	28-Jun-02	30-Aug-2021	79
Chennai	2.5	Sep 04	24-Sep-04	30-Aug-2021	154
Kerala	2.5	Jul 04	01-Jul-04	29-Jan-2024	40.54

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Punjab	2.5	Jun 04	29-Jun-04	29-Jan-2024	151.75
Haryana	1.25	Jun 04	30-Jun-04	29-Jan-2024	21.46
Haryana	1.25	Oct 04	27-Oct-04	29-Jan-2024	
UP (West)	2.5	May 04	31-May-04	29-Jan-2024	30.55
UP (East)	2.5	May 04	31-May-04	29-Jan-2024	45.25
Bihar	2.5	May 04	28-May-04	29-Jan-2024	10
MP	2.5	Jun 04	29-Jun-04	11-Feb-2024	17.45
WB	2.5	Jul 04	06-Jul-04	29-Jan-2024	1
HP	2.5	Jun 04	29-Jun-04	29-Jan-2024	1.1
Orissa	2.5	May 04	28-May-04	29-Jan-2024	5

Administratively allocated spectrum

1800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs crs)
Kolkata	4.4	Dec 08	05-Dec-08	29-Jan-24	78.01
Gujarat	4.4	Mar 09	09-Mar-09	30-Aug-21	109.01
Karnataka	4.4	May 08	30-May-08	30-Aug-21	206.83
Tamil Nadu	4.4	Apr 08	22-Apr-08	30-Aug-21	79
Chennai	4.4	Apr 08	22-Apr-08	30-Aug-21	154
Kerala	4.4	May 08	15-May-08	29-Jan-24	40.54
Punjab	4.4	Mar 09	09-Mar-09	29-Jan-24	151.75

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Haryana	4.4	Dec 08	04-Dec-08	29-Jan-24	21.46
UP-West	4.4	Dec 08	26-Dec-08	29-Jan-24	30.55
UP-East	4.4	Jan 09	21-Jan-09	29-Jan-24	45.25
Madhya Pradesh	4.4	Aug 08	28-Aug-08	11-Feb-24	17.45
West Bengal	4.4	Jan 09	09-Jan-09	29-Jan-24	1.00
Himachal Pradesh	4.4	Dec 08	04-Dec-08	29-Jan-24	1.10
Bihar	4.4	Oct 08	03-Oct-08	29-Jan-24	10.00
Orissa	4.4	Apr 08	24-Apr-08	29-Jan-24	5.00



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Schedule 2

Spectrum (auction acquired) forming part of Demerged Undertaking 2

2100 Mhz	Mhz	Auction Year	Allotment letter date	Spectrum Expiry date	Price/Mhz (Rs crs)	Cost (Rs crs)
Rajasthan	5.00	Jun10	1-Sep-10	31-Aug-30	64	321

Administrative Spectrum

800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs crs)
Rajasthan	2.5	Jul 04	14-Jul-04	29-Jan-2024	32.25
1800 MHz	**MHz**	**Allocation Year**	**Allotment letter date**	**Spectrum Expiry date**	**Cost (Rs crs)**
Rajasthan	4.4	Dec 08	23-Dec-08	29-Jan-24	32.25

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Schedule 3

Terms of RPS

1.	Dividend	10% per annum
2.	Face value	INR 100
3.	Term and Redemption	Mandatorily redeemable at par at the end of 18 months from the date of issuance
4.	Transferability	Transferable
5.	Voting/ Non-voting	Non-voting

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FREE OF COST COPY

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI

Company Application No.CA (CAA) 98/PB/2018

Judgment dated: 14.06.2018

Coram:

CHIEF JUSTICE (Rtd.) SHRI M.M. KUMAR,

HON'BLE PRESIDENT

&

MR. S.K. MOHAPATRA,

MEMBER (TECHNICAL)

In the matter of:

Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AMONGST

1. TATA TELESERVICES LIMITED

..... (APPLICANT COMPANY NO. 1/TRANSFEROR COMPANY NO. 1)

AND

2. BHARTI AIRTEL LIMITED

National Company Law Tribunal

(APPLICANT COMPANY NO.2/TRANSFEREE COMPANY NO. 1)

3. BHARTI HEXACOM LIMITED

(APPLICANT COMPANY NO. 3/ TRANSFEREE COMPANY NO. 2)

AND

Their respective Shareholders and Creditors

MEMO OF PARTIES

1. TATA TELESERVICES LIMITED

Company registered under the Companies Act, 2013

Having Registered Office at:

10th floor, Tower 1, Jeevan Bharati,

124 Connaught Circus,

New Delhi-110001

..... Applicant Company No. 1 / Transferor Company

2. BHARTI AIRTEL LIMITED

Company registered under the Companies Act, 2013

Having Registered Office at:

Bharti Crescent, 1,

Nelson Mandela Road, Vasant Kunj,

Phase II, New Delhi-110070

..... Applicant Company No. 2 / Transferor Company

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3. BHARTI HEXACOM LIMITED

Company registered under the Companies Act, 1956

Having Registered Office at:

Bharti Crescent, 1,

Nelson Mandela Road, Vasant Kunj,

Phase II, New Delhi-110070

... Applicant Company No. 3/Transferee Company

ORDER

M.M. KUMAR, PRESIDENT

1. This is an application filed by the applicant companies under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (for brevity 'The Act') read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'The Rules') in relation to the Scheme of Amalgamation (for brevity the "SCHEME") proposed between the applicants. The said Scheme is also annexed [Annexure "A1"]. In terms of Sections 230 and 232 of the 2013 Act following prayers have been made for orders:-

a) This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the equity and preference shareholders of the

Transferor Company, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the consent affidavits given by the equity shareholders having over 90% equity shareholding in the Transferor Company and in view of Transferor Company and the sole preference shareholder of the Transferor Company;

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the equity and preference shareholders of the Transferor Company cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening a meeting of the equity and preference shareholders of the Transferor Company, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the equity and preference shareholders of the Transferor Company to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferor Company to the equity and preference shareholders of the Transferor Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

b) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the secured*

creditors of the Transferor Company, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the secured creditors of the Transferor Company to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferor Company to the secured creditors of the Transferor Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

c) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the unsecured creditors of the Transferor Company, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the unsecured creditors of the Transferor Company to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferor Company to the unsecured creditors of the Transferor Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other*

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manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

d) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the shareholders of the Transferee Company No. 1, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the shareholders of the Transferee Company No. 1 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the Transferee Company 1 to the shareholders of the Transferee Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;*

e) *This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the secured creditors of the Transferee Company 1, to consider and, if thought fit, approve, with or without*

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modification, the scheme, in view of the consent affidavits given by the only secured creditor of the Transferee Company 1;

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the secured creditors of the Transferee Company 1cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening a meeting of the secured creditors of the Transferee Company 1, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the secured creditors of the Transferee Company 1 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferee Company to the secured creditors of the Transferee Company 1 through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

f) This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the unsecured creditors of the Transferee Company No. 1, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if

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required) for conducting such meeting of the unsecured creditors of the Transferee Company No. 1 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the Transferee Company to the unsecured creditors of the Transferee Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

g) *This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the shareholders of the Transferee Company 2, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the consent affidavits given by all the equity shareholders of the Transferee Company 2 and it having no preference shareholders;*

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the shareholders of the Transferee Company 2 cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening a meeting of the shareholders of the Transferee Company 2, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the shareholders of the Transferee Company 2 to be held on such

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terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferee Company 2 to the shareholders of the Transferee Company 2 through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

h) *This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the secured creditors of the Transferee Company 2, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the Transferee Company No. 2 having no secured creditors as on 31.03.2018;*

i) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the unsecured creditors of the Transferee Company No. 2, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the unsecured creditors of the Transferee Company No 2 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the Transferee Company 2 to the unsecured creditors of the*

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Transferee Company 2 through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

j) This Hon'ble Tribunal may be pleased to direct service of notice under Section 230 (3) read with Section 230 (5) of the Companies Act, 2013 along with all the documents in such form as may be prescribed to the statutory authorities and such other sectoral regulators or authorities which are likely to be affected by the Scheme as per Section 230 (5) of the Companies Act, 2013;and

k) This Hon'ble Tribunal may be pleased to pass such further and other orders as deemed proper in the facts and circumstances on the instant case."

2. Affidavits in support of the application sworn for and on behalf of the Transferor Company has been filed by one Mr. Arun Kumar Singh, on behalf of the Transferee Company No. 1 has been filed by one Mr. Rohit Krishan Puri, on behalf of the Transferee Company No. 2 has been filed by one Mr. Suman Singh being the authorized representatives.

3. It is represented that the Scheme does not contemplate any corporate debt restructuring exercise as contemplated under Section 230(2) of the Act.

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Learned Counsel has taken us through the averments made in the application as well as the typed set of documents annexed there with. It is further represented that the application filed by the applicants is maintainable in view of Rule 3(2) of the Rules and Learned Counsel also represented that the registered offices of all the applicant companies are situated within the territorial jurisdiction of this Tribunal and fall within domain of Registrar of Companies, NCT, New Delhi.

4. In relation to the Transferor/ Applicant Company No. 1 in the Scheme marked as Annexure- "A1", it has been represented that company has 35 Equity Shareholders 10 of whom, having 90% equity shareholding have already given their consent affidavits to the scheme. We are further apprised that the Transferor / Applicant Company No.1 has only one preference shareholder who has also consented to the Scheme by way of an affidavit. There are 24 Secured Creditors and 16,524 Unsecured Creditors. In relation to the Secured and Unsecured Creditors Transferor / Applicant Company No. 1 seeks a direction for direction of convening of meetings for the purpose of obtaining their approval to the proposed Scheme.

5. In relation to the Transferee/ Applicant Company No. 2 in the Scheme marked as Annexure- "A1", it has been represented that company has 2,00,110 Equity Shareholders and no Preference Shareholders. We are further apprised that the Transferor / Applicant Company No.1 has one Secured Creditor who has already consented to the Scheme by way of an

affidavit and 8,311 Unsecured Creditors. In relation to the Shareholders and Unsecured Creditors Transferee / Applicant Company No. 2 seeks a direction for direction of convening & holding of meetings for the purpose of obtaining their approval to the proposed Scheme.

6. In relation to the Transferee/ Applicant Company No. 3 in the Scheme marked as Annexure- "A1", it has been represented that company has 7 Equity Shareholders all of who have already given their consent affidavits to the scheme and no Preference Shareholders. We are further apprised that the Transferee/ Applicant Company No.3 have no Secured Creditor and 965 Unsecured Creditors. In relation to the Unsecured Creditors Transferee / Applicant Company No. 3 seeks a direction for direction of dispensing with holding of meetings for the purpose of obtaining their approval to the proposed Scheme.

7. The above application has been placed before us and this Tribunal proceeds to entertain the same. The registered offices of all the applicant companies are situated within New Delhi which are subject to the territorial jurisdiction of Registrar of Companies, NCT, New Delhi as well as that of this Tribunal.

8. We have perused the application and the connected documents filed along with the Scheme of Amalgamation contemplated between the Applicant Companies.

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9. Applicant Company No. 1 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 23.03.1995 under the name "*Tata Teleservices Private Limited*". Thereafter on 06.05.1995, the name of the Transferor Company was changed to the present name i.e. "*Tata Teleservices Limited*".The authorised share capital of the Transferor Company is Rs 90,150 crores divided into 2263,00,00,000 equity shares of Rs 10/- each, 63,00,00,000 CCPS of Rs. 100/- each, 112,20,00,000 preference shares of Rs. 100/- each, 1000,00,00,000 unclassified shares of Rs. 10/- each and 400,00,00,000 unclassified shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the Company is Rs. 14,299.52 crores divided into 577,50,33,234 fully paid up equity shares of Rs. 10/- each, 62,24,49,170 fully paid up CCPS of Rs 100/- each, 23,00,00,000 fully paid up optionally convertible non-cumulative preference shares of Rs. 100/- each.

10. Applicant Company No. 2/ Transferee Company No. 1 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 07.07.1995 the name "*Bharti Tele-Ventures Limited*". Thereafter, on 24.04.2006, the name of the Transferee Company 1 was changed to its present name i.e. "*Bharti Airtel Limited*". The authorised share capital of the Company is Rs 27,50,00,00,000 Only, divided into 5,50,00,00,000 equity shares of face value Rs. 5 each. The issued, subscribed and paid-up share

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capital of the Company is Rs. 19,98,70,00,510 only divided into 3,99,74,00,102 equity shares of face value Rs 5 /- each.

11. Applicant Company No. 3/ Transferee Company 2 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 20.04.1995 under the name "*Hexacom India Limited*". Thereafter on 02.12.2004 the name of the Company was changed to "*Bharti Hexacom Limited*" . The authorised share capital of the Company is Rs 250 crores only, divided into 25,00,00,000 equity shares of Rs. Ten each. The issued, subscribed and paid-up share capital of the Company is Rs. Rs 250 crores only, divided into 25,00,00,000 equity shares of Rs. Ten each.

12. The Board of Directors of the Companies, vide separate meetings held on 19.12.2017 have unanimously passed resolutions and approved the proposed Scheme of Arrangement as contemplated above and copies of resolutions have also been placed on record by the Company.

13. Taking into consideration the application and the documents filed therewith, we propose to issue the following directions with respect to calling, convening and holding of the meetings of the Shareholders, Secured and Unsecured Creditors or dispensing with the same which are as follows:-

A. In relation to the Applicant No. 1/ Transferor Company:

i. With respect to Shareholders:

राष्ट्रीय कम्पनी विधि अधिकरण National Company Law Tribunal प्रधान न्यायपीठ Principal Bench

Since it is represented by the Applicant No. 1 that consent-affidavits of Shareholders have been obtained and are placed on record, the requirement of convening and holding a meeting is dispensed with.

ii. With respect to Secured Creditors:

It is represented by the Applicant No. 1 that there are 24 Secured Creditors in the Company. Meeting of Secured Creditors be convened on Tuesday, 21.08.2018 at 11.00 A.M. at Shri Satya Sai Auditorium, Lodhi Road, New Delhi-110003. The Quorum of the meeting shall be 15.

iii. With respect to Unsecured Creditors:

It is represented by the Applicant No. 1 that there are 16,524 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on Tuesday, 21.08.2018 at 02.00 P.M. at Shri Satya Sai Auditorium, Lodhi Road, New Delhi-110003. The Quorum of the meeting shall be 75.

B. In relation to the Applicant No. 2/ Transferee Company No. 1:

i. With respect to Shareholders:

राष्ट्रीय कम्पनी विधि अधिकरण National Company Law Tribunal प्रधान न्यायपीठ Principal Bench

It is represented by the Applicant No. 2 that there are 2,00,110 Equity Shareholders in the Company. Meeting of Equity Shareholders be convened on Tuesday, 28.08.2018 at 10.30 A.M. at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi-110034. The Quorum of the meeting shall be 75.

ii. With respect to Secured Creditors:

Since it is represented that there is one Secured Creditor in the Company, who has already consented to the scheme by way of an affidavit, therefore the requirement of convening and holding a meeting is dispensed with.

iii. With respect to Unsecured Creditors:

It is represented by the Applicant No. 2 that there are 8311 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on Tuesday, 28.08.2018 at 01.30 P.M. at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi-110034. The Quorum of the meeting shall be 50.

C. In relation to the Applicant No. 3/ Transferee Company No. 2:

i. With respect to Shareholders:



It is represented that there are only 7 Equity Shareholders and no preference shareholders in the Company and consent-affidavits from all of them have been obtained and are placed on record. Hence, the necessity of convening and holding a meeting is dispensed with.

ii. With respect to Secured Creditors:

Since it is represented that there are no Secured Creditors in the Company, therefore the necessity of convening and holding a meeting is dispensed with.

iii. With respect to Unsecured Creditors:

It is represented by the Applicant No. 3 that there are 965 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on Tuesday, 28.08.2018 at 04.00 P.M. at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi-110034. The Quorum of the meeting shall be 50.

D. In case the Quorum as noted above for the above meetings of the applicant companies are not present, in the meetings, then the meetings shall be adjourned for half an hour, and thereafter, the person present shall be deemed to constitute the quorum. For the purpose of computing the quorum,

the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, are duly filed with registered office of the applicant companies at least 48 hours before the meetings. The Chairperson and the Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained.

E. Sh. Anant Palli, Advocate, Supreme Court (9810199102) is appointed as the Chairperson and Sh. Sandeep Vermani, Advocate (9815600534) is appointed as Alternative Chairperson for the meetings of Applicant Companies as has been directed to be convened by this Tribunal.

F. The fee for the Chairperson for the aforesaid meetings shall be Rs. 2 Lacs and the fee for the Alternate Chairperson shall be Rs. One Lac , in addition to meeting their incidental expenses. Sh. Vivek Goel (9815522553) is appointed as a Scrutinizer and would be entitled to fee of Rs. One Lac for his services in addition to meeting his incidental expenses. The Chairperson will file their reports within two weeks from the date of holding of the above said meetings.

G. The individual notices of the said meetings shall be sent as required and prescribed by the Companies Act, 2013 through registered post or speed

National Company Law Tribunal Principal Bench

post or through courier or through e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, place and time as aforesaid, together with a copy of scheme of arrangement, a copy of explanatory statement. The prescribed form of proxy shall be sent along with and in addition to the above documents, any other documents as may be prescribed under the Act may also be duly sent with the notice.

H. That the applicant companies shall publish advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date, place and time as aforesaid, to be published in the English Daily '**Indian Express**' and Hindi Daily '**Jansatta**' (Delhi Edition) stating the copies of Scheme of Arrangement, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies.

I. Voting shall be allowed on the proposed Scheme by voting in person or by proxy, as may be applicable to the respective companies under the Act and rules framed there under. The Chairperson shall be responsible to report the result of the meeting to this Tribunal within two weeks of the conclusion of the meeting with regard to the proposed scheme.



J. The Companies shall individually send notice to the Central Government, the Income Tax Authorities, concerned Registrar of Companies, NCT of Delhi & Haryana, Official Liquidator, BSE Limited, National Stock Exchange of India Ltd, Securities and Exchange Board of India and any sectorial regulators who may have significant bearing on the operation of the applicant companies along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

K. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

The application stands allowed in the aforesaid terms.

Sd/-

(M.M. KUMAR)
PRESIDENT

Sd/-

(S.K. MOHAPATRA)
MEMBER (TECHNICAL)

15.06.2018
(vidya)

FREE OF COST COPY

15.6.2018
Registrar
National Company Law Tribunal
New Delhi

Recommendation of share entitlement report for the proposed demerger of the CMB of TTSL into BAL and BHL

Ernst & Young Merchant Banking Services Private Limited 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.	**Walker Chandiok & Co LLP** **(Formerly Walker, Chandiok & Co)** **5th Floor, No.65/2, Block 'A',** Bagmane Tridib, Bagmane Tech Park, CV Raman Nagar Bengaluru – 560 093.

Dated: 19 December 2017

To

The Board of Directors	**The Board of Directors**
Tata Teleservices Limited 2A Old Ishwar Nagar, Main Mathura Road, New Delhi – 110 065	Bharti Airtel Limited and Bharti Hexacom Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj Phase II New Delhi – 110070

Sub: Recommendation of share entitlement ratios for the proposed demerger of the consumer mobile business of Tata Teleservices Limited into Bharti Airtel Limited and Bharti Hexacom Limited

Dear Sir,

We refer to the engagement letters wherein

- Bharti Airtel Limited (hereinafter referred to as "BAL") and Bharti Hexacom Limited (hereinafter referred to as "BHL") have appointed Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or "Valuer 1") and
- Tata Teleservices Limited (hereinafter referred to as "TTSL") has appointed Ernst & Young Merchant Banking Services Private Limited (hereinafter referred to as "EYMBSPL" or "EY" or "Valuer 2")

respectively to recommend share entitlement ratios for

1. the proposed demerger of the consumer mobile business of TTSL in Rajasthan circle (hereinafter referred to as "Rajasthan CMB of TTSL") into BHL
2. the proposed demerger of the consumer mobile business of TTSL in 16 circles (all circles of TTSL excluding Rajasthan circle – hereinafter referred to as the "Residual CMB of TTSL") into BAL.

TTSL, BAL and BHL are together hereinafter referred to as the "Companies".

Rajasthan CMB of TTSL and Residual CMB of TTSL are hereinafter referred to as "Demerged Undertakings"

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Ernst & Young Merchant Banking Services Private Limited 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.	**Walker Chandiok & Co LLP** (Formerly Walker, Chandiok & Co) 5th Floor, No.65/2, Block 'A', Bagmane Tridib, Bagmane Tech Park, CV Raman Nagar Bengaluru – 560 093.

Dated: 19 December 2017

To

The Board of Directors

Tata Teleservices Limited
2A Old Ishwar Nagar,
Main Mathura Road,
New Delhi – 110 065

The Board of Directors

Bharti Airtel Limited and Bharti Hexacom Limited
Bharti Crescent,
1, Nelson Mandela Road, Vasant Kunj Phase II
New Delhi – 110070

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respectively to recommend share entitlement ratios for

1. the proposed demerger of the consumer mobile business of TTSL in Rajasthan circle (hereinafter referred to as "Rajasthan CMB of TTSL") into BHL
2. the proposed demerger of the consumer mobile business of TTSL in 16 circles (all circles of TTSL excluding Rajasthan circle – hereinafter referred to as the "Residual CMB of TTSL") into BAL.

TTSL, BAL and BHL are together hereinafter referred to as the "Companies".

Rajasthan CMB of TTSL and Residual CMB of TTSL are hereinafter referred to as "Demerged Undertakings"

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SCOPE AND PURPOSE OF THIS REPORT

TTSL is a telecom company headquartered in New Delhi, India. TTSL provides basic and cellular telecommunication services to retail, large corporate and small and medium enterprises in 17 out of 22 circles in India. It offers wireline services, code division multiple access services, global system for mobile communications services and 3G services; and voice, data and other enterprise services, such as connectivity and managed services, verticals based mobile applications and cloud services. The company also provides high speed Internet access services. Consumer Mobile Business of TTSL (hereinafter referred to as 'CMB of TTSL') refers to the wireless business providing CDMA/2G/3G services and excludes the enterprise business and the wireline/broadband business.

BAL, together with its subsidiaries, operates as a telecommunications company. The company operates within various segments such as Mobile business segment, Airtel Business segment, Tower Infrastructure Services segment, Home Services segment and Digital TV Services segment. BAL also offers fixed line, DSL broadband, mobile commerce and infrastructure sharing service. It was founded in 1995 and is headquartered in New Delhi, India. For the year ended 31 March 2017, BAL reported a consolidated revenue (including other income) of INR 955,889 million and profit after tax of INR 42,414 million.

BHL, a subsidiary of BAL, provides cellular services in Rajasthan and Northeast circles. It offers cellular mobile, broadband, and telephone services.

We understand that the management of the Companies (hereinafter referred to as "Management") are contemplating

1. transfer by way of a demerger of the Residual CMB of TTSL into BAL ("Proposed Transaction 1").
2. transfer by way of a demerger of the Rajasthan CMB of TTSL into BHL ("Proposed Transaction 2")

   through a Scheme of Arrangement under the provisions of Section 230-232 of the Companies Act, 2013 ("Scheme").

Proposed Transaction 1 and Proposed Transaction 2 are hereinafter referred to as "Proposed Transactions".

The consideration for equity shareholders of TTSL would be in the form of Redeemable Preference Shares ("RPS"). Under the Proposed Transaction 1, BAL would issue RPS (hereinafter referred to as "Share Entitlement Ratio 1") and under the Proposed Transaction 2, BHL would issue RPS (hereinafter referred to as "Share Entitlement Ratio 2").

Share Entitlement Ratios 1 and 2 are hereinafter referred to as "Share Entitlement Ratios". However, the management of TTSL has informed us that they expect funding into TTSL to repay part of the external debt and spectrum liability before the closure of the above mentioned transactions but the quantum and structure is not yet finalized. This is expected to change the number of shares in TTSL and it is difficult for them to provide us an estimated number of shares on diluted basis. Hence they have requested us to provide them an absolute value of the demerged undertaking and/or absolute number of shares of BAL and BHL to be issued to shareholders of TTSL, rather than a distribution ratio.

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For the aforesaid purpose, BAL and BHL have appointed WCC and TTSL has appointed EY to prepare a report (the "Report") on the Share Entitlement Ratios to be placed before the Board of Directors of the Companies.

The Valuers have been appointed separately and have worked independently in their analysis. WCC owns responsibility only to BAL and BHL, and EY owns responsibility only to TTSL.

The Valuers have received same information and clarifications from the Companies. For recommending the Share Entitlement Ratios, the Valuers have independently arrived at different values. However, to arrive at the consensus on the Share Entitlement Ratios, appropriate discussions, averaging and rounding off in the values arrived at by the Valuers have been done.

We have considered facts made known (past or future) to us till the date of our Report.

This Report is our deliverable in respect of our recommendation of Share Entitlement Ratios for the purpose of the Proposed Transactions.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

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SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and / or gathered from public domain:

With respect to TTSL/CMB business
- Annual report of TTSL for the year ended 31 March 2017
- Carved out unaudited balance sheet of CMB of TTSL as at 30 September 2017
- Details of assets/liabilities proposed to be transferred
- The amount of debt proposed to be transferred to BAL and BHL, which is INR 19,650 million and INR 350 million, respectively.
- Carved out unaudited profit and loss statements (upto EBITDA) of CMB for FY 2016-17 and six months ended 30 September 2017
- Carved out revenue of Residual CMB of TTSL and Rajasthan CMB of TTSL for FY 2016-17 and six months ended 30 September 2017
- Expected revenue and EBITDA of CMB of TTSL (separately for Residual CMB of TTSL and Rajasthan CMB of TTSL) for the year ended 31 March 2018
- Historical circle-wise key operational parameters of the CMB of TTSL for FY 2016-17 and for six months ended 30 September 2017

With respect to BAL and BHL
- Audited financial statements for the year ended 31 March 2017.
- Terms of the RPS to be issued such as the face value, coupon rate and the redemption terms.

Others
- Draft Composite Scheme of Amalgamation

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Managament has been provided with the opportunity to review the draft Report as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

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PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Discussions (physical / over call) to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about business plans, future performance estimates, or budgets.
- Requested and received financial and qualitative information on the CMB of TTSL
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - Valuers' internal transactions database
    - Proprietary databases subscribed by the Valuers'
  - Other publically available information.
- Analysis of information
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations

Further, at the request of the Management, WCC has had discussions with fairness opinion provider appointed by BAL on the valuation approach adopted and assumptions made.

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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 18 December 2017 ("Valuation Date").

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratios based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratios at which the Proposed Transactions shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transactions and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. We have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Company. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Companies. However nothing has come to our attention to indicate that the information

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provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies and Demerged Undertakings.

This Report does not look into the business/ commercial reasons behind the Proposed Transactions nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transactions as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. In addition, this Report does not in any manner address the prices at which equity shares of BAL will trade following announcement of the Proposed Transactions and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Transactions.

No investigation/inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any third party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This valuation Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Our appointment was formalized via engagement letters dated 15 December 2017 for WCC and 18 December 2017 for EY, however, the work had started earlier.

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EQUITY SHARE CAPITAL

Tata Teleservices Limited

The issued, subscribed and paid up equity share capital of TTSL as at 30 September 2017 is INR 57,750 million, consisting of 5,77,50,33,234 equity shares of face value of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 30 September 2017	No. of shares	% shareholding
Promoter & Group	4,01,60,19,890	69.54%
Non Promoter	1,75,90,13,344	30.46%
Total	**5,77,50,33,234**	**100.00%**

Source: Management

Bharti Airtel Limited

The issued, subscribed and paid up equity share capital of BAL as at 30 September 2017 is INR 19,987 million consisting of 3,99,74,00,102 equity shares of INR 5 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 30 September 2017	No. of shares	% shareholding
Promoter & Group	2,68,37,81,555	67.14%
Non Promoter	1,31,25,16,810	32.83%
Employee Benefit Trust	11,01,737	0.03%
Total	**3,99,74,00,102**	**100.00%**

Source: BSE filing

Bharti Hexacom Limited

The issued, subscribed and paid up equity share capital of BHL as at 30 September 2017 is INR 2,500 million consisting of 25,00,00,000 equity shares of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 31 March 2017	No. of shares	% shareholding
Bharti Airtel Limited	17,50,00,000	70.00%
Telecommunications Consultants India Limited	7,50,00,000	30.00%
Total	**25,00,00,000**	**100.00%**

Source: Management

Ernst & Young Merchant Banking Services Pvt. Ltd. MUMBAI

SDC

BHARTI AIRTEL LIMITED NEW DELHI

APPROACH - BASIS OF PROPOSED TRANSACTION

We understand from the Management that the proposed Scheme of Arrangement contemplates the demerger of the CMB of TTSL to BAL and BHL, pursuant to sections 230 to 232 of the Companies Act, 2013. Arriving at the Share Entitlement Ratios for the Proposed demerger of the CMB of TTSL into BAL and BHL respectively, would require determining the value of the Demerged Undertakings relative to fair value of the Redeemable Preference Shares of BAL and BHL. These values are to be determined independently without considering the current Proposed Transactions.

There are several commonly used and accepted methods for determining the value of the Demerged Undertakings, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of business / companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner, based on our previous experience of assignments of a similar nature.

Market Price (MP) method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. However, there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Since, TTSL is not listed on any recognized exchange, we have not considered the Market price method for the valuation of TTSL.

Comparable Companies' Market/Transaction Multiple (CCM) method

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We identified listed comparable companies and available transactions, based on business of TTSL and thereafter adjusted the selected multiples based on size, growth, profitability and the circles in which TTSL operates.

Discounted Cash Flows (DCF) method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided with mid-term/long term forecasts by TTSL. TTSL management informed us that they could not prepare the same considering uncertainties surrounding the continuation of the business. Hence, we have not considered the DCF method for valuation purpose.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

In case of CMB of TTSL, a large portion of assets in the books is represented by purchased telecom spectrum. The Management has informed us that the 30 September 2017 financials of TTSL (prepared although yet to be approved by the Board) are expected to have significant impairment write downs for CMB assets including spectrum.

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According to us, the spectrum price benchmarks for 2016 auctions have limited relevance now due to the following factors:

- Unsold spectrum in the auctions
- Reduction in number of players due to
  - Consolidation (eg. Idea-Vodafone, Bharti-Telenor)
  - Possible discontinuation of business (eg. Reliance Communication, Aircel)
- Increase in spectrum holdings due to consolidation and asset purchases (eg. Tikona-Bharti)

Additionally, telecom sector is moving towards 4G making 3G bands non-lucrative. TTSL did not have any 4G spectrum and management of TTSL informed us that they had already considered all possible strategic options for CMB. As per management of TTSL, considering limited scope of meaningful revival of profitability, there were no other realistic options available to them.

Considering the uncertainties around possible sale/pricing of individual assets in this situation and consequential costs/liabilities, we believe estimation of realizable value of assets would not be realistically possible with sufficient degree of objectivity.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- CMB business of TTSL has witnessed decline in revenues and has negative EBITDA margins.
- Challenging competitive environment which limited the scope of meaningful revival of profitability of CMB of TTSL.
- TTSL has limited visibility on the continuity of the operations of the CMB and therefore has not been able to provide mid/long term cash flow forecasts.

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BHARTI AIRTEL LIMITED NEW DELHI

BASIS OF PROPOSED TRANSACTIONS

The basis of valuation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

Demerged Undertakings has been valued using CCM method.

BAL and BHL would issue RPS with market based coupon rate to shareholders of TTSL as consideration for demerger of the CMB operations. As per Management, BAL and BHL would issue fresh RPS at book value of INR 100 each fully paid up at market coupon rates. Since the coupon rate would be based on market rates and these will be redeemable at par, we have considered their face value to be the fair value.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that the Share Entitlement Ratios for equity shareholders of TTSL for the Proposed Transactions should be anywhere in the following range:

- In case of Proposed Transaction 1, Nil (lower range) to 3.8 million (upper range) RPS of BAL of INR 100 each fully paid up
- In case of Proposed Transaction 2, Nil (lower range) to 0.29 million (upper range) RPS of BHL of INR 100 each fully paid up

Please note that we have not considered the issuance of RPS by BAL and BHL to the Compulsorily/Optionally Convertible Preference Shareholders in TTSL for the estimation of the Share Entitlement Ratios.

Enam Merchant Banking Services Pvt. Ltd. MUMBAI

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BHARTI AIRTEL LIMITED NEW DELHI

It should be noted that we have not examined any other matter including economic rationale for the Transactions per se or accounting, legal or tax matters involved in the Transactions.

Respectfully submitted,

Ernst & Young Merchant Banking Services Private Limited

Amish Mehta
Place: Mumbai
Date: 19 December 2017

Encls:
Annexures

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Partner Name: Shashishekhar Chaugule
Membership No: 212151
Place: Gurgaon
Date: 19 December 2017

Annexure 1: EY's computation of Equity Value of TTSL's CMB Unit (16 circles except Rajasthan)

Currency INR mn	Notes	Weight	Residual CMB of TTSL Lower Range	Residual CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	19,527	21,870
Enterprise Value			**19,527**	**21,870**
Less: gross debt			(19,650)	(19,650)
Equity Value			-	**2,220**
RPS to be issued by BAL (INR 100 each fully paid up) in million			-	**22.2**

Note 1: Enterprise Valuation of TTSL's CMB unit (except Raj) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.625	0.700
Revenue - TTSL's CMB Unit except Rajasthan- FY18 estimate	31,243	31,243
Enterprise Value	**19,527**	**21,870**

Annexure 2: WCC's computation of Equity Value of TTSL's CMB Unit (16 circles except Rajasthan)

Currency INR mn	Notes	Weight	Residual CMB of TTSL Lower Range	Residual CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	19,508	20,030
Enterprise Value			**19,508**	**20,030**
Less: gross debt			(19,650)	(19,650)
Equity Value			-	**380**
RPS to be issued by BAL (INR 100 each fully paid up) in million			-	**3.8**

Note 1: Enterprise Valuation of TTSL's CMB unit (except Raj) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.624	0.641
Revenue - TTSL's CMB Unit except Rajasthan- FY18 estimate	31,243	31,243
Enterprise Value	**19,508**	**20,030**

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Annexure 3: EY's computation of Equity Value of TTSL's CMB Unit (Rajasthan circle)

Currency INR mn	Notes	Weight	Rajasthan CMB of TTSL Lower Range	Rajasthan CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	338	379
Enterprise Value			**338**	**379**
Less: gross debt			(350)	(350)
Equity Value			**-**	**29**
RPS to be issued by BHL (Rs 100 each fully paid up) in million			**-**	**0.29**

Note 1: Enterprise Valuation of TTSL's CMB unit (Rajasthan circle) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.438	0.490
Revenue - TTSL's CMB Unit (Rajasthan circle) - FY18 estimate	773	773
Enterprise Value	**338**	**379**

Annexure 4: WCC's computation of Equity Value of TTSL's CMB Unit (Rajasthan circle)

Currency INR mn	Notes	Weight	Rajasthan CMB of TTSL Lower Range	Rajasthan CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	341	396
Enterprise Value			**341**	**396**
Less: gross debt			(350)	(350)
Equity Value			**-**	**46**
RPS to be issued by BHL (Rs 100 each fully paid up) in million			**-**	**0.46**

Note 1: Enterprise Valuation of TTSL's CMB unit (Rajasthan circle) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.4407	0.5129
Revenue - TTSL's CMB Unit (Rajasthan circle) - FY18 estimate	773	773
Enterprise Value	**341**	**396**

Ernst & Young Merchant Banking Services Pvt. Ltd. MUMBAI

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BHARTI AIRTEL LIMITED NEW DELHI

RBSA Capital Advisors LLP

SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724

Report Ref No: RCA/FAS/2017-18/1205

December 19, 2017

The Board of Directors,
Bharti Airtel Limited
Bharti Crescent 1,
Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi – 110070

Sub: Fairness Opinion on the proposed demerger of "Consumer Wireless Mobile Business" of Tata Teleservices Limited into Bharti Airtel Limited

Dear Sirs,

We refer our engagement letter dated December 15, 2017, wherein Bharti Airtel Limited ("BAL") has requested us to provide fairness opinion on the joint report of Walker Chandiok & Co LLP, Chartered Accountants and Ernst & Young Merchant Banking Services Private Limited (together referred to as the "Valuers") dated December 19, 2017, in relation to the proposed demerger of the "Consumer Wireless Mobile Business (excluding Rajasthan circle)" ("CWMB") of Tata Teleservices Limited ("TTSL") into Bharti Airtel Limited ("BAL").

BAL and TTSL are hereinafter jointly referred as the "Companies".

Scope and Purpose of this Report

BAL is leading integrated pan-India telecom service provider. The company is engaged in the business of providing global telecommunications with operations in 17 countries across Asia and Africa. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long-distance services to carriers.

The shares of BAL are listed on the National Stock Exchange ("NSE") and BSE Limited. The issued, subscribed and paid up share capital of the company as on September 30, 2017 is INR 19,987 Mn consisting of 3,997,400,102 equity shares of INR 5 each fully paid up.

TTSL has Unified Access (Basic and Cellular) Service License to operate in 16 circles, Unified License for Andhra Pradesh and National Long Distance ("NLD") license to provide NLD services across India. TTSL is engaged in businesses in the telecom sector including *inter alia* (i) consumer mobile telephony business;

Head Office: 912, Venus Atlantis Corporate Park, Anandnagar Main Road, Prahaladnagar, Ahmedabad – 380015 Tel: +91 79 4050 6000
Corporate Office: 21-23, T.V. Industrial Estate, 248-A, S.K. Ahire Marg, Off. Dr. A.B. Road, Worli, Mumbai – 400030 Tel: +91 22 6130 6000

BHARTI AIRTEL LIMITED NEW DELHI

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(ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) wi-fi business. TTSL is a subsidiary of Tata Sons Limited. The issued, subscribed and paid up share capital of TTSL as on September 30, 2017 is INR 57,750.3 Mn consisting of 5,775,033,234 equity shares of INR 10 each fully paid up.

We understand that the Board of Directors of Companies are proposing a scheme of arrangement to demerge the CWMB of TTSL into BAL pursuant to a scheme of arrangement under the provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

In order to comply with the requirements of the regulator, the Companies have appointed Valuers to determine the share entitlement ratio pursuant to the Scheme. In this connection, the management of BAL (the "Management") has engaged RBSA Capital Advisors LLP ("RBSA Advisors") to submit a report on the fairness of the ratio recommended by the Valuers with respect to the transaction. Our scope of work includes commenting only on the fairness of the recommendation in the report by the Valuers and not on the fairness or economic rationale of the transaction per se.

This report is our deliverable in respect of our fairness opinion on report by Valuers for the demerger of CWMB of TTSL into BAL.

This report is subject to the scope, assumption, exclusion, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The report has been issued only for facilitating the demerger and should not be used for any other purpose.

Sources of Information

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information received from Management and/ or available in public domains as follows:

a) Joint Report of the Valuers, dated December 19, 2017;
b) Annual Report of BAL and TTSL for FY 2016-17;
c) Carved out financials of CWMB for the year ended March 31, 2017 and for the 6 months period ended September 30, 2017;
d) Expected revenue and EBITDA of CWMB of TTSL for the year ending March 31, 2018;
e) Details of circle wise spectrum holding of CWMB;
f) Draft Composite Scheme of Arrangement;
g) Details of debt proposed to be taken over by BAL from TTSL;
h) Other relevant information made available to us by management of the BAL/TTSL through virtual data room, emails and discussions.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for our analysis. Further we have also relied on the representation given to us by the management of the Companies.

BHARTI AIRTEL LIMITED NEW DELHI

RBSA Capital Advisors LLP

Exclusions and Limitations

- We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent appraisal of any assets or liabilities of CWMB / BAL.
- Our work did not constitute a validation of the financial statements of the Companies, and accordingly, we do not express any opinion on the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans and disclosed in the accounts. Therefore, no liabilities have been assumed for matters of legal nature.
- In rendering our opinion, we have assumed that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third-party approvals for the Scheme, no delay, limitations, restrictions or condition will be imposed that would have an adverse effect on the Companies.
- This opinion is based on business, economic, market and other conditions as they existed as of December 18, 2017. Subsequent events or circumstances that could affect the conclusions set forth in the Opinion include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Companies. RBSA Advisors is under no obligation to update, revise or reaffirm the Opinion.
- RBSA Advisors has relied upon the representations that the information provided to it is accurate and complete in all material respects. While all public information (including industry and statistical information) was obtained from sources we believe are reliable, RBSA Advisors makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification.
- The opinion should not be construed, to be investment advice in any manner whatsoever. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, accounting, tax or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.
- The fee for our services is not contingent upon the result of the proposed demerger. This opinion is subject to laws of India.
- Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with scheme or any matter related thereto.

Valuers Recommendation

As stated and elaborated in the valuation report, the Valuers have considered Comparable Companies Market/ Transaction multiple for the purposes of arriving at the share entitlement ratio. The Discounted Cash Flow method has not been considered as TTSL had not provided mid-term/long-term forecasts, considering uncertainties surrounding continuation of business. The Net Asset Value method was not considered due to the uncertainties around possible sale/pricing of individual assets and consequential costs/liabilities. The realizable value of assets could not be estimated with sufficient degree of objectivity.

BHARTI AIRTEL LIMITED NEW DELHI

RBSA Capital Advisors LLP

The Valuers have recommended a share entitlement ratio in the range of Nil to 3.8 million Redeemable Preference Shares ("RPS") of BAL of INR 100 each to be issued to equity shareholders of TTSL.

The Valuers have not considered issuance of RPS to the RPS and Optionally Convertible Preference Shareholders of TTSL while estimating the share entitlement ratio.

Our Comment on the Valuer's Report

In the circumstance, having regards to the relevant factors and based on information and explanations provided to us, in our view, the proposed share swap entitlement range as recommended by the Valuers, which forms the basis for the proposed demerger, is fair in our opinion.

The detailed terms and conditions of the demerger are more fully set forth in the draft scheme of arrangement. We have issued the fairness opinion with the understanding that scheme of arrangement shall not be materially altered, and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of arrangement alters the transaction.

Yours Truly,

For **RBSA Capital Advisors LLP**
SEBI Registered Category I Merchant Banker
Registration Code: INM000011724

RBSA CAPITAL ADVISORS LLP

Rajeev Shah
Managing Director

BHARTI AIRTEL LIMITED NEW DELHI

Annexure-5

bharti

February 23, 2018

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Ref.: Bharti Airtel Limited (532454/BHARTIARTL)

Sub: Submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013.

Dear Sir / Madam,

In furtherance to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) dated December 27, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013 ('the Scheme'), we are enclosing the report on complaints received by the Company (or its RTA) during the period of 21 days from the date of filing of the Scheme to the Stock Exchanges (National Stock Exchange of India Limited) and hosting of the same on the website of the Stock Exchanges.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

CC: BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

bharti

Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
---------- Not Applicable ----------			

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

bharti

March 08, 2018

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Ref.: Bharti Airtel Limited (532454/BHARTIARTL)

Sub: Submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013.

Dear Sir / Madam,

In furtherance to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) dated December 27, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013 ('the Scheme'), we are enclosing the report on complaints received by the Company (or its RTA) during the period of 21 days from the date of filing of the Scheme to the Stock Exchanges (BSE Limited) and hosting of the same on the website of the Stock Exchanges.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Bharti Airtel Limited

BHARTI AIRTEL LIMITED NEW DELHI

Rohit Krishan Puri
Dy. Company Secretary

CC: National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

bharti

Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
---------- Not Applicable ----------			

For Bharti Airtel Limited

BHARTI AIRTEL LIMITED NEW DELHI

Rohit Krishan Puri
Dy. Company Secretary

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/14642

April 26, 2018

The Dy. Company Secretary
Bharti Airtel Limited
Bharti Crescent, 1
Nelson Mandela Road
Vasant Kunj, Phase II,
New Delhi - 110070

Kind Attn.: Mr. Rohit Krishan Puri

Dear Sir,

Sub: Observation Letter for Composite Scheme of Arrangement between Tata Teleservices Limited and Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and creditors.

We are in receipt of the composite scheme of arrangement between Tata Teleservices Limited ('Transferor Company') and Bharti Airtel Limited ('Transferee Company1') and Bharti Hexacom Limited ('Transferee Company2') and their respective shareholders and creditors vide application dated December 27, 2017.

Based on our letter reference no Ref: NSE/LIST/38914 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated April 26, 2018, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circulars.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

This Document is Digitally Signed
Signer: Divya Balu Poojari
Date: Thu, Apr 26, 2018 14:16:15 IST
Location: NSE

The validity of this "Observation Letter" shall be six months from April 26, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Divya Poojari
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed
Signer: Divya Babu Poojari
Date: Thu, Apr 26, 2018 14:16:15 IST
Location: NSE

BSE
EXPERIENCE THE NEW

DCS/AMAL/AJ/R37/1110/2018-19

April 27, 2018

The Company Secretary
BHARTI AIRTEL LTD.
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi ,Delhi-110070

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited

We are in receipt of Draft Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 26, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

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

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nitin Pujari
Sr. Manager

Annexure-9

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA TELESERVICES LIMITED (THE "COMPANY"/"TRANSFEROR COMPANY") on JULY 10, 2018 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT AMONGST THE COMPANY AND BHARTI AIRTEL LIMITED AND BHARTI HEXACOM LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS OF THE COMPANY

The Board of Directors of the Company ("**Board**") at its meeting held on December 19, 2017 approved a scheme of arrangement amongst the Company, and Bharti Airtel Limited ("**BAL**" or "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or "**Transferee Company 2**") and their respective shareholders and creditors (the **"Scheme"**) under Section 230 to 232 of the Companies Act, 2013 ("**Act**"). The Board noted that Section 232(2)(c) of the Act requires a report to be adopted by the Directors explaining, *inter alia*, the effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, and the report is required to be circulated to the Shareholders.

Accordingly, the Board considered the following documents and adopted the report as required by Section 232(2)(c) of the Act, which is annexed hereto as Annexure 1.

1. Scheme; and
2. Valuation Report dated December 19, 2017 provided by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co. LLP.

ANNEXURE 1

REPORT EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT AMONGST THE COMPANY AND BAL AND BHL AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (THE "**SCHEME**") ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS OF THE COMPANY

S. No.	Persons	Effect of the Scheme
1.	Equity Shareholders	In terms of Clause 6 of the Scheme, BAL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be mutually agreed by TTSL and BAL ("**Record Date 1").** In terms of Clause 10 of the Scheme, BHL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be

S. No.	Persons	Effect of the Scheme
		mutually agreed by TTSL and BHL ("**Record Date 2").** Even after the allotment of the equity shares by BAL and BHL, the equity shareholders of TTSL will continue to hold the equity shares of TTSL held by them as on the Record Date 1 or Record Date 2 (as the case maybe).
2.	Preference Shareholders	In terms of Clause 6 of the Scheme, BAL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. (ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. Even after the allotment of the RPS by BAL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 1. In terms of Clause 10 of the Scheme, BHL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2.

S. No.	Persons	Effect of the Scheme
		(ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2. Even after the allotment of the RPS by BHL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 2.
3.	Key Managerial Personnel	None of the Key Managerial Personnel ("**KMPs**") of TTSL (i.e. chief executive officer, company secretary, whole-time director, chief financial officer etc.) will be transferred to BAL or BHL as part of the Scheme. The KMPs will continue with TTSL for the other businesses of TTSL.
4.	Promoters	The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in TTSL as detailed in point 1 and 2 above.
5.	Non-Promoter Shareholders	Please refer point 1 and 2 above regarding effect on the equity and preference shareholders.

Particulars of Share Exchange Ratio:

(a) As per Clause 6.1 of the Scheme, the consideration for demerger shall be in the form of redeemable preference shares to be issued by the Transferee Company 1 as set out in detail below.

"Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

i. 500 (Five Hundred) BAL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

ii. 10 (Ten) BAL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

iii. 10 (Ten) BAL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date."

(b) As per Clause 10.2 of the Scheme, the consideration for demerger shall be in the form of redeemable preference shares to be issued by the Transferee Company 2 as set out in detail below.

"Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of this Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

i. *500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;*

ii. *10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and*

iii. *10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date."*

The ratio in which equity and preference shares of the Transferee Company 1 and Transferee Company 2 are to be issued and allotted to the relevant members of the Transferor Company as set out above is herein referred to as the "**Share Exchange Ratios**".

The Share Exchange Ratios have been arrived at by following Comparable Companies' Market/Transaction Multiple ("**CCM**") method. Under the CCM method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market variations of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The valuer identified listed comparable companies and available transactions, based on business of TTSL and thereafter adjusted the selected multiples based on size, growth, profitability and the circles in which TTSL operates.

For and on behalf of Board of Directors of
Tata Teleservices Limited

N Srinath
Managing Director
DIN: 00058133

Date: July 11, 2018
Place: Mumbai

bharti

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BHARTI AIRTEL LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

1.1 The proposed composite scheme of arrangement amongst Tata Teleservices Limited, ("**Transferor Company**"), Bharti Airtel Limited ("**Company**" or "**Transferee Company 1**") and Bharti Hexacom Limited ("**Transferee Company 2**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of the Company ("**Board**") *vide* resolution dated December 19, 2017.

1.2 The provisions of Section 232(2)(c) of the Act require the directors of the Company to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties.

1.3 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:

(a) The Scheme as approved by the Board *vide* resolution dated December 19, 2017;

(b) The share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP ("**Share Entitlement Report**");

(c) The fairness opinion dated December 19, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India ("**Fairness Opinion**"); and

(d) The report of the Audit & Risk Management Committee of the Company dated December 19, 2017.

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	**Key Managerial Personnel/ Employees of the Company**	In terms of Clause 5.5 of Part C of the Scheme, upon the Effective Date (*defined under Clause 1.17 of Part B of the Scheme*), all Transferring Employees 1 shall be deemed to have become the employees of the Company, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 (*defined under Clause 1.13 of Part B of the Scheme*) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Company. The Transferring Employees 1 are defined under Clause 1.13(d) of Part B of the Scheme as "*all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be*

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S. NO.	EFFECT OF THE SCHEME ON	
		directly involved and responsible for the operations of the Demerged Undertaking 1".
2.	**Equity shareholders:** Promoters of the Company	In terms of Clause 6.1 of Part C of the Scheme, upon Part C of the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Company, the Company shall, issue and allot:
3.	**Equity shareholders:** Non promoter shareholders of the Company	(A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Company having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**"), to all (and not each) TTSL Equity Holders (*defined under Clause 1.36 of Part B of the Scheme*) in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date (*defined under Clause 1.27 of Part B of the Scheme*); (B) 10 BAL RPS to all (and not each) TTSL CCPS Holders (*defined under Clause 1.35 of Part B of the Scheme*) in proportion to their holding of fully paid up, compulsorily, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date; and (C) 10 BAL RPS to all (and not each) TTSL OCPS Holders (*defined under Clause 1.39 of Part B of the Scheme*) in proportion to their holding of fully paid up, optionally, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date. Further, in terms of Clause 6.2 of Part C of the Scheme, the Company shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1 of Part C of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BAL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Company so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 6.3.1 of Part C of the Scheme, the Board shall, if and to the extent required, apply for and obtain any

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S. NO.	EFFECT OF THE SCHEME ON	
		approvals from the concerned Appropriate Authority (*defined under Clause 1.4 of Part B of the Scheme*) and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 6.1 of Part C of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent (*setout under Clause 13 of Part E of the Scheme*) have been satisfied, then in such event the Company shall pay cash computed at the rate of Rs. 100 per BAL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

3. Valuation

3.1 The above mentioned Share Entitlement Report recommends that the share entitlement ratios for the proposed transactions should be anywhere in the following range:

- For transfer by way of demerger of the Demerged Undertaking 1 into the Transferee Company 1: Nil (lower range) to 3.8 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**").

- For transfer by way of demerger of the Demerged Undertaking 2 into the Transferee Company 2: Nil (lower range) to 0.29 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**").

3.2 The issuance of BAL RPS and BHL RPS by the Transferee Company 1 and the Transferee Company 2, respectively, to the compulsorily/ optionally convertible preference shareholders of the Transferor Company have not been considered for the above estimation of the share entitlement ratios. No special valuation difficulties were reported by the valuers.

3.3 The Fairness Opinion has been issued in respect of the Share Entitlement Report wherein it has been stated that the proposed share swap entitlement range as recommended by valuers, which forms the basis of the proposed demergers, is fair.

4. Adoption of the Report by the Board

4.1 The Board has adopted this report after noting and considering the information set forth in this report.

For and on behalf of the Board of Directors of Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

BHARTI AIRTEL LIMITED NEW DELHI

Date: December 19, 2017
Place: New Delhi

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BHARTI HEXACOM LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

1.1 The proposed composite scheme of arrangement amongst Tata Teleservices Limited, ("**Transferor Company**"), Bharti Airtel Limited ("**Transferee Company 1**") and Bharti Hexacom Limited ("**Company**" or "**Transferee Company 2**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of the Company ("**Board**") *vide* resolution dated December 26, 2017.

1.2 The provisions of Section 232(2)(c) of the Act require the directors of the Company to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties.

1.3 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:

(a) The Scheme as approved by the Board *vide* resolution dated December 26, 2017; and

(b) The share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP ("**Share Entitlement Report**").

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	**Key Managerial Personnel / Employees of the Company**	In terms of Clause 9.5 of Part D of the Scheme, upon the Effective Date (*defined under Clause 1.17 of Part B of the Scheme*), all Transferring Employees 2 shall be deemed to have become the employees of the Company, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 (*defined under Clause 1.14 of Part B of the Scheme*) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Company. The Transferring Employees 2 are defined under Clause 1.14(d) of Part B of the Scheme as "*all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2*".
2.	**Equity shareholders:**	In terms of Clause 10.2 of Part D of the Scheme, upon Part D of the Scheme becoming effective and in

	Promoters of the Company	consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Company, the Company shall, issue and allot:
3.	**Equity shareholders:** Non promoter shareholders of the Company	(A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Company having face value of Rs. 100/ each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**"), to all (and not each) TTSL Equity Holders (*defined under Clause 1.36 of Part B of the Scheme*) in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date (*defined under Clause 1.27 of Part B of the Scheme*); (B) 10 BHL RPS to all (and not each) TTSL CCPS Holders (*defined under Clause 1.35 of Part B of the Scheme*) in proportion to their holding of fully paid up, compulsorily, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date; and (C) 10 BHL RPS to all (and not each) TTSL OCPS Holders (*defined under Clause 1.39 of Part B of the Scheme*) in proportion to their holding of fully paid up, optionally, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date. Further, in terms of Clause 10.3 of Part D of the Scheme, the Company shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2 of Part D of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BHL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Company so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 10.4.1 of Part D of the Scheme, the Board shall, if and to the extent required, apply for and obtain any approvals from the concerned

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		Appropriate Authority (*defined under Clause 1.4 of Part B of the Scheme*) and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 10.2 of Part D of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent (*setout under Clause 13 of Part E of the Scheme*) have been satisfied, then in such event the Company shall pay cash computed at the rate of Rs. 100 per BHL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

3. Valuation

3.1 The above mentioned Share Entitlement Report recommends that the share entitlement ratios for the proposed transactions should be anywhere in the following range:

- For transfer by way of demerger of the Demerged Undertaking 1 into the Transferee Company 1: Nil (lower range) to 3.8 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/ each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**").

- For transfer by way of demerger of the Demerged Undertaking 2 into the Transferee Company 2: Nil (lower range) to 0.29 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/ each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**").

3.2 The issuance of BAL RPS and BHL RPS by the Transferee Company 1 and the Transferee Company 2, respectively, to the compulsorily/ optionally convertible preference shareholders of the Transferor Company have not been considered for the above estimation of the share entitlement ratios. No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

4.1 The Board has adopted this report after noting and considering the information set forth in this report.

For and on behalf of the Bharti Hexacom Limited

Mukesh Hassanand Bhavnani
Director
DIN: 03595080

BHARTI HEXACOM LIMITED NEW DELHI

Place: New Delhi
Date: July 12, 2018

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA TELESERVICES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Tata Teleservices Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

Price Waterhouse Chartered Accountants LLP
Chartered Accountants
FRN 012754N/N500016
Mumbai

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 1.3 of the statement regarding the accounting for amalgamation of Tata Internet Services Limited (a wholly owned subsidiary of the Company) (the "Transferor Company") with the Company, in accordance the Scheme of Amalgamation ('the scheme') approved by the National Company Law Tribunal vide its order dated April 24, 2017. In accordance with the scheme, the Company has recognised the assets and liabilities of the Transferor Company at their respective fair values in accordance with the purchase method as per Accounting Standard (AS) 14 – Accounting for Amalgamations prescribed under the Companies (Accounting Standards) Rules, 2006. The said accounting treatment followed by the Company is not in compliance with the requirements of Appendix C of Ind AS 103 "Business Combinations". Had the Company followed the accounting treatment envisaged under Ind AS 103, the written down value of investment property would have been lower by Rs 118.66 crores, current investment would have been lower by Rs 0.13 crores, accumulated losses would have been higher by Rs.109.57 crores and capital reserve of Rs 9.22 crores would not have been recognised. Our conclusion is not qualified for this matter.

Other Matter

10. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 18, 2017, expressed a qualified opinion on those financial statements. It is impracticable for the Company to determine the impact on the opening retained earnings thus the full amount has been adjusted in the Financial Statements as of March 31, 2018. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.



12. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company as far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 37;

ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership No. 043229

Place: Mumbai
Date: June 1, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Teleservices Limited on the standalone financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Teleservices Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Teleservices Limited on the standalone financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership No. 043229

Place: Mumbai
Date: June 1, 2018

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Teleservices Limited on the financial statements for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties as disclosed in Note 3 on fixed assets to the financial statement, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax (with effect from July 1, 2017) and other material statutory dues, as applicable, with the appropriate authorities.



(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of custom, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount # (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax and Local Sales Tax Acts	Sales Tax including interest and penalty, as applicable	16.86	2004-05 to 2014-15	Appellate Authority - up to Commissioner's level of various states
		4.49	2004-05 to 2005-06, 2007-08 to 2008-09, 2011-12 to 2012-13 & 2014-15	Tribunals of various states
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	65.59	2002-03 to 2008-09 & 2011-12 to 2014-15	Appellate Authority - up to Commissioner's level of various states
		3.28	2004-2011	Supreme Court
		48.03	2011-12 to 2013-14	Tribunals of various states
Income Tax Act, 1961	Income Tax including interest and penalty, as applicable	468.98	2004-05 to 2009-10	Appellate Authority - up to Commissioner's level of various states
		1.59	2001-02 to 2005-06	High Court, Delhi
		12.83	2009-10	High Court, Andhra Pradesh
		20.38	2004-05, 2006-07 & 2009-10 to 2010-11	Income Tax Appellate Tribunal of various states

Net of amounts paid under protest.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.



xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number 043229

Place: Mumbai
June 01, 2018

TATA TELESERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

	Notes	As at March 31, 2018	As at March 31, 2017 (refer note 46)	As at April 01, 2016 (refer note 46)
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,270.54	5,522.38	6,370.94
Capital work-in-progress	4	58.12	73.96	119.54
Investment Property	5	132.18	135.23	138.27
Intangible assets	6	155.16	7,894.55	8,771.67
Investment in an associate, joint venture and subsidiaries	7	5,050.52	5,371.52	7,979.09
Right to spectrum earmaked pending allotment		-	583.20	-
Financial assets:				
Investments	8	4.14	1,736.07	4.14
Other bank balances		-	0.09	0.07
Loans and advances	12	81.08	164.64	159.42
Derivative financial assets		3,743.30	146.88	312.16
Income tax recoverable		-	0.96	-
Other non-current assets	13	367.45	432.83	1,004.00
Total non-current assets		**11,862.49**	**22,062.31**	**24,859.30**
Current assets				
Inventories	14	1.40	4.08	20.30
Financial assets:				
Investments	8	250.38	2,198.30	817.03
Trade receivables	9	271.95	483.45	595.27
Cash and cash equivalents	10	41.81	78.89	159.19
Other bank balances	11	17.02	234.63	196.72
Loans and advances	12	88.02	24.93	21.04
Derivative financial assets		1,890.11	486.51	716.38
Income tax recoverable		178.82	139.11	844.27
Other current assets	13	396.65	264.68	315.90
		3,136.16	**3,914.58**	**3,686.10**
Assets classified as held for sale	22	2,162.70	-	-
Total current assets		**5,298.86**	**3,914.58**	**3,686.10**
Total Assets		**17,161.35**	**25,976.89**	**28,545.40**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	5,775.03	5,775.03	4,712.39
Other equity	16	(30,798.26)	(17,423.79)	(13,471.06)
Total equity		**(25,023.23)**	**(11,648.76)**	**(8,758.67)**
Non-current liabilities				
Financial liabilities				
Borrowings	17	19,405.26	25,017.05	26,974.86
Derivative financial liabilities		-	67.99	22.41
Provisions	20	2,341.99	6.23	5.80
Other non-current liabilities	21	128.59	125.78	77.33
Total non-current liabilities		**21,875.84**	**25,217.05**	**27,080.40**
Current liabilities				
Financial liabilities				
Borrowings	17	12,047.25	876.66	719.03
Trade and other payables	18	1,276.08	1,395.10	1,817.51
Other financial liabilities	19	2,689.95	9,205.36	6,744.75
Derivative financial liabilities		-	52.57	35.77
Provisions	20	812.58	437.28	397.99
Other current liabilities	21	205.93	441.63	508.62
		17,031.79	**12,408.60**	**10,223.67**
Liabilities directly associated with assets held for sale	22	3,276.95	-	-
Total current liabilities		**20,308.74**	**12,408.60**	**10,223.67**
Total equity and liabilities		**17,161.35**	**25,976.89**	**28,545.40**
Summary of significant accounting policies	2.2			

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place: Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972892]

N Srinath
Managing Director
[DIN No: 00058133]

Anuraag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

TATA TELESERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	23	5,156.25	9,484.52
Other income	24	168.31	(7.84)
Total income		**5,324.56**	**9,476.68**
EXPENSES			
Access charges		1,093.81	1,932.60
License fees and spectrum charges (revenue share)		402.02	846.01
Cost of goods sold	25	15.10	43.25
Employee benefit expenses	26	525.73	689.61
Power and fuel	27	864.24	989.53
Rent	28	1,700.84	1,731.67
Other expenses	29	1,623.69	2,093.59
Total expenses		**6,225.43**	**8,326.26**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		(900.87)	1,150.42
Depreciation and amortisation expense	30	(1,086.01)	(1,850.51)
Finance cost	31	(3,278.00)	(3,347.28)
Finance income	32	312.26	223.21
Profit on sale of current investments		82.09	175.04
Loss for the year before exceptional items and tax		**(4,870.53)**	**(3,649.12)**
Exceptional items	33	(12,759.26)	(977.48)
Loss for the year before tax		**(17,629.79)**	**(4,626.60)**
Tax expense		-	-
Loss for the year		**(17,629.79)**	**(4,626.60)**
Other comprehensive income/ (loss)			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan (gratuity)		2.17	(9.89)
Re-measurement gains/(losses) on defined benefit plan (Provident fund)		-	0.27
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve		(36.76)	36.76
Total comprehensive loss for the year		**(17,664.38)**	**(4,599.46)**
Earnings per equity share			
Basic & Diluted (in Rs)	34	(30.53)	(9.48)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place: Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972892]

Anuraag Srivastava
Chief Financial Officer

N Srinath
Managing Director
[DIN No: 00058133]

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

TATA TELESERVICES LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. crores	Rs in crores	No. crores	Rs in crores
Equity Shares (Refer note 15)				
At the beginning of the year	577.50	5,775.03	471.23	4,712.39
Issued during the year	-	-	106.27	1,062.64
Outstanding at the end of the year	577.50	5,775.03	577.50	5,775.03

Other Equity

	Equity component of compound financial instruments	Reserves & surplus			Cash flow hedge reserve	Total Other Equity
		Securities premium account	Capital reserve	Retained earnings		
As at April 01, 2016	644.74	11,554.57	9.22	(25,679.59)	-	(13,471.06)
Loss for the year	-	-	-	(4,626.60)	-	(4,626.60)
Other comprehensive income/ (loss)	-	-	-	(9.63)	36.76	27.13
Total comprehensive income/ (loss)	-	-	-	(4,636.23)	36.76	(4,599.47)
CCPS issued during the year	463.98	-	-	-	-	463.98
CCPS converted during the year	-	1,417.56	-	-	-	1,417.56
Adjustment on conversion of CCPS	(375.15)	(859.65)	-	-	-	(1,234.80)
As at March 31, 2017	733.57	12,112.48	9.22	(30,315.82)	36.76	(17,423.79)
Loss for the year	-	-	-	(17,629.79)	-	(17,629.79)
Other comprehensive income/ (loss)	-	-	-	2.17	(36.76)	(34.59)
Total comprehensive loss	-	-	-	(17,627.62)	(36.76)	(17,664.38)
Compulsorily convertible preference share issued during the year	426.77	-	-	-	-	426.77
Optionally convertible preference share issued during the year	612.34	-	-	-	-	612.34
Optionally convertible debentures issued during the year	3,250.80	-	-	-	-	3,250.80
As at March 31, 2018	5,023.48	12,112.48	9.22	(47,943.44)	-	(30,798.26)

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place: Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972892]

N Srinath
Managing Director
[DIN No: 00058133]

Anurag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

TATA TELESERVICES LIMITED
CASH FLOW STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

	For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	**(17,629.79)**	**(4,626.60)**
Adjustments for :		
Depreciation and amortisation	1,086.01	1,850.51
Exceptional item (refer note 33)	12,759.26	977.48
Finance cost	3,278.00	3,347.28
Finance income	(312.26)	(223.21)
Foreign exchange, net	119.26	95.04
(Profit)/ Loss on sale of property,plant & equipments, net	(3.25)	(11.07)
Liabilities no longer required written back	(156.88)	(54.56)
(Profit)/ Loss on sale of current investments	(82.09)	(175.04)
Bad debt written off and provision for doubtful debts and advances	132.04	50.35
Provision for contingencies and forseeable losses	229.54	46.98
Operating Profit/ (Loss) before working capital changes	**(580.16)**	**1,277.18**
Adjustment for changes in:		
(Increase)/ Decrease in inventories	2.68	16.22
(Increase)/ Decrease in trade receivables	(43.00)	53.90
(Increase)/ Decrease in non-current loans and advances, other assets	147.59	246.89
(Increase)/ Decrease in current loans and advances, other assets	(204.35)	47.32
Increase/ (Decrease) in other long term liabilities & provision	-	(7.14)
Increase/ (Decrease) in trade & other payables	623.61	(734.43)
Increase/ (Decrease) in other current liabilities & provision	249.33	(39.85)
Increase/ (Decrease) in other financial liabilities	1,765.01	(27.86)
Cash generated from operations	**1,960.71**	**832.22**
Direct taxes received/ (paid), net of refund	(38.74)	704.14
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	**1,921.97**	**1,536.37**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(198.03)	(396.90)
Net movement (increase)/ decrease to CWIP	1.69	45.59
Net movement (increase)/ decrease to capital advances	9.09	(281.23)
Acquisition of Intangible assets,net	(1.46)	(27.21)
Proceeds from sale of property, plant & equipments	31.16	78.21
Purchase of investments	(6.38)	-
Purchase of investments in mutual funds	(21,600.27)	(39,731.10)
Sale of investments in mutual funds	23,631.16	38,528.90
Sale of investements	-	2,807.95
Investments in subsidiary	-	(8.00)
Loan given to related parties	(6.25)	-
ICD's given to related parties	(3,700.00)	(2,018.01)
Redeemable preference shares investments	-	0.17
Investment in bank deposits (having original maturity of more than three months)	(485.43)	(474.03)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	703.05	436.09
Interest received	8.92	21.03
NET CASH FLOW (USED IN) INVESTING ACTIVITIES (B)	**(1,612.75)**	**(1,018.54)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of CCPS	-	2,200.67
Share application money pending allotment	-	2,003.94
(Repayment of debentures)/ Proceeds from debentures issued	11,750.00	(250.00)
Proceeds from long term borrowings	1,431.20	250.00
Repayment of long term borrowings	(22,317.21)	(2,308.59)
Proceeds from short term borrowings	13,263.62	2,328.12
Repayment of short term borrowings	(2,283.17)	(2,092.05)
Finance set up cost	(5.26)	(1.00)
Interest paid	(2,188.30)	(2,725.26)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(349.12)**	**(594.17)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	**(39.90)**	**(76.34)**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	77.25	153.59
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**37.35**	**77.25**

Price Waterhouse Chartered Accountants LLP IN AAC-9001 Chartered Accountants FRN 012754N/N500016 Mumbai

TATA TELESERVICES LTD. MUMBAI

TATA TELESERVICES LIMITED
CASH FLOW STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

	For the year ended March 31, 2018	For the year ended March 31, 2017
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents include : (refer note 10)		
Cash on hand	0.16	1.22
Cheques in hand	11.65	10.28
Balances with scheduled banks:		
Current accounts	30.00	64.39
Deposit Accounts	-	3.00
Cash & bank balances as per balance sheet	**41.81**	**78.89**
Less: Bank overdraft	4.46	1.64
CASH AND CASH EQUIVALENTS	**37.35**	**77.25**
Summary of significant accounting policies (refer note 2.2)		

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place : Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972892]

N Srinath
Managing Director
[DIN No: 00058133]

Anuraag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2018, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 23(i)(f)(v) to the Standalone Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Standalone Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 , based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, based on our examination of the lease agreements or court orders approving the schemes of arrangement or amalgamations, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect

of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act, 2005	Sales Tax	87	2004-13	Tribunal
Andhra Pradesh VAT Act, 2005	Sales Tax	52	2013-15	Deputy Commissioner (Appeals)
Bihar VAT Act, 2005	Sales Tax	0*	2015-16	Assistant Commissioner
Bihar VAT Act, 2005	Sales Tax	2	2006-07	Commercial Tax Officer
Bihar VAT Act, 2005	Sales Tax	1	2016-17	Deputy Commissioner
Bihar VAT Act, 2005	Sales Tax	22	2015-17	Joint Commissioner (Appeal)
Bihar VAT Act, 2005	Sales Tax	139	2005-15	Tribunal
Chhattisgarh VAT Act, 2003	Sales Tax	0*	2006-07	Assistant Commissioner
Delhi VAT Act, 2004	Sales Tax	6	2011-14	Assistant Commissioner
The Gujarat VAT Act, 2003	Sales Tax	1	2005-07	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	291	2005-06	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	0*	2012-13	Deputy Commissioner
The Karnataka VAT Act, 2003	Sales Tax	2	2016-17	Joint Commissioner (Appeal)
The Kerala VAT Act, 2003	Sales Tax	1	2005-17	Commercial Tax Officer
The Kerala VAT Act, 2003	Sales Tax	0*	2016-17	Intelligence Officer Ernakulum
Kerala Sales Tax Act	Sales Tax	0*	2005-11	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	16	2005-10	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0*	2008-10	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	1	2002-05	Tribunal
The Kerala VAT Act, 2003	Sales Tax	71	2006-07	High Court of Kerala
The Kerala VAT Act, 2003	Sales Tax	44	2007-12	Asst. Commissioner, Spl Circle III, Ernakulam
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. I, Tellichery

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
The Madhya Pradesh VAT Act, 2002	Sales Tax	7	2008-10,2012-13	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2004-08	Commercial Tax Officer
The Madhya Pradesh VAT Act, 2002	Sales Tax	1	2008-10	Deputy Commissioner
The Madhya Pradesh VAT Act, 2002	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2005-06	Assistant Commissioner
The Maharashtra VAT Act, 2002	Sales Tax	0*	2003-04	Joint Commissioner, Appeal
Punjab VAT Act, 2005	Sales Tax	1	2009-17	Deputy Excise and Taxation Commissioner
Punjab VAT Act, 2005	Sales Tax	30	2003-04	High Court
Punjab VAT Act, 2005	Sales Tax	1	2002-03	Jt. Director(Enforcement)
Punjab VAT Act, 2005	Sales Tax	1	2008-10	Tribunal
Rajasthan VAT Act, 2003	Sales Tax	2	2015-16	Commercial Tax Officer
The Tamil Nadu VAT Act, 2003	Sales Tax	0*	2010-11	Deputy Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	11	2005-13	Assessing officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	21	2002-05	Assistant Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	0*	2017-18	Commercial Tax Officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2007-08	Joint Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	6	2008-10	High court
The Uttar Pradesh VAT Act, 2008	Sales Tax	2	2003-10	Joint Commissioner, Appeal
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2005-13	Tribunal
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2015-16	Additional Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2003-17	Deputy Commissioner

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
The West Bengal VAT Act, 2003	Sales Tax	0*	1996-97	The Deputy Commissioner of Commercial Taxes
The West Bengal VAT Act, 2003	Sales Tax	0*	1995-98	Commercial Tax Officer
The West Bengal VAT Act, 2003	Sales Tax	9	2005-06	Revision Board
The West Bengal VAT Act, 2003	Sales Tax	3	1997-12	Tribunal
Sub Total (A)		**877**		
Finance Act, 1994 (Service tax provisions)	Service Tax	278	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	7,226	1995-16	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	571	1999-13	Commissioner of Service Tax
Sub Total (B)		**8,082**		
Custom Act, 1962	Custom Act	4,128	2001-05	Supreme Court
Custom Act, 1962	Custom Act	755	2003-15	Tribunal
Sub Total (C)		**4,883**		
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08	Supreme Court
Income Tax Act, 1961	Income Tax	10,519	1996-97, 2003-10	High Court
Income Tax Act, 1961	Income Tax	24,338	1995-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	607	1998-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	638	1996-97; 2004-17	Assessing Officer
Sub Total (D)		**36,230**		
Grand Total(A+B+C+D):		**50,071**		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Sales Tax is 327 Mn, Service Tax is 472 Mn, Income Tax is 10,968 Mn and Custom Duty is 2,141 Mn.

* Amount less than million are appearing as '0'.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013, except that the commission of Rs.67.64 million to non-executive directors is in excess by Rs. 33.12 million, basis the lower limits approved by the Shareholders of the Company. As informed, the Company would be seeking Shareholders' approval for the said excess amount at the ensuing Annual General Meeting.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, directors of subsidiary company or directors of associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Bharti Airtel Limited
Standalone Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	As of March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	476,911	381,176
Capital work-in-progress	6	27,387	11,818
Intangible assets	7	749,183	734,052
Intangible assets under development	7	28,040	84,184
Investment in subsidiaries and joint ventures	8	481,219	459,538
Financial assets			
- Investments	8	63	52
- Derivative instruments	9	80	213
- Loans and security deposits	10	10,290	10,389
- Others	11	260	556
Income tax assets		19,595	16,164
Deferred tax assets	12	14,244	8,808
Other non-current assets	13	27,142	42,596
		1,834,414	**1,749,546**
Current assets			
Inventories		63	39
Financial assets			
- Derivative instruments	9	195	634
- Trade receivables	14	43,196	32,118
- Cash and cash equivalents	15	4,626	1,087
- Other bank balances	15	825	647
- Loans	10	72,496	72,081
- Others	11	11,837	13,200
Other current assets	13	81,721	33,295
Assets-held-for-sale	5	-	13,729
		214,959	**166,830**
Total assets		**2,049,373**	**1,916,376**
Equity and liabilities			
Equity			
Share capital	16	19,987	19,987
Other equity		1,008,622	992,086
		1,028,609	**1,012,073**
Non-current liabilities			
Financial liabilities			
- Borrowings	18	544,681	503,421
- Derivative instruments	9	124	186
- Others	19	19,354	21,881
Deferred revenue		18,371	18,321
Provisions	20	1,830	2,330
		584,360	**546,139**
Current liabilities			
Financial liabilities			
- Borrowings	18	80,680	65,478
- Current maturities of long-term borrowings	18	28,797	32,048
- Derivative instruments	9	228	1,662
- Trade payables	22	176,990	149,698
- Others	19	92,529	62,149
Deferred revenue		30,242	30,311
Provisions	20	1,262	1,291
Current tax liabilities		2,447	3,885
Other current liabilities	21	23,229	11,642
		436,404	**358,164**
Total liabilities		**1,020,764**	**904,303**
Total equity and liabilities		**2,049,373**	**1,916,376**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

Bharti Airtel Limited
Standalone Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	March 31, 2017
Income			
Revenue from operations	24	536,630	622,763
Other income		2,356	1,843
		538,986	**624,606**
Expenses			
Network operating expenses	25	139,512	145,360
Access charges		78,944	80,505
License fee / spectrum charges (revenue share)		55,630	69,416
Employee benefits expense	26	17,209	17,385
Sales and marketing expenses	27	30,519	32,320
Other expenses	28	36,171	38,524
		357,985	**383,510**
Profit from operating activities before depreciation, amortisation and exceptional items		**181,001**	**241,096**
Depreciation and amortisation	29	130,486	122,034
Finance costs	30	59,107	52,546
Finance income	30	(8,417)	(23,421)
Non-operating expenses		596	2,324
(Loss) /profit before exceptional items and tax		**(771)**	**87,613**
Exceptional items	31	6,041	172,708
Loss before tax		**(6,812)**	**(85,095)**
Tax expense / (credit)			
Current tax	12	(2,204)	(45)
Deferred tax	12	(5,400)	14,206
Profit / (loss) for the year		**792**	**(99,256)**
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss :			
- Re-measurement gains / (losses) on defined benefit plans	26	87	(36)
- Tax (charge) / credit	12	(30)	11
Other comprehensive income / (loss) for the year		**57**	**(25)**
Total comprehensive income / (loss) for the year		**849**	**(99,281)**
Earnings per share (Face value : Rs. 5 each) (In Rupees)			
Basic and Diluted	32	0.20	(24.84)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Standalone Statement of Changes in Equity
(All amounts are in millions of Indian Rupees; except per share data)

	Share capital		Other equity - Reserves and Surplus								
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserve	Business restructuring reserve	Debenture redemption reserve	Share - based payment reserve	Capital reserve	Total	Total equity
As of April 1, 2016	**3,997,400**	**19,987**	**106,650**	**934,735**	**27,030**	**16,313**	**-**	**3,825**	**8,751**	**1,097,304**	**1,117,291**
Loss for the year	-	-	-	(99,256)	-	-	-	-	-	(99,256)	(99,256)
Other comprehensive loss	-	-	-	(25)	-	-	-	-	-	(25)	(25)
Total comprehensive loss	**-**	**-**	**-**	**(99,281)**	**-**	**-**	**-**	**-**	**-**	**(99,281)**	**(99,281)**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	298	-	298	298
Exercise of share options	-	-	-	-	-	-	-	(144)	-	(144)	(144)
Dividend paid (including tax)	-	-	-	(5,456)	-	-	-	-		(5,456)	(5,456)
Merger of subsidiary	-	-	530	(720)	(445)	-	-	-	-	(635)	(635)
As of March 31, 2017	**3,997,400**	**19,987**	**107,180**	**829,278**	**26,585**	**16,313**	**-**	**3,979**	**8,751**	**992,086**	**1,012,073**
Profit for the year	-	-	-	792	-	-	-	-	-	792	792
Other comprehensive income	-	-	-	57	-	-	-	-	-	57	57
Total comprehensive profit	**-**	**-**	**-**	**849**	**-**	**-**	**-**	**-**	**-**	**849**	**849**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	337	-	337	337
Exercise of share options	-	-	-	-	3,510	-		(3,646)	-	(136)	(136)
Creation of debenture redemption reserve	-	-	-	-	(7,500)	-	7,500	-	-	-	-
Dividend paid (including tax)	-	-	-	(15,350)	-	-	-	-	-	(15,350)	(15,350)
Common control transactions*	-	-	-	30,836	-				-	30,836	30,836
As of March 31, 2018	**3,997,400**	**19,987**	**107,180**	**845,613**	**22,595**	**16,313**	**7,500**	**670**	**8,751**	**1,008,622**	**1,028,609**

*This includes gains of Rs. 2,335 due to regulatory changes in the funding arrangements as to previous year transactions

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

Date: **April 24, 2018**

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Pankaj Tewari
Company Secretary

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	March 31, 2017
Cash flows from operating activities		
Loss before tax	**(6,812)**	**(85,095)**
Adjustments for:		
Depreciation and amortisation	130,486	122,034
Finance costs	59,107	52,546
Finance income	(8,417)	(23,421)
Exceptional items	5,688	152,405
Employee share-based payment expenses	337	298
Other non-cash items	8,351	8,143
Operating cash flow before changes in working capital	**188,740**	**226,910**
Changes in working capital		
Trade receivables	(19,814)	(7,500)
Trade payables	14,546	24,929
Inventories	(24)	14
Provisions	(95)	180
Other financial and non-financial liabilities	8,413	2,388
Other financial and non-financial assets	(29,819)	(20,827)
Net cash generated from operations before tax	**161,947**	**226,094**
Income tax paid	(2,404)	(14,439)
Net cash generated from operating activities (a)	**159,543**	**211,655**
Cash flows from investing activities		
Purchase of property, plant and equipment	(193,180)	(156,143)
Proceeds from sale of property, plant and equipment	4,886	3,053
Purchase of intangible assets*	(28,855)	(170,135)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net proceeds from current investments	35	47
Proceeds from buyback of share by subsidiary	-	12,350
Proceeds from sale of investment of subsidiaries	65,933	146,223
Investment in subsidiaries	(41,814)	(74,283)
Loan given to subsidiaries	(72,135)	(98,797)
Loan repayment by subsidiaries	71,512	82,288
Dividend received	4,200	16,511
Interest received	4,911	5,858
Net cash used in investing activities (b)	**(194,416)**	**(242,832)**
Cash flows from financing activities		
Proceeds from borrowings	149,422	140,419
Repayment of borrowings	(57,313)	(122,391)
Net proceeds / repayment of short-term borrowings	(33,794)	32,832
Interest and other finance charges paid	(4,291)	(10,850)
Proceeds from exercise of share options	3	3
Dividend paid (including tax)	(15,350)	(5,456)
Net cash generated from financing activities (c)	**38,677**	**34,557**
Net increase in cash and cash equivalents during the year (a+b+c)	**3,804**	**3,380**
Add : Cash and cash equivalents as at the beginning of the year	822	(2,558)
Cash and cash equivalents as at the end of the year (refer Note 15)	**4,626**	**822**

*Cash flows towards spectrum acquisitions are based on the timing of payouts to DOT (viz. upfront / deferred)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No. 38819

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act ,the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the joint venture referred to below in the Other Matters paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.
Our opinion is not modified in respect of this matter.

Other Matters

i. The Consolidated Financial Statements include the Group's share of profit of Rs. 11,816 Million and total comprehensive income of Rs. 11,817 Million for the year ended March 31, 2018, as considered in the Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor. Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

ii. The comparative financial information of the Group, its associates and joint ventures for the year ended and as at March 31, 2017 prepared in accordance with Ind AS included in these Consolidated Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as

amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company, its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") and its subsidiary companies, its associates companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company , its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture company which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below the Company, its subsidiary companies, its associate companies and joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established

by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to joint venture, which is a company incorporated in India, is based solely on the corresponding report of the auditor of the joint venture company.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

	Notes	As of March 31, 2018	As of March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	706,079	620,088
Capital work-in-progress	6	52,089	23,942
Goodwill	7	328,070	338,082
Other intangible assets	7	837,855	824,181
Intangible assets under development	7	45,423	84,443
Investment in joint ventures and associates	8	86,839	82,277
Financial assets			
- Investments	10	5,769	44,187
- Derivative instruments	11	2,031	4,732
- Security deposits	12	9,703	9,630
- Others	13	5,814	16,653
Income tax assets (net)		25,505	22,716
Deferred tax assets (net)	14	29,330	26,195
Other non-current assets	15	36,319	53,488
		2,170,826	**2,150,614**
Current assets			
Inventories		693	488
Financial assets			
- Investments	10	68,978	16,923
- Derivative instruments	11	8,941	2,060
- Trade receivables	16	58,830	47,402
- Cash and cash equivalents	17	47,886	12,817
- Other bank balances	17	18,820	38,166
- Others	13	27,462	19,737
Other current assets	15	103,380	44,445
		334,990	**182,038**
Total assets		**2,505,816**	**2,332,652**

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DELOITTE HASKINS & SELLS LLP Chartered Accountants

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	Notes	As of March 31, 2018	As of March 31, 2017
Equity and Liabilities			
Equity			
Share capital	18	19,987	19,987
Other equity		675,357	654,576
Equity attributable to owners of the Parent		**695,344**	**674,563**
Non-controlling interests ('NCI')		88,139	68,750
		783,483	**743,313**
Non-current liabilities			
Financial liabilities			
- Borrowings	20	849,420	896,373
- Derivative instruments	11	5,409	2,726
- Others	21	44,547	15,681
Deferred revenue		22,117	22,335
Provisions	22	7,212	7,471
Deferred tax liabilities (net)	14	10,606	9,429
Other non-current liabilities	23	623	727
		939,934	**954,742**
Current liabilities			
Financial liabilities			
- Borrowings	20	129,569	129,442
- Current maturities of long-term borrowings	20	134,346	47,062
- Derivative instruments	11	283	2,335
- Trade payables		277,675	268,537
- Others	21	140,605	90,212
Deferred revenue		48,666	48,785
Provisions	22	2,384	2,215
Current tax liabilities (net)		11,058	11,239
Other current liabilities	23	37,813	34,770
		782,399	**634,597**
Total liabilities		**1,722,333**	**1,589,339**
Total equity and liabilities		**2,505,816**	**2,332,652**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue	25	836,879	954,683
Other income		2,488	1,206
		839,367	**955,889**
Expenses			
Network operating expenses	26	197,520	209,154
Access charges		90,446	102,786
License fee / spectrum charges (revenue share)		75,558	92,760
Employee benefits expense	27	39,771	43,032
Sales and marketing expenses	28	55,766	66,732
Other expenses	29	77,027	86,921
		536,088	**601,385**
Profit from operating activities before depreciation, amortisation and exceptional items		**303,279**	**354,504**
Depreciation and amortisation	30	192,431	197,730
Finance costs	31	93,255	95,466
Finance income	31	(12,540)	(18,492)
Non-operating expenses (net)		141	1,319
Share of results of joint ventures and associates	8	(10,609)	(10,449)
Profit before exceptional items and tax		**40,601**	**88,930**
Exceptional items	32	7,931	11,697
Profit before tax		**32,670**	**77,233**
Tax expense / (credit)			
Current tax	14	18,230	21,240
Deferred tax	14	(7,395)	13,579
Profit for the year		**21,835**	**42,414**

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DELOITTE HASKINS & SELLS LLP Chartered Accountants

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	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year (continued from previous page)		**21,835**	**42,414**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(7,181)	(41,424)
Net losses on net investment hedge		(8,024)	(10,330)
Net gains on cash flow hedge		809	857
Net gains on fair value through OCI investments		129	107
Tax charge	14	(122)	(16)
		(14,389)	**(50,806)**
Items not to be reclassified to profit or loss :			
Re-measurement gains / (losses) on defined benefit plans		205	(73)
Share of OCI of joint ventures and associates	8	18	(9)
Tax (charge) / credit		(29)	20
		194	**(62)**
Other comprehensive loss for the year		**(14,195)**	**(50,868)**
Total comprehensive income / (loss) for the year		**7,640**	**(8,454)**
Profit for the year attributable to :		**21,835**	**42,414**
Owners of the Parent		10,990	37,998
Non-controlling interests		10,845	4,416
Other comprehensive loss for the year attributable to :		**(14,195)**	**(50,868)**
Owners of the Parent		(13,445)	(48,655)
Non-controlling interests		(750)	(2,213)
Total comprehensive income / (loss) for the year attributable to :		**7,640**	**(8,454)**
Owners of the Parent		(2,455)	(10,657)
Non-controlling interests		10,095	2,203
Earnings per share (Face value : Rs. 5 each) (In Rupees)			
Basic	33	2.75	9.51
Diluted	33	2.75	9.51

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

Bharti Airtel Limited
Consolidated Statement of Changes in Equity
(All amounts are in millions of Indian Rupees; except per share data)

	Equity attributable to owners of the Parent											
	Share capital		Other equity									
			Reserves and surplus						Other components of equity (Note 19)	Total	Non-controlling interests	Total equity
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserves	Debenture redemption reserve	Share-based payment reserve	NCI reserve				
As of April 1, 2016	**3,997,400**	**19,987**	**123,456**	**453,279**	**27,030**	**-**	**5,169**	**51,165**	**(12,393)**	**647,706**	**54,981**	**722,674**
Profit for the year	-	-	-	37,998	-	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	**-**	**-**	**-**	**37,936**	**-**	**-**	**-**	**-**	**(48,593)**	**(10,657)**	**2,203**	**(8,454)**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	**3,997,400**	**19,987**	**123,456**	**483,638**	**27,030**	**-**	**4,065**	**77,216**	**(60,829)**	**654,576**	**68,750**	**743,313**
Profit for the year	-	-	-	10,990	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	**-**	**-**	**-**	**11,184**	**-**	**-**	**-**	**-**	**(13,639)**	**(2,455)**	**10,095**	**7,640**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-	-	-	-	(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-
Dividend paid (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	(18,475)	-	(18,475)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	**3,997,400**	**19,987**	**123,456**	**475,481**	**23,040**	**7,500**	**782**	**119,841**	**(74,743)**	**675,357**	**88,139**	**783,483**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	**32,670**	**77,233**
Adjustments for :		
Depreciation and amortisation	192,431	197,730
Finance costs	93,255	95,466
Finance income	(12,540)	(18,492)
Share of results of joint ventures and associates	(10,609)	(10,449)
Exceptional items	325	(276)
Employee share-based payment expense	413	338
Other non-cash items	10,410	7,900
Operating cash flow before changes in working capital	**306,355**	**349,450**
Changes in working capital		
Trade receivables	(24,474)	5,366
Trade payables	15,122	7,640
Inventories	(202)	948
Provisions	154	(26)
Other financial and non financial liabilities	51,205	3,558
Other financial and non financial assets	(35,899)	(52,550)
Net cash generated from operations before tax	**312,261**	**314,386**
Income tax paid	(13,723)	(31,587)
Net cash generated from operating activities (a)	**298,538**	**282,799**
Cash flows from investing activities		
Purchase of property, plant and equipment	(245,259)	(223,030)
Proceeds from sale of property, plant and equipment	5,655	4,462
Purchase of intangible assets *	(17,749)	(155,673)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net movement in current investments	(50,259)	5,785
Purchase of non-current investments	-	(89,073)
Sale of non-current investments	36,495	82,557
Investment in subsidiary, net of cash acquired / associate	(19,498)	(283)
Sale of subsidiaries	-	59,604
Sale of tower assets	4,869	7,120
Investment in associate	(60)	(250)
Proceeds from sale of interest in associate / joint venture	-	447
Dividend received	10,377	9,789
Interest received	5,662	2,305
Net cash used in investing activities (b)	**(279,676)**	**(306,044)**
Cash flows from financing activities		
Proceeds from borrowings	197,664	258,584
Repayment of borrowings	(130,717)	(274,608)
Net proceeds from short-term borrowings	(26,874)	25,377
Proceeds from sale and finance leaseback of towers	2,958	6,277
Repayment of finance lease liabilities	(3,932)	(3,899)
Purchase of treasury shares	(424)	-
Interest and other finance charges paid	(44,041)	(58,566)
Proceeds from exercise of share options	13	65
Dividend paid (including tax)	(32,652)	(9,168)
Proceeds from issuance of equity shares to NCI (refer note 5)	21	1,245
Sale of interest in a subsidiary (refer Note 5)	57,189	61,863
Purchase of shares from NCI (refer note 5)	-	(10,684)
Net cash generated from / (used in) financing activities (c)	**19,205**	**(3,514)**
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	**38,067**	**(26,759)**
Effect of exchange rate on cash and cash equivalents	281	(756)
Cash and cash equivalents as at beginning of the year	(9,880)	17,635
Cash and cash equivalents as at end of the year (Note 17)	**28,468**	**(9,880)**

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

NilanjanRoy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI HEXACOM LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of **BHARTI HEXACOM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 21(i) (f) (v) to the Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 26, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharti Hexacom Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 , based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: May 25, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, based on our examination of the lease agreements or court orders approving the schemes of arrangement or amalgamations, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement."

ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
Finance Act, 1994 (Service tax provisions)	Service Tax	15	FY 2006-16	Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	767	FY 2000-14	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	0*	FY 2007-16	Assistant Commissioner

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
Finance Act, 1994 (Service tax provisions)	Service Tax	1	FY 2013-15	Audit Supdtt.
Custom Act, 1962	Custom Act	182	FY 2001-05	Supreme Court
Income Tax Act 1961	Income tax	1	FY 2003-04	Supreme Court
Income Tax Act 1961	Income tax	513	FY 2003-04 to FY 2012-13	High Court
Income Tax Act 1961	Income tax	167	FY 2003-04 to FY 2013-14	Income Tax Appellate Tribunal
Income Tax Act 1961	Income tax	346	FY 2011-2015	Commissioner Of Income Tax Appeals

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Service Tax is 44 Mn, Income Tax is 605 Mn and Custom Duty is 91 Mn.

* Amount less than million are appearing as '0'.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: May 25, 2018

Bharti Hexacom Limited
Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	25,618	20,406
Capital work-in-progress	6	1,326	634
Intangible assets	7	61,215	62,675
Intangible assets under development	7	1,785	259
Financial assets			
- Investments	8	0	0
- Derivative financial assets		-	6
- Security deposits		561	512
- Others	9	251	293
Income tax assets		1,323	556
Deferred tax assets	10	823	289
Other non-current assets	11	1,637	4,954
		94,539	**90,584**
Current assets			
Financial assets			
- Derivative financial assets		-	5
- Trade receivables	12	1,508	1,848
- Cash and cash equivalents	13	774	786
- Other bank balances	14	290	178
- Others	9	770	815
Other current assets	11	5,589	2,521
		8,931	**6,153**
Total assets		**103,470**	**96,737**
Equity and liabilities			
Equity			
Share capital	15	2,500	2,500
Other equity	15	62,393	64,328
		64,893	**66,828**
Non-current liabilities			
Financial liabilities			
-Borrowings	16	880	1,758
-Others	17	1,352	1,417
Deferred revenue		129	99
Provisions	18	267	237
Other non current liabilities	19	-	49
		2,628	**3,560**
Current liabilities			
Financial liabilities			
-Borrowings	16	19,506	11,036
-Current maturities of long-term borrowings	16	880	1,630
-Trade payables	20	9,811	7,404
-Others	17	917	3,300
Deferred revenue		2,018	2,026
Provisions	18	32	33
Current tax liabilities		1,364	596
Other current liabilities	19	1,421	324
		35,949	**26,349**
Total liabilities		**38,577**	**29,909**
Total Equity and liabilities		**103,470**	**96,737**

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shefali Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Bharti Hexacom Limited
Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	March 31, 2017
Income			
Revenue from operations	22	44,083	51,255
Other income		98	58
		44,181	**51,313**
Expenses			
Network operating expenses	23	10,812	10,607
Access charges		17,144	10,317
License fee / spectrum charges (revenue share)		3,738	5,629
Employee benefits expense	24	829	897
Sales and marketing expenses	25	1,900	2,192
Other expenses	26	1,923	2,125
		36,346	**31,767**
Profit from operating activities before depreciation, amortization and exceptional items		**7,835**	**19,546**
Depreciation and amortisation	27	8,687	8,511
Finance costs	28	1,345	937
Finance income	28	(572)	(81)
Non-operating expenses	29	59	8
(Loss) / profit before exceptional items and tax		**(1,684)**	**10,171**
Exceptional items	30	77	376
(Loss) / profit before tax		**(1,761)**	**9,795**
Tax (credit) / expenses			
Current tax	10	(109)	2,986
Deferred tax	10	(533)	208
(Loss) / profit for the year		**(1,119)**	**6,601**
Other comprehensive income:			
Items not be reclassified to profit or loss :			
Re-measurement income / (loss) on defined benefit plans		3	(1)
Income tax (charge) / credit		(1)	0
Other comprehensive income / (loss) for the year		**2**	**(1)**
Total comprehensive (loss) / income for the year		**(1,117)**	**6,600**
Earnings per share (Face value : Rs. 10/- each) (In Rupees)			
Basic and Diluted	31	**(4.48)**	**26.40**

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi

DELOITTE HASKINS & SELLS LLP Chartered Accountants

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shefali Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Bharti Hexacom Limited
Statement of changes in equity
(All amounts are in millions of Indian Rupees; except per share data)

	Share capital		Other equity - Reserve and surplus				Total equity
	No of shares ('in '000)	Amount	Securities premium account	Retained earnings	General reserves	Total	
As of April 1, 2016	**250,000**	**2,500**	**1,040**	**58,105**	**900**	**60,045**	**62,545**
Profit for the year	-	-	-	6,601	-	6,601	6,601
Other comprehensive loss	-	-	-	(1)	-	(1)	(1)
Total comprehensive income	-	-	-	**6,600**	-	**6,600**	**6,600**
Dividend paid (including tax) @ Rs. 7.70 per share	-	-	-	(2,317)	-	(2,317)	(2,317)
As of March 31, 2017	**250,000**	**2,500**	**1,040**	**62,388**	**900**	**64,328**	**66,828**
Loss for the year	-	-	-	(1,119)	-	(1,119)	(1,119)
Other comprehensive income	-	-	-	2	-	2	2
Total comprehensive loss	-	-	-	**(1,117)**	-	**(1,117)**	**(1,117)**
Dividend paid (including tax) @ Rs. 2.72 per share	-	-	-	(818)	-	(818)	(818)
As of March 31, 2018	**250,000**	**2,500**	**1,040**	**60,453**	**900**	**62,393**	**64,893**

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No. 38019

Place: New Delhi

DELOITTE HASKINS & SELLS LLP Chartered Accountants

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shefali Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Bharti Hexacom Limited
Cash Flow Statement

(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
(Loss) / profit before tax	**(1,761)**	**9,795**
Adjustments for:		
Depreciation and amortisation	8,687	8,511
Finance costs	1,345	937
Finance income	(572)	(81)
Exceptional items	73	344
Other non-cash items	266	187
Operating cash flow before changes in working capital	**8,038**	**19,693**
Changes in working capital		
Trade receivables	24	(393)
Trade payables	2,075	586
Provisions	128	9
Other financial and non-financial liabilities	1,189	10
Other financial and non-financial assets	(1,554)	(1,826)
Net cash generated from operations before tax	**9,900**	**18,079**
Income tax refund / (paid)	(18)	(2,917)
Net cash generated from operating activities (a)	**9,882**	**15,162**
Cash flows from investing activities		
Net purchase of property, plant and equipment	(13,325)	(6,220)
Purchase of intangible assets	(1,993)	(10,282)
Interest received	434	59
Net cash used in investing activities (b)	**(14,884)**	**(16,443)**
Cash flows from financing activities		
Proceeds from borrowings	9,822	-
Repayment of borrowings	(12,410)	(5,517)
Net proceeds from short-term borrowings	7,323	8,750
Interest and other finance charges paid	(1,034)	(867)
Dividend paid (including tax)	(818)	(2,317)
Net cash generated from financing activities (c)	**2,883**	**49**
Net decrease in cash and cash equivalents during the year (a+b+c)	**(2,119)**	**(1,232)**
Add : Cash and cash equivalents as at the beginning of the year	(1,500)	(268)
Cash and cash equivalents as at the end of the year	**(3,619)**	**(1,500)**

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shefali Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Annexure-15

Pre and post amalgamation equity shareholding pattern of Bharti Airtel Limited

Category of Shareholders	Shareholding pre-merger as on June 30, 2018		Shareholding post-merger as on effective Date	
	Total	% of total Shares	Total	% of total Shares
A. Promoters				
Indian				
Individual /HUF	-	0.00	-	0.00
Central Government	-	0.00	-	0.00
State Government	-	0.00	-	0.00
Bodies Corporate	2,002,818,452	50.10	2,002,818,452	50.09
Banks / FI	-	0.00	-	0.00
Any Other	-	0.00	-	0.00
Sub-Total (A) (1)	**2,002,818,452**	**50.10**	**2,002,818,452**	**50.09**
Foreign				
NRIs - Individuals	-	0.00	-	0.00
Others - Individuals	-	0.00	-	0.00
Bodies Corporate	672,470,103	16.82	672,470,103	16.82
Banks / Financial Institutions	-	0.00	-	0.00
Any other (Foreign Institutional Investor)	8,493,000	0.21	8,493,000	0.21
Sub-Total A(2) :	**680,963,103**	**17.04**	**680,963,103**	**17.03**
Total A=A(1)+A(2)	**2,683,781,555**	**67.14**	**2,683,781,555**	**67.12**
B. Public Shareholding				
Institutions				
Mutual Funds/UTI	281,769,217	7.05	281,769,217	7.05
Banks / FI	3,742,970	0.09	3,742,970	0.09
Central Government	-	0.00	-	0.00
State Government	-	0.00	-	0.00
Venture Capital Funds	-	0.00	-	0.00
Insurance Companies	217,242,813	5.43	217,242,813	5.43
FIIs (including foreign portfolio investors)	730,479,420	18.27	730,479,420	18.27
Foreign Venture	-	0.00	-	0.00
Capital Funds	-	0.00	-	0.00
Others : Alternative Investment Fund	523,724	0.01	523,724	0.01
Sub-Total B(1) :	**1,233,758,144**	**30.86**	**1,233,758,144**	**30.86**
Non institutions				
Bodies Corporate				
i) Indian	24,127,499	0.60	24,127,499	0.60
ii) Overseas	-	0.00	-	0.00
Individual shareholders holding nominal share capital upto Rs.2 lakh	26,134,135	0.65	27,105,009	0.68
Individual shareholders holding nominal share capital in excess of Rs.2 lakh	9,943,418	0.25	9,943,418	0.25
Qualified Foreign Investor	-	0.00	-	0.00
Foreign Bodies	2,532,715	0.06	2,532,715	0.06
Non-resident Indians	1,583,631	0.04	1,583,631	0.04
Non-resident Indians (Non - repatriation)	735,521	0.02	735,521	0.02
Trusts (ESOP)	1,761,700	0.04	1,761,700	0.04
Clearing Members	3,642,880	0.09	3,642,880	0.09
Any other	-	0.00	-	0.00
Trusts	9,343,496	0.23	9,343,496	0.23
Investor Education and Protection Fund	49,273	0.00	49,273	0.00
NBFC	6,140	0.00	6,140	0.00
Sub-Total B(2) :	**79,860,408**	**2.00**	**80,831,282**	**2.02**
Total Public shareholding (B) = B(1)+B(2) :-	**1,313,618,552**	**32.86**	**1,314,589,426**	**32.88**
C. Shares held by Custodians for GDR's & ADR's	-	0.00	-	0.00
Total (A) + (B) + (C)	**3,997,400,107**	**100.00**	**3,998,370,981**	**100.00**

Pre and post amalgamation preference shareholding pattern of Bharti Airtel Limited

Category of Shareholders	Shareholding pre-merger as on June 30, 2018		shareholding post-merger as on effective Date	
	No. of shares	% of total Shares	No. of shares	% of total Shares
A. Promoters				
Indian				
Individual /HUF	0	0.00	0	0.00
Central Government	0	0.00	0	0.00
State Government	0	0.00	0	0.00
Bodies Corporate	0	0.00	0	0.00
Banks / FI	0	0.00	0	0.00
Any Other	0	0.00	0	0.00
Sub-Total (A) (1)	**0**	**0.00**	**0**	**0.00**
Foreign				
NRIs - Individuals	0	0.00	0	0.00
Others - Individuals	0	0.00	0	0.00
Bodies Corporate	0	0.00	0	0.00
Banks / Financial Institutions	0	0.00	0	0.00
Any other (Foreign Institutional Investor)	0	0.00	0	0.00
Sub-Total A(2)	**0**	**0.00**	**0**	**0.00**
Total A=A(1)+A(2)	**0**	**0.00**	**0**	**0.00**
B. Public Shareholding				
Institutions				
Mutual Funds/UTI	0	0.00	0	0.00
Banks / FI	0	0.00	0	0.00
Central Government	0	0.00	0	0.00
State Government	0	0.00	0	0.00
Venture Capital Funds	0	0.00	0	0.00
Insurance Companies	0	0.00	0	0.00
FIIs (including foreign portfolio investors)	0	0.00	0	0.00
Foreign Venture	0	0.00	0	0.00
Capital Funds	0	0.00	0	0.00
Others : Alternative Investment Fund	0	0.00	0	0.00
Sub-Total B(1)	**0**	**0.00**	**0**	**0.00**
Non institutions				
Bodies Corporate	0	0.00	0	0.00
i) Indian	0	0.00	0	0.00
ii) Overseas	0	0.00	0	0.00
Individual shareholders holding nominal share capital upto Rs.2 lakh	0	0.00	530	100.00
Individual shareholders holding nominal share capital in excess of Rs.2 lakh	0	0.00	0	0.00
Qualified Foreign Investor	0	0.00	0	0.00
Foreign Companies	0	0.00	0	0.00
Non-resident Indians	0	0.00	0	0.00
Non-resident Indians (Non - repatriation)	0	0.00	0	0.00
Trusts (ESOP)	0	0.00	0	0.00
Clearing Members	0	0.00	0	0.00
Any other	0	0.00	0	0.00
Trusts	0	0.00	0	0.00
Investor Education and Protection Fund	0	0.00	0	0.00
NBFC	0	0.00	0	0.00
Sub-Total B(2)	**0**	**0.00**	**530**	**100.00**
Total Public shareholding (B) = B(1)+B(2)		**0.00**	**530**	**100.00**
C. Shares held by Custodians for GDR's & ADR's		0.00	0	0.00
Total (A) + (B) + (C)		**0.00**	**530**	**100.00**

BHARTI AIRTEL LIMITED NEW DELHI

Expected Capital Structure of Bharti Airtel Limited ("Transferee Company 1") post sanction of the Composite Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"):

Particulars	Amount (Rs.)
Authorized Share Capital	
29,50,59,80,000 equity shares having face value of Rs. 5/- each	1,47,52,99,00,000
1,000 preference shares having face value of Rs. 100/- each	1,00,000
Total	**1,47,53,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital	
3,99,83,70,981 equity shares having face value of Rs. 5/- each	19,99,18,54,905
530 preference shares having face value of Rs. 100/- each	53,000
Total	**19,99,19,07,905**

Notes:

1. *The expected authorized share capital of the Transferee Company 1 post sanction of the Scheme as set out above does not include the authorized share capital of Bharti Digital Networks Private Limited ("Bharti Digital") (formerly, Tikona Digital Networks Private Limited) that shall merge into the Transferee Company 1 pursuant to the scheme of arrangement between Bharti Digital, its shareholders and creditors and the Transferee Company 1.*
2. *The Scheme envisages the reclassification/ reorganization of the authorized share capital of the Transferee Company 1 in terms of Clause 8 of Part C of the Scheme.*

For **Bharti Airtel Limited**

Rohit Krishan Puri
Dy. Company Secretary

BHARTI AIRTEL LIMITED NEW DELHI

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

bharti

Pre and Post Demerger Shareholding Pattern of Bharti Hexacom Limited

Equity Shares of Rs. 10/- each

S. No.	Shareholder's Name	Pre-Demerger (Shareholding Pattern)		Post-Demerger (Shareholding Pattern)	
		Total	% of Total Shares	Total	% of Total Shares
1.	Bharti Airtel Limited	17,49,99,995	70.00	17,49,99,995	70.00
2.	Telecommunications Consultants India Ltd.	7,50,00,000	30.00	7,50,00,000	30.00
3.	Puneet Tandon*	1	0.00	1	0.00
4.	Suman Singh*	1	0.00	1	0.00
5.	Mukesh Bhavnani*	1	0.00	1	0.00
6.	Devendra Khanna*	1	0.00	1	0.00
7.	Rohit Puri*	1	0.00	1	0.00
	TOTAL	**25,00,00,000**	**100.00**	**25,00,00,000**	**100.00**

*Beneficial interest held by Bharti Airtel Limited.

Redeemable, Non-participating, Non-cumulative Preference Shares of Rs.100/- each

S.No	Shareholder's Name	Pre-Demerger (Shareholding Pattern)		Post-Demerger (Shareholding Pattern)	
		Total	% of Total Shares	Total	% of Total Shares
-	*	-	-	520	100%
	TOTAL	**-**	**-**	**520**	**100%**

*Name of Preference Shareholders (Post-Scheme) to whom Preference Shares will be allotted pursuant to the Scheme are presently not identified.

For and on behalf of
Bharti Hexacom Limited

Swati Batra
Company Secretary

SPA

www.spacapital.com

To,

The Board of Directors,
Bharti Airtel Limited
Bharti Crescent 1, Nelson Mandela Road,
VasantKunj, Phase II,
New Delhi -110070

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Tata Teleservices Limited in relation to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2") and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Dear Sirs,

We, SPA Capital Advisors Limited, refer to our engagement letter dated July 21, 2018 whereby Bharti Airtel Limited (hereinafter referred to as "BAL" or the "Transferee Company 1") has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to Tata Teleservices Limited (hereinafter referred to as "TTSL" or the "Transferor Company") pursuant to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

Regulatory Requirement
SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular) prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part D of schedule VIII of SEBI(ICDR) Regulations,2009.

Disclaimer and Limitation:

- This Certificate is a specific purpose certificate issued in terms of and in compliance with SEBI circular and hence it should not be used for any other purpose or transaction.
- This certificate contains statement on disclosure of information pertaining to the unlisted entity viz., TTSL and is not an opinion on the Scheme of Arrangement or its success.
- This Certificate is issued on the basis of examination of Information and documents provided by TTSL and information which is available in the public domain.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.

SPA Capital Advisors Limited New Delhi

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- Our opinions is not nor should it be constructed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

Certification:

- We have examined various documents and other materials in connection with finalization of disclosure of information dated July 19, 2018, pertaining to TTSL ("Abridged Prospectus") which will be circulated to the members of BAL at the time of seeking their consent to the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as a part of explanatory statement to the notice.
- On the basis of such examination and the discussion with the officials of TTSL and on verification of contents of Abridged Prospectus and other paper furnished to us, we state that:
  - The information contained in the Abridged Prospectus is in accordance with the relevant documents, materials and other papers related to TTSL.
  - The Abridged Prospectus contains applicable information pertaining to TTSL as required in terms of SEBI Circular which, in our view are fair, adequate and accurate to enable the members to make a well informed decision on the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2").

For SPA Capital Advisors Limited

Vivek Gautam
Associate Director

SPA Capital Advisors Limited New Delhi

Date: July 19, 2018
Place: Delhi

ABRIDGED PROSPECTUS

Abridged Prospectus/ Memorandum containing information pertaining to **Tata Teleservices Limited** which is a party to the Composite Scheme of Arrangement proposed to be made amongst Tata Teleservices Limited ("**TTSL**" or the "**Transferor Company**") and Bharti Airtel Limited ("**BAL**" or the "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or the "**Transferee Company 2**"), collectively known as "**Transferee Companies**" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013(hereinafter referred to as the "**Scheme**").

This document is prepared pursuant to paragraph I.A.3 (a) of Annexure I of the Securities and Exchange Board of India ("**SEBI**") Circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") and Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 ("**LODR**") read with the said SEBI Circular and contains the applicable information in the format for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR**"). You are also encouraged to read the other details in the Scheme and other documents available on the website of Bharti Airtel Limited (www.airtel.com).

THIS ABRIDGED PROSPECTUS CONSISTS OF 9 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This document is prepared to comply with the requirements of Regulation 37 of LODR read with SEBI Circular and in accordance with disclosures in abridged prospectus as provided in Part D of Schedule VIII of ICDR, to the extent available. Bharti Airtel Limited is listed with the BSE Limited (BSE) and National Stock Exchange of India (NSE) Limited.

In terms of the Scheme, fully paid up, Redeemable non-participating, non-cumulative preference shares are to be issued under the Scheme by the Transferee Companies to the shareholders of the Transferor Company that will not be listed and/or admitted to trading on the Stock Exchanges. As there is no issue of equity shares to the public at large, the requirements with respect to GID (General Information Document) are not applicable and this abridged prospectus should be read accordingly.

You may also download the Abridged Prospectus along with the Scheme as approved by the Board of Directors of Tata Teleservices Limited (Transferor Company) and Bharti Airtel Limited (Transferee Company 1) dated December 19, 2017 respectively and Bharti Hexacom Limited (Transferee Company 2) dated December 26, 2017, the Report of Audit & Risk Management Committee of Bharti Airtel Limited dated December 19, 2017, the copy of the Valuation Report jointly issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co. LLP dated December 19, 2017, and the Fairness Opinion Report issued by RBSA Capital Advisors LLP dated December 19, 2017 from the websites of BSE and NSE where the equity shares of Bharti Airtel Limited are listed.

TATA TELESERVICES LIMITED

Registered Office: 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi - 110001
Phone No.: +91-11-23327072
Email: pravin.jogani@tatatel.co.in: **Website:**www.tatateleservices.com
Corporate Identity Number: U74899DL1995PLC066685
Contact Person: Mr. Pravin Jogani, Assistant Company Secretary
Email ID: Pravin.jogani@tatatel.co.in
Phone No.: +91-22-66671414

PROMOTERS OF TATA TELESERVICES LIMITED

Tata Sons Limited

ISSUE DETAILS, LISTING AND PROCEDURE

The Composite Scheme of Arrangement is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"). collectively known as "Transferee Companies" and their respective shareholders and creditors.

The Scheme is divided into the five parts namely, Part-A (deals with background of the Parties and the rationale and

RBSA Capital Advisors Limited New Delhi

benefits of the Scheme), Part-B (deals with the Definitions, Interpretation and Share Capital), Part-C (deals with demerger of the Demerged Undertaking 1 as a going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income-tax Act, 1961), Part-D (deals with demerger of the Demerged Undertaking 2 as a going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income-tax Act, 1961) and Part-E (deals with the General Terms and Conditions applicable to the Scheme).

Upon the Scheme becoming effective, the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Companies Act, 2013, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 1 and Transferee Company 2 respectively, as a going concern.

In consideration of vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company in the Transferee Company 1 and Transferee Company 2 respectively, in terms of the Scheme, the Transferee Company 1 and Transferee Company 2 shall, without any further application, act or deed, issue and allot BAL RPS (fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1) and BHL RPS (fully paid-up redeemable, non-participating, non-cumulative preference share of face value INR 100 (Rupees hundred only) in the share capital of Transferee Company 2) respectively, to the shareholders of the Transferor Company, in the following manner:

(A) 500 (Five Hundred) BAL RPS and 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BAL RPS and 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BAL RPS and 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

The BAL RPS and BHL RPS to be issued by Transferee Company 1 and Transferee Company 2 respectively will not be listed and/ or admitted to trading on the Stock Exchanges.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable as the Composite Scheme of Arrangement does not involve issue of any equity shares to public at large. Hence, the procedure with respect to GID is not applicable.

ELIGIBILITY FOR THE ISSUE – Regulation 26(1) / 26(2) of SEBI (ICDR) Regulations, 2009

- Whether the company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: **Not Applicable.**

INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires various approval such as shareholders, NCLT and Department of Telecommunications, the time frame cannot be established with absolute certainty.

GENERAL RISK

Investments in securities including preference shares involve a degree of risk. Investors should not invest any funds unless they can afford to take the risk of losing their investment. Further, low liquidity in the preference shares could also result in difficulties to dispose of the preference shares at a certain time or price level. Investors are advised to read the risk factors carefully, before taking an investment decision in relation to this composite scheme of arrangement. For taking an investment decision, investors must rely on their own examination of the composite scheme of arrangement, including the risks involved. Securities and Exchange Board of India ("SEBI") has not recommended or approved the issuance of the preference shares, nor SEBI, guarantees the accuracy or adequacy of the contents of the information given herein. Specific attention of the investors is invited to the section titled "Risk Factors" at page 7 of this document.

PRICE INFORMATION OF LEAD MANAGER
Not Applicable since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company pursuant to the Scheme.

Merchant Banker: SPA Capital Advisors Limited **Contact person:** Manish Sharma **Telephone:** +91-11-45675500 **Email ID:** manishsharma@spagroupindia.com	**Statutory Auditors of Tata Teleservices Limited** Price Waterhouse Chartered Accountants LLP, Chartered Accountants **Address:** 252, Veer Savarkar Marg, Shivaji Park,Dadar (West), Mumbai – 400028. **Telephone:** +91-22-66691500; **Fax:** +91-22-66547804/07 **Registration No.:**012754N/N500016
Syndicate Members: Not Applicable **Credit Rating Agencies:** Not Applicable **Debenture Trustee:** Not Applicable **Self-Certified Syndicated Banks:** Not Applicable	**Registrar:** Not Applicable **Non-Syndicate Registered Brokers:** Not Applicable

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DETAILS OF PROMOTER OF TATA TELESERVICES LIMITEDAND TOP GROUP COMPANIES

Tata Sons Limited("Tata Sons") is a public limited company incorporated on November 08, 1917 under the provisions of the Indian Companies Act, 1913.Its registered office is situated at Bombay House, 24, Homi Mody Street, Mumbai-400001. The Corporate Identification Number of the Company is U99999MH1917PLC000478.

Tata Sons principal activity to hold investments in operating companies in various sectors. Tata Sons is the owner of 'Tata' trademarks registered in India and around the world. These are used by various Tata companies under a licence from Tata Sons as part of their corporate name and/or in relation to their products and services.

Name of the Top 5 (five) largest listed group company of TTSL: Tata Consultancy Services Limited, Tata Motors Limited, Tata Steel Limited, Titan Company Limited, The Tata Power Company Limited

BUSINESS MODEL/OVERVIEW AND STRATEGY

Tata Teleservices Limited (TTSL), is a public limited company incorporated on March 23, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1995PLC066685. Its registered office is situated at 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi - 110001. TTSL is a subsidiary of Tata Sons Limited.

TTSL became a pan-India telecom operator in January 2005. It has Unified Access (Basic and Cellular) Service License to operate in 16 circles, Unified License for Andhra Pradesh and National Long Distance ("NLD") license to provide NLD services across India (collectively, referred to as the "Telecom Licenses"). TTSL is engaged in businesses in the telecom sector including, inter alia, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) Wi-Fi business, which are all provided under the same Telecom License.

The consumer mobile telephony business as carried out by TTSL as a part of the Demerged Undertakings (means Demerged Undertaking 1 and Demerged Undertaking 2) and the enterprise business and other businesses carried on as part of the Residual Undertaking are separate and different business of TTSL.

BOARD OF DIRECTORS				
S.No.	Name	DIN	Designation (Independent/ Whole Time / Executive/ Nominee	Qualification and Experience
1.	Srinath Narasimhan	00058133	Managing Director	Mr. Srinath Narasimhan is the Managing Director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited. Mr. Srinath has held positions in project management, sales and marketing, and other corporate areas in different Tata companies over the last 26 years. Mr. Srinath holds a degree in mechanical engineering from IIT (Madras) and a management degree from IIM (Calcutta).
2.	Bharati Rao	01892516	Independent Director	Former Deputy Managing director of the State Bank of India (SBI) with over 40 years of experience in banking and financial sector. Ms. Rao currently serves on the boards of many companies. She has a post graduate degree in Economics from Madras University.
3.	Saurabh Agrawal	02144558	Director	Mr. Saurabh Agrawal is the Group Chief Financial Officer of Tata Sons Limited. He joined from the Aditya Birla Group where he was the Head of Strategy. In a career spanning over two decades, Mr. Agrawal has been the Head of Investment Banking in India for Bank of America Merrill Lynch and also Head of Corporate Finance business in India and South Asia for Standard Chartered bank. He completed his undergraduate degree in Chemical Engineering from IIT Roorkee and has a postgraduate management degree from IIM Kolkata.
4.	Narendra Damodar Jadhav	02435444	Independent Director	He is a renowned author, economist, educationist, social scientist and public speaker and member Rajya Sabha. In over four decades of public service, Dr. Jadhav has served in key positions including as Member of the Planning Commission and the National Advisory Council. He has also held the position of Vice- Chancellor, University of Pune and Principal Adviser and Chief Economist, Reserve Bank of India (RBI). He holds a PhD in Economics from Indiana University, USA
5.	Gopichand Katragadda	02475721	Director	Dr. Gopichand Katragadda is the Group Chief Technology Officer for Tata Sons. In this role, he drives technology and innovation for the Tata conglomerate leveraging cross-company synergies. He is a director on the boards of select Tata Companies. He holds MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.

6.	Vibha Paul Rishi	05180796	Independent Director	She is an accomplished marketing evangelist with international experience in spearheading global marketing campaigns for high-visibility consumer products. Ms. Rishi has been on board of various companies. Ms. Rishi holds an honors degree in Economics and a management degree with specialisation in Marketing.
7.	Ankur Verma	07972892	Director	He is B.E. in Mechanical Engineering and PGDM from IIM, Calcutta has around 15 years of experience in Investment Banking, Capital Markets and Corporate Strategy. At present, Mr. Verma is the Senior Vice President, Chairman's Office at Tata Sons Limited. Previously, Mr. Verma was Managing Director (Investment Banking Division) in Bank of America Merrill Lynch.

OBJECTS PURSUANT TO THE SCHEME

The Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of TTSL to BAL and BHL, respectively, results in the following benefits:

(a) expanding the business of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;
(b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;
(c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;
(d) the combination of the Demerged Undertakings and the Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;
(e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;
(f) increase in customer base and also acquisition of new customers;
(g) provision of state of the art services to the customers using the spectrum and other assets; and
(h) enhanced generation of revenues and therefore enhanced license fee to the Government.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable.

Name of monitoring agency, if any: Not Applicable.

Terms of issuance of convertible security, if any: Not applicable.

Shareholding Pattern of Tata Teleservices Limited as on June 30, 2018 and indicative Post Scheme Shareholding is as follows:

Equity Shares of Rs. 10/- each

S. No.	Shareholders name	Pre- Scheme No. of Equity Shares	% Holding Pre- Scheme	Post- Scheme No. of Equity Shares	% Holding Post-Scheme
1.	Promoter - Tata Sons Limited	4,06,53,87,349	70.40	4,06,53,87,349	70.40
2.	Foreign Investors	38,80,43,561	6.72	38,80,43,561	6.72
3.	Other Bodies Corporate/Companies	1,29,87,00,798	22.49	1,29,87,00,798	22.49
4.	Individuals	2,29,01,526	0.40	2,29,01,526	0.40
	TOTAL	5,77,50,33,234	100.00	5,77,50,33,234	100.00

Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- Each

S. No.	Shareholders name	CCPS Series	Pre- Scheme No. of Compulsorily, Convertible Preference Shares	% Holding Pre-Scheme	Post- Scheme No. of Compulsorily, Convertible Preference Shares	% Holding Post-Scheme
1.	Tata Sons Limited	Series II/ Tranche 1	10,24,43,292	100	10,24,43,292	100
2.	Tata Sons Limited	Series II/ Tranche 2	9,95,43,545	100	9,95,43,545	100
3.	Tata Sons Limited	Series III / Tranche 1	22,00,68,680	100	22,00,68,680	100
4.	Tata Sons Limited	Series IV / Tranche 1	20,03,93,653	100	20,03,93,653	100
	TOTAL		62,24,49,170	100.00	62,24,49,170	100.00

Optionally Convertible Preference Shares (OCPS) of Rs. 100/- Each

S. No.	Shareholders name	OCPS series	Pre- Scheme No. of Optionally Convertible Preference Shares	% Holding Pre-Scheme	Post- Scheme No. of Optionally Convertible Preference Shares	% Holding Post-Scheme
1.	Tata Sons Limited	Series I Tranche 1	23,00,00,000	100	23,00,00,000	100
	TOTAL		23,00,00,000	100.00	23,00,00,000	100.00

AUDITED FINANCIALS

TATA TELESERVICES LIMITED - STANDALONE *(Rs. in Crores)*

Particulars	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
Total income from operations (net)	5,324.56	9,666.60	10,708.43	10,965.70	10,483.69
Net Profit/ (Loss) before tax and extraordinary items	(4,870.53)	(2,839.46)	(3,000.29)	(3,846.16)	(6,166.49)
Net Profit/ (Loss) after tax and extraordinary items	(17,629.79)	(4,617.04)	(3,386.02)	(3,846.16)	(6,166.49)
Equity Share Capital	5,775.03	5,775.03	4,712.39	4,712.39	4,712.39
Reserves & Surplus	(35,821.73)	(18,198.07)	(19,973.99)	(16,587.97)	(12,741.78)
Net Worth	(30,046.70)	(12,423.04)	(15,261.60)	(11,875.58)	(8,029.39)
Basic Earnings Per Share (In Rs)	(30.53)	(9.46)	(7.19)	(8.16)	(13.09)
Diluted Earnings Per Share (In Rs)	(30.53)	(9.46)	(7.19)	(8.16)	(13.09)
Return on Net-worth (%)	Refer note 2				
Net Asset Value per share (Rs)	(52.03)	(21.51)	(32.39)	(25.20)	(17.04)

TATA TELESERVICES LIMITED - CONSOLIDATED *(Rs. in Crores)*

Particulars	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
Total income from operations (net)	5,323.48	9,681.84	14,405.10	14,126.24	-
Net Profit/ (Loss) before tax and extraordinary items	(4,861.72)	(2,843.71)	(2,906.67)	(3,851.03)	-
Net Profit/ (Loss) after tax and extraordinary items	(17,136.86)	2,123.37	(2,997.93)	(4,073.30)	-
Equity Share Capital	5,775.03	5,775.03	4,712.39	4,712.39	-
Reserves & Surplus	(34,976.62)	(18,794.17)	(21,258.22)	(18,256.48)	-
Net Worth	(29,201.59)	(13,019.14)	(16,545.83)	(13,544.09)	-
Basic Earnings Per Share (In Rs)	(29.67)	4.35	(6.37)	(8.65)	-
Diluted Earnings Per Share (In Rs)	(29.67)	4.35	(6.37)	(8.65)	-
Return on Net-worth (%)	Refer note 2				-
Net Asset Value per share (Rs)	(50.57)	(22.54)	(35.11)	(28.74)	-

Note:

1. Financial details given above are as per the audited financials for the respective financial years. Financials for 2013-14, 2014-15 and 2015-16 are as per Indian GAAP and financials for 2016-17 and 2017-18 are as per IND AS. Consolidation was not applicable prior to FY 2014-15, hence consolidated financial details are not available for FY 2013-14.
2. Since the Company's net worth was negative for all the years given above, return on net worth has not been computed.

INTERNAL RISK FACTORS RELATED TO TATA TELESERVICES LIMITED

1. Tata Teleservices Limited (The Company) operates in an industry where growth in business was majorly on account of voice services, recent offerings on 4G have shifted the growth path towards data usage and voice over data. The consolidation of several telecom companies and the huge investments made by few competitors in the data space has left the Company on a weak comparable footing in terms of network investment. The industry is undergoing a consolidation phase with mergers happening between several players including the top 2 & 3 operators merging their operations. The Company would not be able to make those levels of investments given its current position or provide competitive offerings and consequently would be weaker than many other players in the market which is witnessing growth fuelled with data services.
2. The technological outlook in the telecom industry has seen swift changes in the recent past. If we are unable to keep pace with technological developments and changing customer preferences, we may experience a decline in demand for our services or face challenges in implementing our business strategy.
3. There are various litigation proceedings pending against the Company. There are significant financial penalties under challenge, which may have an adverse effect on our business, financial conditions, results of operations, and prospects in case the court judgments are not favorable to the Company.
4. The business of company depends heavily upon Key Managerial Personnel's and loss of service of such KMP's shall affect the performance of the company.
5. The company is presently an unlisted Company and its equity shares are presently not available for trading on any stock exchange.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

TATA TELESERVICES LIMITED:

A. **Total number of outstanding litigations against the company and amount involved** - Total 692 (Six Hundred and Ninety Two) litigations are pending against Tata Teleservices Limited as on the date of the Abridged Prospectus, out of which 410 (Four Hundred and Ten) are civil matters, 193 (One Hundred and Ninety Three) are consumer cases, 51 (Fifty One) are criminal matters. Total amount involved in the proceedings, wherever quantifiable is INR 2,575 crores (Approx.).

B. **Brief details of top 5 material outstanding litigations against the company and amount involved-**

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved in INR
1.	Demand note from The Department of Telecommunications (DoT) towards One Time Spectrum Charges (OTSC)	TTSL filed a writ petition before the Calcutta High Court challenging the demand.	Pending before Hon'ble High Court, Calcutta	863 Crores (Approx.)
2.	The Cellular Operators Association of India (COAI) challenged the DoT Press Release dated October 19, 2007 allowing the existing licencees to use dual technology before Telecom Disputes Settlement and Appellate Tribunal (TDSAT), which upheld the Dual-Tech Policy. COAI challenged the TDSAT order before the Supreme Court.	The Cellular Operators Association of India (COAI)	Pending before Hon'ble Supreme Court	TTSL GSM admin spectrum may be cancelled or they may be asked to pay difference between admin price paid and market determined price.
3.	The Department of Telecommunication (DoT) issued various demand notices to TTSL towards shortfall in license fees for financial years (FYs) 1999-2000 to 2005-2006 contesting that the components of the Adjusted Gross Revenue ("AGR"). The	TTSL	Pending before Hon'ble Supreme Court	TTSL will have to pay as per the revised demand of DoT. TTSL has paid Rs. 885 Crores under protest.

	AGR demand on account of spectrum usage charges for Special Audit for FY 2006-08 for Rs. 74.84 Crores has been quashed by TDSAT and an appeal has been filed in the Supreme Court.			
4.	Bharti Airtel Limited filed a petition against TTSL before TDSAT seeking a payment of SMS TC on net basis for the period June, 2009 to September, 2011 @ 10 paise/SMS. TRAI SMS TC Regulations 2013 fixed SMS TC @ 2 paise/SMS w.e.f. 01.06.2013.	Bharti Airtel Limited	TTSL has been directed to make the payments pending final disposal by Hon'ble Supreme Court	380 Cr (Approx.)
5.	BSNL raised demand notices on TTSL to pay ADC of Rs. 651 Cr, including interest (Rs. 295 Cr) for the period 14.11.2004 to 28.02.2006 (date after which ADC is payable on revenue share basis) on calls originating from Walky (as Wireless calls) and in some cases at highest rate slab applicable. TDSAT upheld that ADC was payable on calls originating from Walky. Further, Supreme Court also confirmed that ADC was payable on Walky (treating it as WLL-M) post appeal by TTSL, without dealing with the quantification of the demand. TTSL then filed a petition before the TDSAT for quantification of demand, however, TDSAT refused to entertain the request. Post TDSAT's refusal to entertain the request for quantification of demand, an application is filed before the Supreme Court by TTSL for expediting hearing in main appeal and also for the refund of the excess ADC amount paid by TTSL to BSNL along with interest.	TTSL	Pending before Hon'ble Supreme Court	Company has paid Rs. 570 crores under protest

C. **Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any -**
Tata Sons Limited, the promoter of TTSL, has not, in the last 5 financial years, been subjected to disciplinary action by SEBI or stock exchanges, other than pursuant to the interim order of SEBI dated June 4, 2013 ("**SEBI Interim Order**") in relation to non-compliance by Tata Teleservices (Maharashtra) Limited (TTML), of which Tata Sons Limited is a promoter, with Minimum Public Shareholding ("**MPS**") norms under Rules 19 (2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 within the stipulated time period. Pursuant to the SEBI Interim Order, TTML, its directors and promoters were prohibited from dealing in securities of TTML except for the purpose of complying with the MPS requirement until TTML had complied with MPS norms. On achieving the MPS norms, SEBI vide its order dated September 4, 2013 revoked the aforesaid directions issued vide the SEBI Interim Order.

**Note: As there are no equity shares of Bharti Airtel Limited being issued as part of the Scheme, the above disclosures have been limited to those of the Promoter of TTSL.*

D. **Brief details of outstanding criminal proceedings against Promoter**- None

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER/ TATA TELESERVICES LIMITED
Nil

DECLARATION
We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the abridged prospectus forming part of Explanatory Statement of Notice being sent by Bharti Airtel Limited to its shareholders, is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the abridged prospectus are true and correct.

Date: July 19, 2018
Place: New Delhi



SPA
THE FINANCIAL ADVISORS
www.spacapital.com

SPA Capital Advisors Ltd.
CIN: U99999DL1999PLC102626

25, C-Block Community Centre
Janak Puri, New Delhi-110 058
Tel. : 011-25517371, 25515086
Fax : 011-25532644
Email : info@spacapital.com

To,

The Board of Directors,
Bharti Airtel Limited
Bharti Crescent 1, Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi -110070

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Bharti Hexacom Limited in relation to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2") and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Dear Sirs,

We, SPA Capital Advisors Limited, refer to our engagement letter dated July 7, 2018 whereby Bharti Airtel Limited (hereinafter referred to as "BAL" or the "Transferee Company 1") has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to Bharti Hexacom Limited (hereinafter referred to as "BHL" or the "Transferee Company 2") pursuant to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

Regulatory Requirement
SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular) prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part D of schedule VIII of SEBI(ICDR) Regulations,2009.

Disclaimer and Limitation:

- This Certificate is a specific purpose certificate issued in terms of and in compliance with SEBI circular and hence it should not be used for any other purpose or transaction.
- This certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity viz., BHL and is not an opinion on the Scheme of Arrangement or its success.
- This Certificate is issued on the basis of examination of Information and documents provided by BHL and information which is available in the public domain and wherever required, the appropriate representation from BHL has also been obtained.

SPA Capital Advisors Limited New Delhi

SPA
THE FINANCIAL ADVISORS

- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.
- Our opinions is not nor should it be constructed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

Certification:

We state and certify follows:

- We have examined various documents and other materials in connection with finalization of disclosure of information dated July 23, 2018, pertaining to BHL ("Abridged Prospectus") which will be circulated to the members of BAL at the time of seeking their consent to the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as a part of explanatory statement to the notice.
- On the basis of such examination and the discussion with the management of BHL, its directors, others officers and on independent verification of contents of Abridged Prospectus and other paper furnished to us, we state that:
  - The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to BHL.
  - The Abridged Prospectus contains applicable information pertaining to BHL as required in terms of SEBI Circular which, in our view are fair, adequate and accurate to enable the members to make a well informed decision on the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2").

For SPA Capital Advisors Limited

SPA Capital Advisors Limited New Delhi

Vivek Gautam
Associate Director

Date: July 23, 2018
Place: Delhi

ABRIDGED PROSPECTUS

Abridged Prospectus/ Memorandum containing information pertaining to **Bharti Hexacom Limited** which is a party to the Composite Scheme of Arrangement proposed to be made amongst Tata Teleservices Limited ("**TTSL**" or the "**Transferor Company**") and Bharti Airtel Limited ("**BAL**" or the "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or the "**Transferee Company 2**"), collectively known as "**Transferee Companies**" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013(hereinafter referred to as the "**Scheme**").

This document is prepared pursuant to paragraph I.A.3 (a) of Annexure I of the Securities and Exchange Board of India ("**SEBI**") circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") and Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 **("LODR")** read with the said SEBI Circular and contains the applicable information in the format for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR**"). You are also encouraged to read the other details in the Scheme and other documents available on the website of Bharti Airtel Limited (www.airtel.com).

THIS ABRIDGED PROSPECTUS CONSISTS OF 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This document is prepared to comply with the requirements of Regulation 37 of LODR read with SEBI Circular and in accordance with disclosures in abridged prospectus as provided in Part D of Schedule VIII of ICDR, to the extent available. Bharti Airtel Limited is listed with the BSE Limited (BSE) and National Stock Exchange of India (NSE) Limited.

In terms of the Scheme, fully paid up, redeemable non-participating, non-cumulative preference shares are to be issued under the Scheme by the Transferee Companies to the shareholders of the Transferor Company that will not be listed and/or admitted to trading on the Stock Exchanges. As there is no issue of equity shares to the public at large, the requirements with respect to GID (General Information Document) are not applicable and this abridged prospectus should be read accordingly.

You may also download the Abridged Prospectus along with the Scheme as approved by the board of directors of Tata Teleservices Limited (Transferor Company) and Bharti Airtel Limited (Transferee Company 1) dated december 19, 2017 respectively and Bharti Hexacom Limited (Transferee Company 2) dated december 26, 2017, the report of Audit & Risk Management Committee of Bharti Airtel Limited dated december 19, 2017, the copy of the Valuation Report jointly issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co. LLP dated december 19, 2017, and the Fairness Opinion Report issued by RBSA Capital Advisors LLP dated December 19, 2017 from the websites of BSE and NSE where the equity shares of Bharti Airtel Limited are listed.

BHARTI HEXACOM LIMITED

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
Phone No.: +91-11-46666100
Email: corporate.secretarial@bharti.in; **Website**: Not available
Corporate Identity Number: U74899DL1995PLC067527
Contact Person: Swati Batra
Email ID: corporate.secretarial@bharti.in
Phone No.:011-46666227

PROMOTERS OF BHARTI HEXACOM LIMITED

Bharti Airtel Limited

ISSUE DETAILS, LISTING AND PROCEDURE

The Composite Scheme of Arrangement is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors.



The Scheme is divided into the five parts namely, Part-A (deals with background of the Parties and the rationale and benefits of the Scheme), Part-B (deals with the definitions, interpretation and Share Capital), Part-C (deals with demerger of the Demerged Undertaking 1 as a going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income-tax Act, 1961), Part-D (deals with demerger of the Demerged Undertaking 2 as a going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income-tax Act, 1961) and Part-E (deals with the General Terms and Conditions applicable to the Scheme).

Upon the Scheme becoming effective, the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Companies Act, 2013, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 1 and Transferee Company 2 respectively, as a going concern.

In consideration of vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company in the Transferee Company 1 and Transferee Company 2 respectively, in terms of the Scheme, the Transferee Company 1 and Transferee Company 2 shall, without any further application, act or deed, issue and allot BAL RPS (fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1) and BHL RPS (fully paid-up redeemable, non-participating, non-cumulative preference share of face value INR 100 (Rupees hundred only) in the share capital of Transferee Company 2) respectively, to the shareholders of the Transferor Company, in the following manner:

(A) 500 (Five Hundred) BAL RPS/ BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant record date;

(B) 10 (Ten) BAL RPS/ BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant record date; and

(C) 10 (Ten) BAL RPS/ BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant record date.

The BAL RPS and BHL RPS to be issued by Transferee Company 1 and Transferee Company 2 respectively will not be listed and/ or admitted to trading on the Stock Exchanges.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable, as the composite scheme of arrangement does not involve issue of any equity shares to public at large. Hence, the procedure with respect to GID is not applicable.

ELIGIBILITY FOR THE ISSUE – Regulation 26(1) / 26(2) of SEBI (ICDR) Regulations, 2009

- Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: **Not Applicable.**

INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty. However, it is reasonably expected to come into effect in the financial year 2018-19.

GENERAL RISK

Investments in securities including preference shares involve a degree of risk. Investors should not invest any funds unless they can afford to take the risk of losing their investment. Further, low liquidity in the preference shares could also result in difficulties to dispose of the preference shares at a certain time or price level. Investors are advised to read the risk factors carefully, before taking an investment decision in relation to this composite scheme of arrangement. For taking an investment decision, investors must rely on their own examination of the composite scheme of arrangement, including the risks involved. Securities and Exchange Board of India ("SEBI") has not recommended or approved the issuance of the preference shares, nor SEBI, guarantees the accuracy or adequacy of the contents of the information given herein.

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The telecom industry has undergone drastic changes, wherein, the industry is experiencing a major consolidation amongst large mobile operators. Many mobile operators are either shutting down their operations or selling out to larger operators. Bharti Hexacom Limited is also facing the brunt of reduced pricing and decrease in revenue growth. Specific attention of the investors is invited to the section titled "Risk Factors" at page 7 of this document.

PRICE INFORMATION OF LEAD MANAGER

Not Applicable since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company pursuant to the Scheme.

SPA THE FINANCIAL ADVISORS **Merchant Banker:** SPA Capital Advisors Limited **Contact person**: Manish Sharma **Telephone:** +91-11-45675500 **Email ID:** manishsharma@spagroupindia.com	**Statutory Auditors** **BHARTI HEXACOM LIMITED** Deloitte Haskins & Sells LLP Chartered Accountants **Address:** 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurugram -122002 **Telephone:**+91-124-6792000; **Fax:**+91-124-6792012; **Email Id:**agrawalaj@deloitte.com **Registration No.:**117366W/W-100018
Syndicate Members: Not Applicable **Credit Rating Agencies:** Not Applicable **Debenture Trustee:** Not Applicable **Self-Certified Syndicated Banks:** Not Applicable	**Registrar:** Not Applicable **Non-Syndicate Registered Brokers:** Not Applicable

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DETAILS OF PROMOTER OF BHARTI HEXACOM LIMITED AND TOP GROUP COMPANIES

Bharti Airtel Limited, promoter of Bharti Hexacom Limited is a leading global telecommunications company with operations in 16 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the Company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 413 million customers across its operations at the end of March 2018. To know more please visit, www.airtel.com

Name of the Top 5 (five) largest listed group company: In addition to Bharti Airtel Limited, Bharti Infratel Limited, a subsidiary of Bharti Airtel Limited, is the only company listed on Indian stock exchanges which is a provider of tower and related infrastructure sharing services.

BUSINESS MODEL/OVERVIEW AND STRATEGY

Bharti Hexacom Limited (BHL), was incorporated on April 20, 1995. The Company is an unlisted public limited company, having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070. BHL is a subsidiary of Bharti Airtel Limited (BAL). BAL holds 70% of the equity share capital of BHL and Government of India, through Telecommunications Consultants India Limited, holds 30% of the equity share capital of BHL.

The company's principle shareholders are Bharti Airtel Limited and Telecommunication Consultants India Limited. BHL

was providing Cellular Mobile Telephony Services ("CMTS") in the telecom circle of North-east and Unified Access Service("UAS") in the telecom circle of Rajasthan in terms of license granted by Department of Telecommunications ("DoT"), Government of India ("GoI"). Pursuant to the expiry of the CMTS license of the north-east circle on december 11,2015 and UAS license of Rajasthan circle on April 20, 2016 the Company has migrated to Unified License ("UL") on July 24,2015 with service authorizationfor Access Services in North East Service Area from December 12, 2015 and Rajasthan service area from April 22, 2016.

The Company is the largest mobile telephony services in Rajasthan and North Eastern regions of India. The Company is also the provider of fixed line and broadband services in Rajasthan region. The Company is committed to provide best in class customer experience through brilliant network experience. The Company continues to invest in technology and network to lead the market with highest customer base and revenue.

BOARD OF DIRECTORS				
S.No.	**Name**	**DIN**	**Designation (Independent/ Whole Time / Executive/ Nominee**	**Qualification and Experience**
1.	Devendra Khanna	01996768	Director	A Chartered Accountant by qualification, Devendra Khanna hasan experience of more than 32 years in finance & accounts, budget and budgetary controls, risk management, management of foreign exchange, taxation etc.
2.	Sunil Kumar Goyal	02312181	Independent Director	Sunil Kumar Goyal is anICWA, Cost Accountant, CFA and financial analyst by profession, and holds more than 25 years of experience.
3.	Nilanjan Roy	02703775	Director	A commerce graduate and a Chartered Accountant, Nilanjan Roy has an overall 27years of experience in finance.
4.	Ravi Kumar Kaushal	02814471	Independent Director	A Chartered Accountant by qualification, Ravi Kumar Kaushal has an approx. 31years of experience in financial planning, direct taxes, and liquidity management.
5.	Mukesh Hassanand Bhavnani	03595080	Director	A graduate in Law and Commerce from Bombay University and a qualified Company Secretary, Mukesh Hassanand Bhavnanihas over 40years of varied experience across multiple industries including insurance, mining, oil & gas, infrastructure, media, consumer goods and pharmaceuticals.
6.	Sheshagiri Rao Annangi	06364174	Director	Sheshagiri Rao Annangihas done Electronics and Communication Engineering from J.N.T.U., Kakinada and has experience of over 36 years in construction and commissioning many signaling projects.
7.	Shefali Malhotra	07143784	Director	A Chartered Accountant by qualification, Shefali Malhotra has an overall 26 years of experience in finance.
8.	Narendra Jain	06942419	Director	Narendra Jain is a Cost and Management Accountant and a Company Secretary with an experience of approx. 30 years in finance such as financialmanagement, budgetary costing, corporate and project accounts, taxation, secretarial and legal fields.

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OBJECTS PURSUANT TO THE SCHEME

The Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of TTSL to BAL and BHL, respectively, results in the following benefits:

(a) expanding the business of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;

(b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;

(c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;

(d) the combination of the Demerged Undertakings and the Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;

(f) increase in customer base and also acquisition of new customers;

(g) provision of state of the art services to the customers using the spectrum and other assets; and

(h) enhanced generation of revenues and therefore enhanced license fee to the Government.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable.

Name of monitoring agency, if any: Since there is no issue of equity shares to the public at large in proposed Composite Scheme of Arrangement, the appointment of a monitoring agency is not required.

Terms of issuance of convertible security, if any: Not applicable.

Shareholding pattern of Bharti Hexacom Limited as on June 30, 2018 and indicative post scheme shareholding is as follows:

Equity Shares of Rs. 10/- each

S. No.	Shareholders name	Pre- Scheme No. of Equity Shares	% Holding Pre- Scheme	Post- Scheme No. of Equity Shares	% Holding Post-Scheme
1.	Bharti Airtel Limited	17,49,99,995	70.00	17,49,99,995	70.00
2.	Telecommunications Consultants India Limited	7,50,00,000	30.00	7,50,00,000	30.00
3.	Puneet Tandon*	1	0.00	1	0.00
4.	Suman Singh*	1	0.00	1	0.00
5.	Mukesh Bhavnani*	1	0.00	1	0.00
6.	Devendra Khanna*	1	0.00	1	0.00
7.	Rohit Puri*	1	0.00	1	0.00
	TOTAL	**25,00,00,000**	**100.00**	**25,00,00,000**	**100.00**

*Beneficial interest held by Bharti Airtel Limited.

Redeemable, Non-participating, Non-cumulative Preference Shares of Rs. 100/- each

S. No.	Shareholders name	Pre- Scheme No. of Redeemable, Non-Participating, Non-Cumulative Preference Shares	% Holding Pre- Scheme	Post- Scheme No. of Redeemable, Non-Participating, Non-Cumulative Preference Shares	% Holding Post-Scheme
-	*	Nil	-	520	100%
	TOTAL	**Nil**	-	**520**	**100%**

*Name of Preference Shareholders (Post-Scheme) to whom Preference Shares will be allotted pursuant to the Scheme are presently not identified.

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Shareholding pattern of Bharti Airtel Limited as on June 30, 2018 and indicative post scheme shareholding is as follows:

Equity Shares of Rs. 5/- each

S. No.	Shareholders name	Pre-Scheme No. of Equity Shares	% Holding Pre- Scheme	Post-Scheme No. of Equity Shares	% Holding of Post-Scheme
(A)	**Promoter & Promoter Group**				
1.	Bharti Telecom Limited	2,00,28,18,452	50.10	2,00,28,18,452	50.09
2.	Indian Continent Investment Limited	8,11,50,803	2.03	8,11,50,803	2.03
3.	Virdian Limited	84,93,000	0.21	84,93,000	0.21
4.	Pastel Limited	59,13,19,300	14.79	59,13,19,300	14.78
(B)	**Non-Promoter**				
1.	Public	1,31,18,56,852	32.82	1,31,28,27,726	32.84
2.	Non Promoter-Non Public	17,61,700	0.04	17,61,700	0.04
	Total	**3,99,74,00,107**	**100.00**	**3,99,83,70,981**	**100.00**

Notes:

1. Bharti Telecom Limited is a promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
2. Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the regulations.
3. Indian Continent Investment Limited is person acting in concert with promoter (Bharti Telecom Limited).
4. Viridian Limited is person acting in concert with Pastel Limited.
5. The Board of Bharti Airtel Limited approved the scheme of merger with Tata Teleservices (Maharashtra) Limited on december 19, 2017 post approval of the same from NCLT the paid up share capital of the Company will undergo change. The above shareholding is inclusive of the said consideration.

Redeemable, Non-participating, Non-cumulative Preference Shares of Rs. 100/- each

S. No.	Shareholders name	Pre- Scheme No. of Redeemable, Non-participating, Non-cumulative Preference Shares	% Holding Pre- Scheme	Post- Scheme No. of Redeemable, Non-participating, Non-cumulative Preference Shares	% Holding Post-Scheme
-	*	Nil	-	530	100%
	TOTAL	**Nil**	-	**530**	**100%**

*Name of Preference Shareholders (Post-Scheme) to whom Preference Shares will be allotted pursuant to the Scheme are presently not identified.

AUDITED FINANCIALS

BHARTI HEXACOM LIMITED - STANDALONE *(Rs. in millions)*

Particulars	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
Total income from operations (net)	44181	51313	51956	50818	41,364
Net Profit/ (Loss) before tax and extraordinary items	(1684)	10171	15716	16132	8,342
Net Profit/ (Loss) after tax and extraordinary items	(1119)	6601	10278	10792	6,036
Equity Share Capital	2500	2500	2500	2500	2500
Reserves & Surplus	62393	64328	57748	49787	40078
Net Worth	64893	66828	60248	52287	42578
Basic Earnings Per Share (In Rs)	(4.48)	26.40	41.11	43.17	24.14
Diluted Earnings Per Share (In Rs)	(4.48)	26.40	41.11	43.17	24.14
Return on Net-worth (%)	(1.72)	9.88	17.06	20.64	14.18
Net Asset Value per share (Rs)	259.57	267.31	240.99	209.15	170.31

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INTERNAL RISK FACTORS RELATED TO BHARTI HEXACOM LIMITED

1. Bharti Hexacom Limited, forming part of Telecommunication industry, faces a series of burgeoning challenges, in the form of new waves of disruptive innovation and shifting of regulatory demands.
2. The Company faces intense competition and the entry of new telecom operator is forcing major consolidation in the telecom industry. The competitors are offering discount packages with free voice and cheap 4G services, consequent to which there has been a decline in the revenue of the industry. Bharti Hexacom Limited has also faced the brunt of the new competition as is visible from the financials as stated above, wherein the business continue to decline in each financial year.
3. The technological outlook in the telecom industry has seen swift changes in the recent past. If Bharti Hexacom Limited is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in demand for our services or face challenges in implementing the business strategy.
4. The business of Company depends heavily upon Key Managerial Personnel's and loss of service of such KMP's can affect the performance of the Company.
5. The Company is presently an unlisted Company and its securities are presently not available for trading on any stock exchange.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

BHARTI HEXACOM LIMITED:

A. Total number of outstanding litigations against the company and amount involved -

Total 149 (One Hundred and Forty Nine) litigations are pending against Bharti Hexacom Limited as on the date of the Abridged Prospectus, out of which 31 (Thirty One) are civil matters, 1 (One) is a matter under criminal laws, 7 (Seven) are tax matters and 4 (four) fall under are labour and industrial disputes. The total amount involved in the proceedings, wherever quantifiable is INR 2,79,06,68,437/-.

There are total of 67 (Sixty Seven) litigations filed by Bharti Hexacom Limited as on the date of Abridged Prospectus, out of which 12 (Twelve) are civil matters, 1 (One) is a matter under criminal laws, 34 (Thirty Four) are tax matters and 1 (One) is an appeal against the order of Deputy Director, Employee State Insurance Act, 1948 before the ESI Court, Jaipur. The potential exposure in these proceedings for Bharti Hexacom Limited, wherever quantifiable is estimated to be, approximately INR 5,47,01,63,097/-.

B. Brief details of top 5 material outstanding litigations against the company and amount involved-

The brief of the material outstanding litigations are as under:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved in INR
1.	Appeal filed by Bharti Hexacom Limited ondisallowance distributor margin, roaming charges and subscriber verification penalty under Income Tax Act.	Bharti Hexacom Limited	Pending before Income Tax Appellate Tribunal (ITAT)	311.99 Crores (Approx.)
2.	Appeal filed by revenue department ondisallowance of variable license fee under Income Tax Act.	Revenue Department	Pending before Income Tax Appellate Tribunal (ITAT)	271.01 Crores (Approx.)
3.	Petition filed by Bharti Hexacom Limited challenging demands in respect of purported non-compliances on account of self-certification in respect of EMF compliances of Cell Sites not being in TEC Format.	Bharti Hexacom Limited	Pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT)	247.46 Crores (Approx)
4.	Petition filed by Bharti Hexacom Limited challenging the imposition of Entry Tax.	Bharti Hexacom Limited	Pending before High Court Rajasthan at Jaipur Bench	85.05 Crores (Approx.)
5.	Appeal filed by Bharti Hexacom	Bharti Hexacom	Pending before	66.54 Crores (Approx.)

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	Limited challenging denial of cenvat credit on towers, for the period from 2004 to 2012.	Limited	the Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any -

There is no regulatory action, disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action except for below mentioned notice by SEBI:

- Indian Continental Investment Limited (ICIL), the person acting in concert with promoter of the Company (Bharti Telecom Limited), submitted the application for settlement to SEBI in June, 2016 under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for settlement of the adjudication proceedings as set out in the Show Cause Notice (SCN) bearing EAD-2/DSR/RG/13857/1/2016 dated May 12, 2016 issued by SEBI calling ICIL to show as to why an enquiry should not be held against it and penalty be not imposed under Section 15A(b) of SEBI Act, 1992 for non - disclosure under SEBI (Prohibition of Insider Trading) Regulations, 1992.
- SEBI passed the Settlement Order dated April 5, 2017 under Regulation 15 & 17 of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and disposed of the said adjudication proceedings initiated against ICIL vide SCN dated May 12, 2016.

D. Brief details of outstanding criminal proceedings against Promoters-

Total 34 (Thirty Four) criminal cases are pending against the promoters in various courts in India which includes 2 (Two) cases filed by Delhi Development Authority (DDA) and 1 (One) by New Delhi Municipal Corporation (NDMC) for misuse of a property, 1 (One) case filed by Labour inspector, Gwalior alleging non-compliance of MP Shramkalyan Nidhi Act, 1982 and 1 (One) case filed by Labour superintendent, Bhagalpur alleging violation of the provisions of Shop and Establishment Act, 1953 and rest of the cases are filed by customers of the Company for deficiency of services or other matters. In most of the cases filed by customers, the matter has been stayed by the Hon'ble High Court of corresponding states.

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER/ BHARTI HEXACOM LIMITED

Nil

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus/Memorandum are true and correct.

Date: July 23, 2018
Place: New Delhi



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/10/531)

Dated: 16.11.2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Bharti Airtel Limited

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Legal Representatives of the parties: M/s A□B □ Partners

Order under Section 31 (1) of the Competition Act, 2002

1. On 16.10.2017, the Competition Commission of India ("**Commission**") received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 ("**Act**"), given by Bharti Airtel Limited ("**Airtel**").

2. The proposed combination envisages ac□uisition of100 percent of the consumer mobile business currently run by Tata Teleservices Limited ("**TTSL**") and Tata Teleservices (Maharashtra) Limited ("**TTML**") ("**Tata CMB**") by Airtel ("**Proposed Combination**"). The Notice was filed with the Commission pursuant to execution of a binding term sheet, by and between Airtel, TTSL, TTML and Tata Sons Limited on 12.10.2017 ("**Acquisition Agreement**"). Airtel submitted certain additional information/clarification(s) vide emails dated 26.10.2017, 03.11.2017 and 07.11.2017 and 10.11.2017.

3. Airtel, a part of Bharti Enterprises group ("**Bharti Group**"), is a publicly traded global telecommunications corporation with operations in 17 countries across Asia and Africa. It is engaged in provision of various B2C and B2B telecommunication services. B2C services include, *inter-alia*, retail mobile telephony services, wireline services etc. and B2B services include, *inter-alia*, National Long Distance Services ("**NLD**"), International Long Distance Services ("**ILD**") etc. Airtel provides mobile telephony services in all telecom circles in India.

4. TTSL, a part of Tata Group, is engaged in the business of wired telephone service, wireless telephone service and Internet and broadband services in a number of telecom circles in India. TTML is an associate company of TTSL and is a telecom service provider in Maharashtra.

5. The Commission observed that the Proposed Combination envisaged acquisition of consumer mobile business or retail mobile telephony business of Tata companies by Airtel.

6. The Commission observed that retail mobile telephony services can be classified on the basis of various criteria such as type of service, type of customer and type of access equipment. However, considering the fact that the Proposed Combination is not likely to result in appreciable adverse effect on competition, for the reasons contained in the ensuing paragraphs, exact delineation of the relevant product market is left open.

7. As regards relevant geographic market, the Commission decided that the same may be defined in terms of each overlapping circle, i.e., Karnataka, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, UP (East), UP (West), Punjab, Haryana, Gujarat, Delhi, Kolkata, Kerala, Odisha, Bihar, Rajasthan, West Bengal, Himachal Pradesh, Mumbai and Maharashtra.

Assessment in terms of factors contained in Section 20(4) of the Act

Concentration analysis

8. The Commission noted that the issue of market shares and concentration is also dealt in the guidelines for transfer/merger of service licences on compromises, arrangement and

amalgamation of companies, issued by Ministry of Communications and Information Technology, Government of India in 2014 ("**DoT Merger Guidelines**"). As per the DoT Merger Guidelines, in case of merger or acquisition or amalgamation proposals that result in market share in any service area exceeding 50 percent, the resultant entity should reduce its market shares to 50 percent within a period of one year from the date of approval of merger or acquisition or amalgamation ("**Market Share Caps**"). As regards holding of spectrum by a TSP, the Commission noted that the spectrum holding in a licensed service area is subject to cap of 25 percent of the total spectrum assigned and 50 percent of the spectrum assigned in a specific band. ("**Spectrum Caps**"). The Parties have submitted that they will comply with the Spectrum Caps and the Market Share Caps. However, in this regard, the Commission observed that assessment of a proposed combination would need to be based, independently of such guidelines, on factors as contained in Section 20(4) of the Act.

9. The Commission, considering revenue market shares[1], observed that market is highly concentrated with pre-combination HHIs exceeding 2000 in all telecom circles (except Haryana, Mumbai and Punjab where HHIs are more than 1800). The position of the Parties in various telecom circles can be tabulated as under:

Table 1: Revenue based market share of the Parties in overlapping circles

Combined Market Share	**Number and name of Circles**
Less than 20%	1 [Kerala]
20% < 30%	1 [Gujarat]
30%<40%	9 [Tamil Nadu; Haryana; UP (East); UP (West); Madhya Pradesh; Maharashtra; Mumbai; West Bengal; Kolkata]
40% < 50%	3 [Delhi; Punjab; Rajasthan]
More than 50%	5 [Himachal Pradesh; Karnataka; Andhra Pradesh; Bihar; Odisha]

10. As a next step in competition assessment, the Commission examined the impact of the Proposed Combination on the level of concentration as reflected in incremental HHI. Such

[1] The market shares, incremental market shares, HHIs and incremental HHIs are calculated on the basis of market shares in terms of gross revenue of the Parties and other operators in overall retail mobile telephony services market for the quarter ending 30.06.2017.

examination was undertaken for 17 telecom circles wherein the combined market share is estimated to be more than 30 percent. The Commission observed that the change in HHI is significant in respect of all the telecom circles (except West Bengal and Himachal Pradesh), ranging from around 168 in Rajasthan to around 958 in Karnataka.

11. The Commission noted that the spectrum holding of the Acquirer may exceed Spectrum Caps in terms of total spectrum assigned in Bihar telecom circle. However, based on examination of spectrum holding of different TSPs in all overlapping telecom circles, the Commission noted that the spectrum seems to be fairly distributed between the various TSPs. Further, the Commission also noted that there is a significant quantity of unsold spectrum in each telecom circle which may also obviate any access issues.

Likelihood that the combination would result in the removal of a vigorous and effective competitor or competitors in the market

12. The Commission assessed as to how Tata CMB is placed in terms of closeness of competition to Airtel and its overall effectiveness as a competitor. In this regard, the Commission noted the following:

i. Tata CMB has a limited product offering. It is engaged in providing 2G and 3G services. Tata CMB does not include 4G services and as submitted, it does not intend to invest in spectrum and network for introducing 4G services;

ii. The Diversion Ratio from Airtel to Tata CMB is negligible. As regards diversion from Tata CMB to Airtel, it is noted that though there is significant diversion, Airtel is not the only preferred operator and there is equally significant diversion to Vodafone and Idea; and

iii. The market share of Tata CMB has been steadily declining in almost all the overlapping telecom circles. The same is also reflected in the revenue and EBIDTA of Tata CMB. […]

The aforesaid analysis reveal that Tata CMB neither seems to be a close competitor of Airtel nor an effective competitor going forward.

Buyer Power

13. The Commission in its earlier decision in combination of Idea and Vodafone's telecommunication business[2] had observed that that there is significant constraint on the TSPs from the buyer side in the mobile retail telephony services market. The observation was based on factors such as multi-SIMing, ease of substitution due to option of mobile number portability and significant churn rates. The Commission noted that the same assessment also applies in the instant case.

Extent of competition likely to be maintained after the Proposed Combination

14. The retail mobile telephony services market, post the Proposed Combination would have four private TSPs including the Aircel, RJio, Vodafone-Idea and the Acquirer and one state owned TSP *i.e.,* BSNL/MTNL in all telecom circles.

15. The Commission examined the size and resources of the competitors and is of the opinion that they are in a position to exercise adequate competitive constraints on the Acquirer and to eliminate any likelihood of appreciable adverse effect on competition, if any resulting from the Proposed Combination.

Level of combination in the market

16. The Commission observed that telecom sector is witnessing a stage of consolidation and therefore, it become important to also assess the impact of reduction in number of competitors on the competition. In this regard, the Commission is of the opinion that keeping in view its observations on the effectiveness of Tata CMB as a competitor going forward, the Proposed Combination is not likely to cause a significant change in competition dynamics.

17. Considering the aforesaid factors in totality, the Commission is of the opinion that the Proposed Combination is not likely to result in substantial change in competition dynamics

[2] Combination Registration No. C-2017/04/502 filed by Vodafone and Idea.

in retail mobile telephony services in any of the overlapping telecom circles and accordingly does not raise unilateral or coordinated effects concerns.

18. Considering the facts on record, details provided in the Notice given under Section 6(2) of the Act and assessment of the Proposed Combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have an appreciable adverse effect on competition in India and therefore, hereby approves the same under Section 31(1) of the Act. This order is, however, issued without prejudice to the proceedings under Section 43A of the Act.

19. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.

20. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.

21. The Secretary is directed to communicate to the Acquirer accordingly.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

PRINCIPAL BENCH, AT NEW DELHI

COMPANY APPLICATION NO. CA (CAA)- 98(PB) OF 2018

(under Sections 230-232 of the Companies Act, 2013)

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN TATA TELESERVICES LIMITED, BHARTI AIRTEL LIMITED AND BHARTI HEXACOM LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

Tata Teleservices Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi – 110001

…Applicant Company 1/ Transferor Company

AND

Bharti Airtel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 2 / Transferee Company 1

AND

Bharti Hexacom Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 3 / Transferee Company 2

FORM OF PROXY

Name of Unsecured Creditor: …….....……..…….

Email ID: …….....……..…….

I/ We, the undersigned as an unsecured creditor of Bharti Airtel Limited ("**Transferee Company 1**"), hereby appoint:

i. Name:…….....……..……..

Address:…….....……..……..

Email ID:…… or failing him/her

ii. Name:…….....……..……..

Address:…….....……..……..

Email ID:…… or failing him/her

iii. Name:…….....……..……..

Address:…….....……..……..

Email ID:……

as my/ our proxy, to act for me/ us at the Meeting of the unsecured creditors of the Transferee Company 1 to be held at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034 on Tuesday, the 28th day of August, 2018 at 1:30 P.M., for the purpose of considering and, if thought fit, approving, with or without modification(s), the composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**") and at such Meeting and at an adjournment or adjournments thereof, to vote, for me/ us and in my/ our name(s) _____ *[here, 'if for', insert '**FOR**'; 'if against' insert '**AGAINST**', and in the latter case, strike out the words below after 'the said Scheme']* the said Scheme as my/our proxy.

Dated this _____ day of _____, 2018

Affix Re 1/- Revenue Stamp

_____

Signature of Unsecured Creditor

_____ _____ _____

Signature of first Proxy Holder Signature of second Proxy Holder Signature of third Proxy Holder

NOTES:

1. The Form of Proxy in order to be effective should be in the prescribed form, duly completed and signed or authenticated by the concerned person and deposited at the registered office of the Transferee Company 1 at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070, **not later than 48 hours** before the scheduled time of the Meeting.
2. In case of multiple proxies, proxy later in time shall be accepted.
3. Please affix a revenue stamp of Re. 1/- before signing across the same.
4. All alterations made in the Form of Proxy should be initialed.
5. Only an unsecured creditor of the Transferee Company 1 is entitled to attend and vote at the tribunal convened meeting of the unsecured creditors of the Transferee Company 1 ("**Meeting**"), either in person or by proxy or through an authorized representative (in case the unsecured creditor is a body corporate), as the case may be. Where a body corporate which is an unsecured creditor authorises any person to act as its representative at the Meeting, a copy of the resolution of the board of directors or other governing body of such body corporate authorising 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 other authorised officer of such body corporate shall be lodged with the Transferee Company 1 at its registered office not later than 48 hours before the scheduled time of the Meeting.
6. Such unsecured creditor is entitled to appoint a proxy to attend and vote at the Meeting instead and on behalf of such unsecured creditor and such proxy need not be an unsecured creditor. Proxies to be valid and effective should be in the prescribed Form of Proxy, duly completed and signed or authenticated by the concerned person and should be deposited at the registered office of the Transferee Company 1 not later than 48 hours before the scheduled time of the Meeting.
7. An unsecured creditor/ its proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed, signed or authenticated by the concerned person along with a copy of the deposited Form of Proxy (in case of a proxy).
8. An unsecured creditor (in case such unsecured creditor is an individual) or the authorized representative of the unsecured creditor (in case such unsecured creditor is a body corporate) or the proxy should carry their valid and legible identity proof (i.e. a PAN Card/ Aadhaar Card/ Passport/ Driving License /Voter ID Card). Additionally, an unsecured creditor (in case such unsecured creditor is a sole proprietorship) or the proxy should carry a valid document evidencing the individual as the proprietor of the sole proprietorship.

BHARTI AIRTEL LIMITED

CIN: L74899DL1995PLC070609
Registered & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070
Phone: +91-11-4666 6100 **Fax**: +91-11-4666 6137
Email: compliance.officer@bharti.in **Website**: www.airtel.com

MEETING OF THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED ON

TUESDAY, AUGUST 28, 2018 AT 1:30 P.M.

ATTENDANCE SLIP

I hereby record my presence at the Meeting of the unsecured creditors of Bharti Airtel Limited, convened pursuant to the order dated June 14, 2018 passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi in Company Application No. CA (CAA)-98(PB)/2018, at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034 on Tuesday, the 28th day of August, 2018 at 1:30 P.M.

Name of the Unsecured Creditor:……..…….....……...

Signature of the Unsecured Creditor:……..…….....……...

OR

Name of the Proxy Holder:……..…….....……...

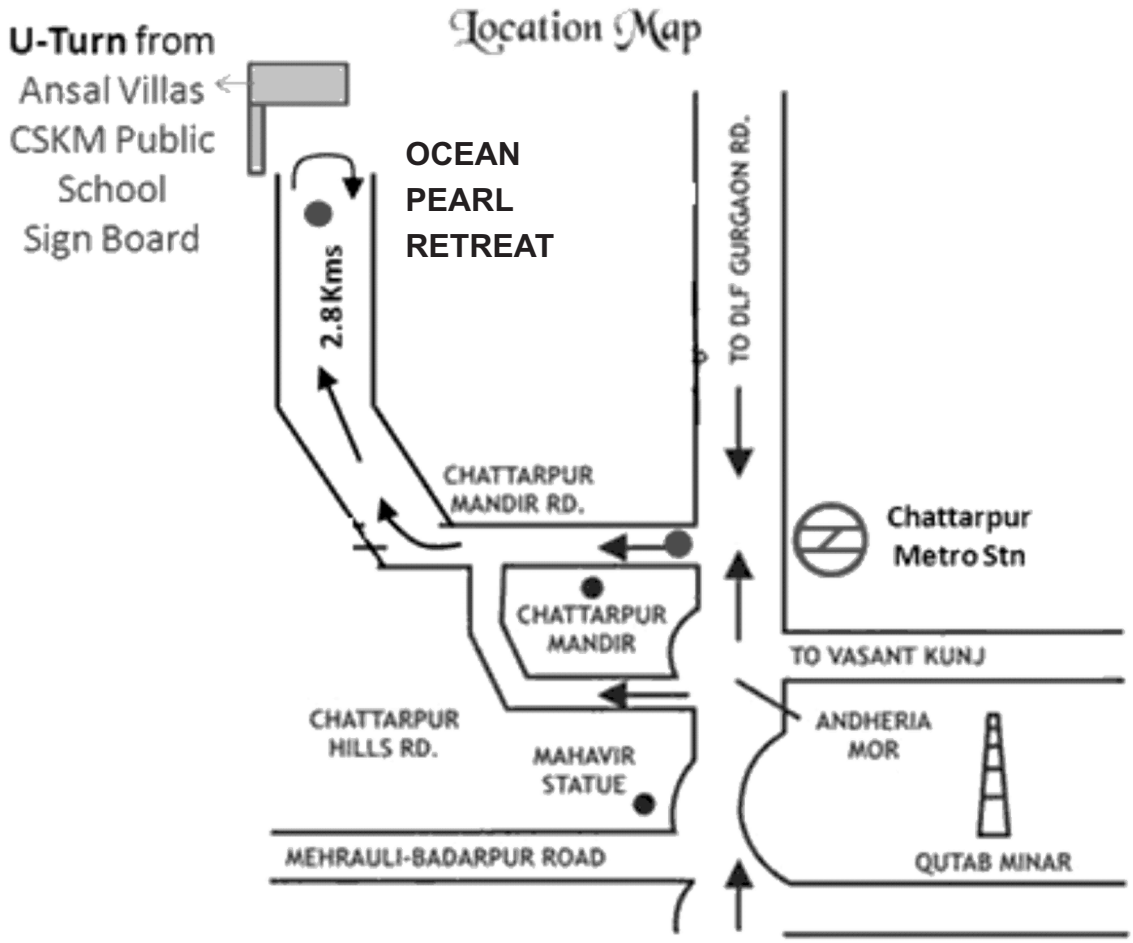
Signature of the Proxy Holder:……..…….....……...

NOTES:

1. Unsecured creditors/ authorized representatives or their proxies attending the Meeting must bring this Attendance Slip to the Meeting and hand over the same at the entrance of the Meeting venue after completing and signing the same.

2. Unsecured creditors/ authorized representatives or their proxies desiring to attend the Meeting should bring his/ her copy of the notice for reference at the Meeting.

ROUTE MAP FOR THE VENUE OF MEETING OF THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED



Venue: Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi - 110034

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO. CA (CAA)-98(PB) OF 2018
(under Sections 230-232 of the Companies Act, 2013)

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN TATA TELESERVICES LIMITED, BHARTI AIRTEL LIMITED AND BHARTI HEXACOM LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

Tata Teleservices Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi – 110001

…Applicant Company 1/ Transferor Company

AND

Bharti Airtel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 2/ Transferee Company 1

AND

Bharti Hexacom Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 3/ Transferee Company 2

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED

Notice is hereby given that by an order dated the 14th day of June, 2018 ("**Order**"), the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi ("**Tribunal**"), has directed a meeting to be held of the equity shareholders of Bharti Airtel Limited ("**Transferee Company 1**") for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the Transferee Company 1 will be held at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbir I, New Delhi - 110034 on Tuesday, the 28th day of August, 2018 at 10:30 A.M. ("**Meeting**"), at which place, day, date and time, the said equity shareholders of the Transferee Company 1 are requested to attend.

Copies of the said Scheme and of the statement under Section 230 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company 1 at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 and/ or from the office of its advocates, M/s. AZB & Partners at Plot No. A8, Sector 4, Noida - 201301, Uttar Pradesh.

Persons entitled to attend and vote at the Meeting, may vote in person, by proxy, through postal ballot or through electronic means, provided that all proxies in the prescribed form, duly completed and signed or authenticated by the concerned person, are deposited at the registered office of the Transferee Company 1 as mentioned above not later than 48 hours before the scheduled time of the Meeting. Forms of Proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company 1 and/ or from the office of its advocates as mentioned above.

The Hon'ble Tribunal has appointed Mr. Anant Palli, Advocate, as the Chairperson of the Meeting, including for any adjournment(s) thereof and failing him, Mr. Sandeep Vermani, Advocate, as the Alternate Chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Vivek Goel, Chartered Accountant, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof. The Scheme, if approved by the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("**Act**") and the provisions of the memorandum of association and the articles of association of Bharti Airtel Limited ("**Transferee Company 1**"), for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Act ("**Scheme**").

***"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"), the applicable rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India (to the extent applicable), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (to the extent applicable), the observation letter dated April 26, 2018 issued by the National Stock Exchange of India Limited and the observation letter dated April 27, 2018 issued by BSE Limited and subject to the provisions of the memorandum of association and the articles of association of Bharti Airtel Limited ("**Transferee Company 1**") and subject to the approval of the New Delhi Bench of the Hon'ble National Company Law Tribunal ("**Tribunal**") and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the board of directors of the Transferee Company 1 ("**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Act ("**Scheme**") as enclosed to the notice of the Tribunal convened meeting of the equity shareholders of the Transferee Company 1 and placed before this meeting, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the preceding resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required and/ or imposed by the Tribunal while sanctioning the Scheme or by any authorities under applicable law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/ or making such adjustments in the books of accounts of the Transferee Company 1 as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that pursuant to the provisions of Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws and regulations, as may be applicable, the Transferee Company 1 has also provided the facility of postal ballot and e-voting. Accordingly, the equity shareholders may cast votes through the postal ballot form or electronically (i.e. e-voting). The Transferee Company 1 has engaged the services of M/s. Karvy Computershare Private Limited ("**Karvy**") for the purpose of providing e-voting facility to the equity shareholders. The equity shareholders desiring to exercise their votes by postal ballot are requested to carefully read the instructions printed in the enclosed postal ballot form and in the notice and return the postal ballot form duly completed in the attached self-addressed postage pre-paid Business Reply Envelope, so as to reach the scrutinizer not later than 5:00 P.M. on Monday, August 27, 2018. If any postal ballot is received after 5:00 P.M. on Monday, August 27, 2018, it will be considered that no reply from the equity shareholder has been received. The equity shareholders desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions set out in the notes below under the heading *"Voting through electronic means".*

A copy of the statement under Section 230(3) of the Act read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**") ("**Explanatory Statement**"), the Scheme and other enclosures including the Form of Proxy and the Attendance Slip are enclosed and form part of the notice.

Dated this 20th day of July, 2018.

For Bharti Airtel Limited

Sd/-
Rohit Krishan Puri
(Authorized Signatory)

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
CIN: L74899DL1995PLC070609
Email: compliance.officer@bharti.in

NOTES

1. **ONLY AN EQUITY SHAREHOLDER OF THE TRANSFEREE COMPANY 1 IS ENTITLED TO VOTE IN PERSON, BY PROXY, THROUGH POSTAL BALLOT OR THROUGH ELECTRONIC MEANS.**

2. **AN EQUITY SHAREHOLDER OF THE TRANSFEREE COMPANY 1 IS ENTITLED TO ATTEND AND VOTE AT THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS ("MEETING"), EITHER IN PERSON OR BY PROXY OR THROUGH AN AUTHORIZED REPRESENTATIVE, AS THE CASE MAY BE. WHERE A BODY CORPORATE WHICH IS AN EQUITY SHAREHOLDER AUTHORISES ANY PERSON TO ACT AS ITS REPRESENTATIVE AT THE MEETING, A COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BODY OF SUCH BODY CORPORATE AUTHORISING 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 OTHER AUTHORISED OFFICER OF SUCH BODY CORPORATE SHALL BE LODGED WITH THE TRANSFEREE COMPANY 1 AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

3. **SUCH EQUITY SHAREHOLDER IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD AND ON BEHALF OF SUCH EQUITY SHAREHOLDER AND SUCH PROXY NEED NOT BE AN EQUITY SHAREHOLDER. PROXIES TO BE VALID AND EFFECTIVE SHOULD BE IN THE PRESCRIBED FORM OF PROXY, DULY COMPLETED, STAMPED AND SIGNED OR AUTHENTICATED BY THE CONCERNED PERSON AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY 1 NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

4. PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013 ("**ACT**") READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A PERSON CAN ACT AS PROXY ON BEHALF OF THE EQUITY SHAREHOLDERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY 1 CARRYING VOTING RIGHTS. AN EQUITY SHAREHOLDER HOLDING MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY 1 CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR EQUITY SHAREHOLDER.

5. An equity shareholder/ its proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed along with a copy of the deposited Form of Proxy (in case of a proxy). Equity shareholders holding shares in dematerialized form are requested to bring their Client Master List/ Depository Participant Statement/ Delivery Instruction Slip reflecting their Client ID and DP ID Number for easier identification of attendance at the Meeting.

6. In case of joint holders attending the Meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.

7. An equity shareholder (in case such equity shareholder is an individual) or the authorized representative of the equity shareholder (in case such equity shareholder is a body corporate) or the proxy should carry their valid and legible identity proof (i.e. a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card).

8. Equity shareholders may avail the nomination facility as provided under Section 72 of the Act.

9. The notice, the Explanatory Statement together with the documents accompanying the same, are being sent through registered post to all those equity shareholders who have not registered their email ID's with the Transferee Company 1 and/or the Depository Participants and/or electronically by email to those equity shareholders who have registered their email ID's with the Transferee Company 1 and/or the Depository Participants, whose names appear in the register of members/ list of beneficial owners as received from Karvy on Friday, July 20, 2018.

10. In terms of the directions contained in the Order, the quorum for the Meeting shall be 75 equity shareholders. Further, in case the aforesaid quorum for the Meeting is not present, then the Meeting shall be adjourned by 30 minutes and thereafter, the equity shareholders, present and voting, shall be deemed to constitute the quorum. For the purposes of computing the quorum, the valid proxies shall also be considered.

11. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered as approved by the equity shareholders of the Transferee Company 1 if the resolution mentioned in the notice has been approved at the Meeting by a majority in number representing three-fourths in value of the equity shareholding of the Transferee Company 1, voting in person, by proxy, through postal ballot or through electronic means.

12. In terms of the directions contained in the Order, the advertisement of the Meeting will be published in the "*Indian Express*" (Delhi edition, in English) and "*Jansatta*" (Delhi edition, in Hindi) indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement and the Form of Proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Transferee Company 1 at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 and/ or at the office of its advocates, M/s. AZB & Partners situated at Plot No. A8, Sector 4, Noida - 201301, Uttar Pradesh.

13. It may be noted that the ballot/ polling paper will be provided at the Meeting venue.

14. Pursuant to the provisions of Section 108 and Section 110 of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations ("**SEBI Listing Regulations**") and other applicable provisions, if any, of the Act and of SEBI Listing Regulations, the Transferee Company 1 will be offering postal ballot and e-voting facility to the shareholders to cast their votes (for or against) on the resolution set forth in the notice.

15. The voting rights of an equity shareholder shall be in proportion to such equity shareholder's equity shareholding in the Transferee Company 1 as on Friday, July 20, 2018.

16. Kindly note that each equity shareholder can opt for only one mode for voting i.e. either by postal ballot or by e-voting. If you opt for e-voting, then please do not vote by postal ballot and vice versa. In case equity shareholders cast their vote via both modes i.e. Postal Ballot as well as e-voting, then voting done through e-voting shall prevail and Postal Ballot of that member shall be treated as invalid.

17. The E-Voting Event Number, User ID and Password along with the detailed instructions are set out below under the section "*Voting through electronic means*".

18. The voting rights for the purposes of e-voting and postal ballot shall be reckoned on the basis of the paid up value of the equity shares registered in the name of the equity shareholders as on Friday, July 20, 2018 and a person who is not an equity shareholder on such date should treat the notice for information purposes only.

19. It is clarified that casting of votes by e-voting or postal ballot does not disentitle an equity shareholder from attending the Meeting. However, any equity shareholder who has voted through e-voting or postal ballot cannot vote at the Meeting.

20. The scrutinizer will submit his report to the Chairperson or the Alternate Chairperson (as the case may be) after completion of the scrutiny of the postal ballots, e-votes and the polling/ ballot paper submitted by the equity shareholders. The scrutinizer's decision on the validity of the votes shall be final. The results of the voting on the resolution set out in the notice shall be announced on or before Thursday, August 30, 2018. The results of the voting along with the Scrutinizer's Report shall be displayed at the registered office of the Transferee Company 1 situated at Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 and its website (www.airtel.com) and Karvy's website (https//evoting.karvy.com), besides being communicated to the stock exchanges where the equity shares of the Transferee Company 1 are listed, namely, the National Stock Exchange of India Limited and BSE Limited (collectively, the "**Stock Exchanges**").

21. Kindly note that an equity shareholder can opt to vote either by physical ballot or postal ballot or e-voting. If you are opting to vote through any one of the aforesaid modes, then do not vote by any of the other modes.

22. The voting period for postal ballot and e-voting commences on Sunday, July 29, 2018 at 9:00 A.M. and ends on Monday, August 27, 2018 at 5:00 P.M. During this period, the equity shareholders holding equity shares either in physical form or in dematerialized form, as on Friday, July 20, 2018, being the cut-off date, may cast their vote (for or against) electronically. Once the vote on the resolution is cast by an equity shareholder, such equity shareholder will not be allowed to change it subsequently.

23. The Transferee Company 1 is offering e-voting facility as an alternate, for all equity shareholders to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. In case a member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions under the heading "*Voting through Electronic Means*".

VOTING THROUGH POSTAL BALLOT

24. A Postal Ballot Form along with self-addressed postage pre-paid Business Reply Envelope is enclosed in loose leaf form. The equity shareholders voting in physical form are requested to carefully read the instructions printed in the enclosed Postal Ballot Form. The equity shareholders who have received the notice by e-mail and who wish to vote through Postal Ballot Form can download the Postal Ballot Form from the Transferee Company 1's website (www.airtel.com) or seek a duplicate Postal Ballot Form from the Transferee Company 1. The equity shareholders who have not received the Postal Ballot Form may apply to the Transferee Company 1 and obtain a duplicate copy. Equity shareholders shall fill in the requisite details and send the duly completed and signed Postal Ballot Form in the enclosed self-addressed postage pre-paid Business Reply Envelope to the scrutinizer so as to reach the scrutinizer before 5:00 P.M. on Monday, August 27, 2018. Any Postal Ballot Form received after such period shall be treated as if the reply from the equity shareholder has not been received.

25. The Postal Ballot Form should be completed and signed by the equity shareholder (as per specimen signature registered with the Transferee Company 1 and/or furnished by the depositories). In case, shares are jointly held, the Postal Ballot Form should be completed and signed by the first named member and, in his/ her absence, by the next named member. Holder(s) of power of attorney ("**PoA**") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Transferee Company 1 or enclosing a copy of the PoA authenticated by a notary. In case of equity shares held by companies, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the Postal Ballot Form.

26. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Forms will be rejected. There will be only one Postal Ballot Form for every registered folio/ client ID irrespective of the number of joint shareholders.

27. The vote on postal ballot cannot be exercised through proxy.

VOTING THROUGH ELECTRONIC MEANS

28. Launch internet browser by typing the URL: https://evoting.karvy.com.

29. Enter the login credentials (i.e. User ID and password mentioned at the bottom of the Postal Ballot Form). Your Folio No./ DP ID/ Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com for your existing password.

30. After entering these details appropriately, click on "LOGIN".

31. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **IT IS STRONGLY RECOMMENDED THAT YOU DO NOT SHARE YOUR PASSWORD WITH ANY OTHER PERSON AND THAT YOU TAKE UTMOST CARE TO KEEP YOUR PASSWORD CONFIDENTIAL.**

32. You need to login again with the new credentials.

33. On successful login, the system will prompt you to select the E-Voting Event Number for Bharti Airtel Limited.

34. On the voting page, enter the number of shares (which represents the number of votes) as on Friday, July 20, 2018 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to resolution and "AGAINST" implies dissent to resolution.

35. You may then cast your vote by selecting an appropriate option and click on "Submit".

36. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the e-voting period, equity shareholders can login any number of times till they have voted on the resolution.

37. Equity shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

38. Corporate/ Institutional equity shareholders (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF format/ JPG format) of the board resolution/ authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at vpachd@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No.".

39. Once the vote on a resolution is cast by an equity shareholder, the equity shareholder shall not be allowed to change it subsequently.

40. The scrutinizer shall, on the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Transferee Company 1 and will prepare and submit, a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairperson or alternate chairperson (as the case may be) of the Meeting.

41. The results declared along with the scrutinizer's report will be available on the website of the Transferee Company 1 (www.airtel.com) and on Karvy's website (https://evoting.karvy.com) and shall be communicated to the Stock Exchanges.

42. In case of any query and/ or grievance pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com or contact Mr. Ramesh Desai of Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 at telephone number: 040-67161522 or at email: evoting@Karvy.com or call Karvy's toll free No. 1-800-34-54-001.

43. The member whose mobile number and email address is not registered, may call Karvy's toll free number 1800-3454-001 or may send an e-mail request at evoting@karvy.com or to the Transferee Company 1 at compliance.officer@bharti.in.

44. All documents referred to in the notice and the accompanying Explanatory Statement will be available for inspection by the equity shareholders at the registered office of the Transferee Company 1 on all days, except Saturday, Sunday and public holidays, between 11:00 A.M. and 1:00 P.M. upto the date of the Meeting.

45. Any queries/grievances in relation to notice may be addressed to the company secretary of the Transferee Company 1 through e-mail (compliance.officer@bharti.in). The company secretary of the Transferee Company 1 can also be contacted at 011-46666100.

Enclosures: As above

STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED

1. This statement is being furnished pursuant to Section 230(3) of the Companies Act, 2013 ("**Act**") and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**") ("**Explanatory Statement**").

2. Pursuant to the order dated June 14, 2018, passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi ("**Tribunal**") in Company Application No. CA (CAA)-98(PB)/2018 ("**Order**"), a meeting of the equity shareholders of Bharti Airtel Limited ("**Transferee Company 1**" or "**BAL**") is being convened at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034 on Tuesday, the 28th day of August, 2018 at 10:30 A.M. ("**Meeting**") for the purpose of considering and, if thought fit, approving with or without modification(s), the composite scheme of arrangement between Tata Teleservices Limited ("**Transferor Company**" or "**TTSL**"), the Transferee Company 1 and Bharti Hexacom Limited ("**Transferee Company 2**" or "**BHL**") (collectively referred to as "**Companies**") and their respective shareholders and creditors under Sections 230 to 232 of the Act ("**Scheme**"). The Scheme as filed before the Tribunal is enclosed as **ANNEXURE 1**. Please refer to paragraphs 49 and 51 of this Explanatory Statement for the rationale and salient features of the Scheme.

3. The proposed Scheme was placed before the Audit & Risk Management Committee of the Transferee Company 1, now reconstituted and known as the Audit Committee ("**BAL Audit Committee**"), at its meeting held on December 19, 2017. On the basis of its evaluation and independent judgment and consideration of the share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP ("**Share Entitlement Report**") and the fairness opinion dated December 19, 2017 issued to the Transferee Company 1 by RBSA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India ("**SEBI**"), the BAL Audit Committee approved and recommended the Scheme to the board of directors ("**Board**") of the Transferee Company 1.

4. The Board of the Transferee Company 1, based on the independent recommendation of the BAL Audit Committee, approved the Scheme vide resolution passed on December 19, 2017. The following directors voted on the resolution passed by the Board of the Transferee Company 1 on December 19, 2017: (i) Mr. Sunil Bharti Mittal; (ii) Mr. D.K. Mittal; (iii) Mr. Rakesh Bharti Mittal; and (iv) Mr. V.K. Viswanathan.

5. The Board of the Transferee Company 2 approved the Scheme *vide* resolution passed on December 26, 2017. The following directors voted on the resolution passed by the Board of the Transferee Company 2 on December 26, 2017: (i) Mr. Devendra Khanna; (ii) Mr. Ravi Kumar Kaushal; (iii) Mr. Mukesh Bhavnani; and (iv) Mr. Narendra Jain.

6. The Board of the Transferor Company approved the Scheme *vide* resolution passed on December 19, 2017. The following directors voted on the resolution passed by the Board of the Transferor Company on December 19, 2017: (i) Dr. Gopichand Katragadda; (ii) Dr. Narendra Damodar Jadhav; and (iii) Mr. N. Srinath.

7. The Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions of the Income-Tax Act, 1961, for the transfer by way of demerger of:

   (i) the Demerged Undertaking 1 *(defined under Clause 1.13 of Part B of the Scheme)* of the Transferor Company to the Transferee Company 1 and the consequent issue of BAL RPS *(defined under Clause 1.6 of Part B of the Scheme)* by the Transferee Company 1 to the shareholders of the Transferor Company in accordance to Clause 6 of Part C of the Scheme;

   (ii) the Demerged Undertaking 2 *(defined under Clause 1.14 of Part B of the Scheme)* of the Transferor Company to the Transferee Company 2 and the consequent issue of BHL RPS *(defined under Clause 1.7 of Part B of the Scheme)* by the Transferee Company 2 to the shareholders of the Transferor Company in accordance to Clause 10 of Part D of the Scheme; and

   (iii) various other matters consequential or otherwise integrally connected therewith.

8. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the equity shareholders of the Transferee Company 1 if the resolution mentioned in the notice has been approved at the Meeting by a majority in number representing three-fourths in value of the equity shareholding of the Transferee Company 1, voting in person, by proxy, through postal ballot or through electronic means.

DETAILS OF THE TRANSFEREE COMPANY 1 AS PER RULE 6(3) OF THE RULES

9. Details of the Transferee Company 1*:*

Bharti Airtel Limited (Transferee Company 1)	
Corporate Identification No. (CIN)	L74899DL1995PLC070609
Permanent Account No. (PAN)	AAACB2894G
Incorporation Date	July 7, 1995
Type of Company	Public Limited Company
Registered Office Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Email	compliance.officer@bharti.in
Stock Exchange(s) where securities of the Transferee Company 1 are listed	(i) BSE Limited; and
	(ii) National Stock Exchange of India Limited

10. Summary of the main objects as per the memorandum of association of the Transferee Company 1:

The main objects of the Transferee Company 1 are set out under Clause III(A) of its memorandum of association, which are as under:

"1. To promote & establish Companies, Funds, Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/ mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network. Multimedia communication systems or the combinations thereof and for execution of undertakings. Works, projects or enterprises in the Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares /securities in such companies, and funds and interest in such associations or partnerships.

2. To provide telecom networks and to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, video-text, voice mail & data systems, private switching network services, transmission networks of all types, computer networks like local area network, wide area network, Electronic Mail, Intelligent network, Multi media communication systems or the combinations thereof.

3. To carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockists, and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurnish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments -whether corded, cordless, mobile or of any other kind; tele- terminals, fax machines, telegraphs, recording instruments and devices, telephone message/ answering machines and devices; dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc; telecom switching equipments of all kinds; telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto.

4. To buy, sell, manufacture, assemble, repair, design, alter, research and improve, develop, exchange, ware- house, let on hire, import, export, and deal in all sorts of Electronic, non-Electronic, Computerized and Electrical items and equipment including Computer and Data Processing Equipment, Peripherals. Printers. Disc-drives, Intelligent Terminals, Modems, Software, Hardware, Personal Computers, 'CAD'CAM' Computer, Graphic Systems, Office Automation Equipments, Word processors, Photopesetting, Text Editing and Electronic Printing and/or Typing Systems, Circuits, including integrated, hybrid, 'VLSI' Chips, Microprocessors and Microprocessor based equipment, Semiconductor Memories including bubble Memories, Discrete electronic devices, Facsimile Equipments, Copying Machines. Xerox Machines, Telephone Cable Pressurization Systems, Printed Circuit Boards, all sorts of automatic Float charges, Electronic, Electrical and Computerized Systems and Equipment and Plant and Machineries and Field Engineering support and for all above, their incidental and allied equipment, accessories, components, parts, sub-parts, tools, manufactured and semi manufactured goods, raw materials, plant and machineries, substance, goods, articles and things and VCR, VCP, Cassettes, Cameras, Radios, Stereo and Amplifiers, television sets, audio visual equipment, teleprinters, telecommunications satellite Station and electronic equipment, remote control systems, business machines, calculators, hoists, elevators, trolleys and their components including valves, transistors, resistors, condensors, coils and circuits.

5. To guarantee/ counter guarantee the obligations of any of its subsidiary/ associate/ group companies and/or other companies in which the company has equity interest under any agreements/ contracts/ debentures, bonds, stocks, mortgages, charges and securities."

11. Main business carried on by the Transferee Company 1: The Transferee Company 1 is presently engaged in the business of providing global telecommunications with operations in 16 countries across Asia and Africa. In India, the Transferee Company 1's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long-distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce.

12. Details of change of name of the Transferee Company 1 during the last five years: The Transferee Company 1 was incorporated on July 7, 1995 under the provisions of the Companies Act, 1956 under the name *'Bharti Tele-Ventures Limited'*. Thereafter, on April 24, 2006, the name of the Transferee Company 1 was changed to

its present name i.e. "*Bharti Airtel Limited*". Accordingly, there has been no change in the name of the Transferee Company 1 during the last five years.

13. Details of change in registered office of the Transferee Company 1 during the last five years: There has been no change in the registered office of the Transferee Company 1 during the last five years.

14. Details of change in objects of the Transferee Company 1 during the last five years: There has been no change in the objects of the Transferee Company 1 during the last five years.

15. Details of the capital structure of the Transferee Company 1 including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (Rs.)
Authorized Share Capital as on June 30, 2018	
29,50,60,00,000 equity shares having face value of Rs. 5/- each	1,47,53,00,00,000
Total	**1,47,53,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital as on June 30, 2018	
3,99,74,00,107 equity shares having face value of Rs. 5/- each	19,98,70,00,535
Total	**19,98,70,00,535**

Please refer to **ANNEXURE 15** for details regarding the pre and post-arrangement, expected capital structure and shareholding pattern of the Transferee Company 1.

16. Names of the promoters of the Transferee Company 1 as on June 30, 2018 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Telecom Limited	Plot No. 16, Udyog Vihar, Phase IV, Gurgaon, - 122001, Haryana, India
2.	Pastel Limited	Level 3, Alexender House, 36 Cybercity, Ebene, Mauritius
3.	Indian Continent Investment Limited	6, Sir William Newton Street, Port Louis, Mauritius
4.	Viridian Limited	C/o Intercontinental Trust Limited Level 3, Alexender House, 36 Cybercity, Ebene, Mauritius

Notes:

(i) Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 7, 2002.

(ii) Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concert" with promoter (Bharti Telecom Limited) as specified u/r 2(1)(q) of the Regulations.

(iii) Indian Continent Investment Limited is person acting in concert with promoter "Bharti Telecom Limited".

(iv) Viridian Limited is person acting in concert with Pastel Limited.

17. Names of the directors of the Transferee Company 1 as on June 30, 2018 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	**Mr. Sunil Bharti Mittal** (Chairman)	19, Amrita Shergil Marg, New Delhi – 110003, India
2.	**Mr. Gopal Vittal** [Managing Director & CEO (India & South Asia)]	A2/1202, World Spa East, Sector 30 & 41, Gurgaon – 122001, Haryana, India
3.	**Mr. Ben Verwaayen** (Independent Director)	Prince's Gate 1, Flat 7, London SW7 1QJ, United Kingdom
4.	**Mr. Craig Ehrlich** (Independent Director)	Block - B, 6/F, Best View Court, 66, Mac Donnell Road, Hong Kong
5.	**Mr. D.K. Mittal** (Independent Director)	B-71, Sector 44, Noida – 201301, Uttar Pradesh, India
6.	**Ms. Chua Sock Koong** (Non-Executive Director)	15A Oei Tiong Ham Park, Singapore – 268302
7.	**Mr. Manish Kejriwal** (Independent Director)	Prabhat Building, 3rd Floor, Flat No. 18, B Road, Churchgate, Mumbai – 400020, Maharashtra, India
8.	**Mr. Rakesh Bharti Mittal** (Non-Executive Director)	4 Pearl Lane, DLF Chattarpur Farms, New Delhi – 110074, India
9.	**Mr. Shishir Priyadarshi** (Independent Director)	24, Cret De Champel, Geneva, 1206, Switzerland
10.	**Ms. Tan Yong Choo** (Non-Executive Director)	22, Park Villas Green, Singapore – 545430
11.	**Mr. V.K. Viswanathan** (Independent Director)	F - 01, First Floor, Legacy Caldera, 56, SRT Road, Cunningham Road, Bangalore - 560052, Karnataka, India

18. The date of the board meeting at which the Scheme was approved by the Board of the Transferee Company 1 including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of the Transferee Company 1 on December 19, 2017. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors	Votes
1.	**Mr. Sunil Bharti Mittal** (Chairman)	In Favour
2.	**Mr. Gopal Vittal** [Managing Director & CEO (India & South Asia)]	Leave of Absence
3.	**Mr. Ben Verwaayen** (Independent Director)	Leave of Absence
4.	**Mr. Craig Ehrlich** (Independent Director)	Leave of Absence
5.	**Mr. D.K. Mittal** (Independent Director)	In Favour
6.	**Ms. Chua Sock Koong** (Non-Executive Director)	Leave of Absence
7.	**Mr. Manish Kejriwal** (Independent Director)	Leave of Absence
8.	**Mr. Rakesh Bharti Mittal** (Non-Executive Director)	In Favour
9.	**Mr. Shishir Priyadarshi** (Independent Director)	Leave of Absence
10.	**Ms. Tan Yong Choo** (Non-Executive Director)	Leave of Absence
11.	**Mr. V.K. Viswanathan** (Independent Director)	In Favour

Note: Mr. Ben Verwaayen, Mr. Manish Kejriwal, Mr. Shishir Priyadarshi, Mr. Craig Ehrlich and Ms. Tan Yong Choo, directors participated in the meeting / discussions through audio conference and were granted leave of absence from physical presence.

19. As on March 31, 2018, the amount due to the unsecured creditors of the Transferee Company 1 is Rs. 29,764.13 Crores.

20. Disclosure about the effect of the Scheme on the following stakeholders:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	In terms of Clause 6.1 of Part C of the Scheme, upon Part C of the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1, the Transferee Company 1 shall, issue and allot: (A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**"), to all (and not each) TTSL Equity Holders *(defined under Clause 1.36 of Part B of the Scheme)* in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date *(defined under Clause 1.27 of Part B of the Scheme)*; (B) 10 BAL RPS to all (and not each) TTSL CCPS Holders *(defined under Clause 1.35 of Part B of the Scheme)* in proportion to their holding of fully paid up, compulsorily, convertible preference shares *(of any series whatsoever)* of the Transferor Company on the relevant Record Date; and (C) 10 BAL RPS to all (and not each) TTSL OCPS Holders *(defined under Clause 1.39 of Part B of the Scheme)* in proportion to their holding of fully paid up, optionally, convertible preference shares *(of any series whatsoever)* of the Transferor Company on the relevant Record Date. Further, in terms of Clause 6.2 of Part C of the Scheme, the Transferee Company 1 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1 of Part C of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BAL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Transferee Company 1

		so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 6.3.1 of Part C of the Scheme, the Board shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority *(defined under Clause 1.4 of Part B of the Scheme)* and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 6.1 of Part C of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent *(setout under Clause 13 of Part E of the Scheme)* have been satisfied, then in such event the Transferee Company 1 shall pay cash computed at the rate of Rs. 100/- per BAL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.
2.	Promoters	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of the Transferee Company 1.
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel (**"KMPs"**)/ Directors	Upon the Scheme coming into effect, the existing directors shall continue on the board of the Transferee Company 1 and the existing KMPs shall continue being with the Transferee Company 1.
5.	Creditors/ Debenture Holders	The Scheme is expected to be in the best interests of the creditors and debenture holders of the Transferee Company 1.
6.	Depositors/ Deposit Trustee	Not Applicable. The Transferee Company 1 does not have any depositors nor any deposit trustee.
7.	Debenture Trustee	The Scheme is expected to have no effect on the interests of the security/ bond trustee appointed in connection with the overseas bonds issued by the Transferee Company 1 as well as the debenture trustee appointed in connection with the debentures issued by the Transferee Company 1.
8.	Employees	In terms of Clause 5.5 of Part C of the Scheme, upon the Effective Date *(defined under Clause 1.17 of Part B of the Scheme),* all Transferring Employees 1 shall be deemed to have become the employees of the Transferee Company 1, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 *(defined under Clause 1.13 of Part B of the Scheme)* and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Transferee Company 1. The Transferring Employees 1 are defined under Clause 1.13(d) of Part B of the Scheme as "*all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 1*".

21. <u>Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferee Company 1</u>:

None of the "Directors" *(as defined under the Act)*, the "Key Managerial Personnel" *(as defined under the Act)* of the Transferee Company 1 and their respective "Relatives" *(as defined under the Act)* have any interests, financial or otherwise in the Scheme except to the extent of shareholding in the Transferee Company 1 as set out below and/or to the extent the said Directors/ Key

Managerial Personnel of Transferee Company 1 are directors on the board of/ key managerial personnel of the Transferee Company 2 as set out below:

Details as on June 30, 2018				
S. No.	**Name/ Designation**	**No. of shares held in the Transferor Company**	**No. of shares held in the Transferee Company 1**	**No. of shares held in the Transferee Company 2**
1.	Mr. Gopal Vittal [Managing Director & CEO (India & South Asia)]	Nil	3,42,664 equity shares	Nil
2.	Mr. Nilanjan Roy (Chief Financial Officer)	Nil	13,003 equity shares	Nil

Details as on June 30, 2018				
S. No.	**Name of Director/ KMP**	**Designation in the Transferor Company**	**Designation in the Transferee Company 1**	**Designation in the Transferee Company 2**
1.	Mr. Nilanjan Roy (KMP)	None	Chief Financial Officer	Director

Further, the security/ bond trustee appointed in connection with the overseas bonds issued by the Transferee Company 1 and the debenture trustee appointed in connection with the debentures issued by the Transferee Company 1 are not expected to have any material interest in the Scheme.

DETAILS OF THE TRANSFEREE COMPANY 2 AS PER RULE 6(3) OF THE RULES

22. Details of the Transferee Company 2:

Bharti Hexacom Limited (Transferee Company 2)	
Authorized Share Capital as on June 30, 2018	
Corporate Identification No. (CIN)	U74899DL1995PLC067527
Permanent Account No. (PAN)	AAACH1766P
Incorporation Date	April 20, 1995
Type of Company	Public Limited Company
Regd. Office Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Email	corporate.secretarial@bharti.in
Stock Exchange(s) where securities of the Transferee Company 2 are listed	Not applicable as the shares of the Transferee Company 2 are not listed.

23. Summary of the main objects as per the memorandum of association of the Transferee Company 2:

The main objects of the Transferee Company 2 are set out under Clause III(A) of its memorandum of association, which are as under:

"1. To provide telecom network and to run and maintain telecom services including basic/fixed line services, cellular/mobile services, long distance services, Broadband services, paging, video text, voice mail and data system, private switching network services, transmission networks of all types, computer networks like local area network, wide are network, Electronic Mail, Intelligent Network, Multimedia Communication systems or the combination thereof.

2. To provide data/short messaging/intelligent network services over the cellular Network, including construction of the required additions to Cellular Network, operations and maintenance of the network.

3. To provide complete paging services including construction of paging network and to purchase, sell, hire, import, export, manufacture, repair and to provide service support to pagers of all kinds.

4. To carry on the business of telecommunication consulting engineers for design, installation, validation, acceptance, testing, quality assurance of Cellular Mobile Telephone Systems, paging systems and data and other services relating to cellular services.

5. To buy, sell, lease and trade in cellular mobile handsets and pagers.

6. To manufacture, install, operate and maintain mobile telephones, Hand held telephones, module switches, Base Stations including self supporting stell structures, antenna, wave-guides power plant and air conditioning equipment relating to Cellular Mobile Telephone System and paging system."

24. Main business carried on by the Transferee Company 2: The Transferee Company 2 has Unified Access (Basic and Cellular) Service License in Rajasthan and North-Eastern circle. The Transferee Company 2 is presently engaged in the business of cellular mobile, broadband and telephone services in Rajasthan and North-Eastern circles.

25. Details of change of name of the Transferee Company 2 during the last five years: The Transferee Company 2 was incorporated on April 20, 1995 under the provisions of the Companies Act, 1956 under the name "*Hexacom India Limited*". Thereafter, on December 2, 2004, the name of the Transferee Company 2 was changed to its present name i.e. "*Bharti Hexacom Limited*". Accordingly, there has been no change in the name of the Transferee Company 2 during the last five years.

26. Details of change in registered office of the Transferee Company 2 during the last five years: There has been no change in the registered office of the Transferee Company 2 during the last five years.

27. Details of change in objects of the Transferee Company 2 during the last five years: There has been no change in the objects of the Transferee Company 2 during the last five years.

28. Details of the capital structure of the Transferee Company 2 including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (Rs.)
Authorized Share Capital as on June 30, 2018	
25,00,00,000 equity shares of Rs. 10/- each	250,00,00,000
Total	**250,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital as on June 30, 2018	
25,00,00,000 equity shares of Rs. 10/- each	250,00,00,000
Total	**250,00,00,000**

Please refer to **ANNEXURE 15** for details regarding the pre and post-arrangement, expected capital structure and shareholding pattern of the Transferee Company 2.

29. Names of the promoters of the Transferee Company 2 as on June 30, 2018 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Airtel Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070

30. Names of the directors of the Transferee Company 2 as on June 30, 2018 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	**Mr. Devendra Khanna** (Director)	S333, 1st Floor, Panchsheel Park, New Delhi
2.	**Mr. Sunil Kumar Goyal** (Independent Director)	Flat No. 902 Block-14 Heritage City Mehrauli Gurgaon Road, Gurgaon – 122002
3.	**Mr. Nilanjan Roy** (Director)	A-4/901, Uni World Spa East, Sector-30, NH 8 Gurgaon - 122002
4.	**Mr. Ravi Kumar Kaushal** (Independent Director)	B/3-4/3245 Vasant Kunj, New Delhi - 110070
5.	**Mr. Mukesh Hassanand Bhavnani** (Director)	C-294, 29th Floor Tower - C, Belaire, Golf Course Road, Gurgaon - 122011
6.	**Mr. Seshagiri Rao Annangi** (Director)	Tower 21, FN-502 Vipul Green, Sohna Road Gurgaon - 122001
7.	**Ms. Shefali Malhotra** (Director)	J-6/95 2nd Floor Rajouri Garden, New Delhi - 110027
8.	**Mr. Narendra Jain** (Director)	IC-IV/505 Essel Towers, MG Road Gurgaon - 122002

31. The date of the board meeting at which the Scheme was approved by the Board of the Transferee Company 2 including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of the Transferee Company 2 on December 26, 2017. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors	Votes
1.	**Mr. Devendra Khanna** (Director)	In Favour
2.	**Mr. Sunil Kumar Goyal** (Independent Director)	Leave of Absence
3.	**Mr. Nilanjan Roy** (Director)	Leave of Absence (present only audio call)
4.	**Mr. Ravi Kumar Kaushal** (Independent Director)	In Favour
5.	**Mr. Mukesh Hassanand Bhavnani** (Director)	In Favour
6.	**Mr. Seshagiri Rao Annangi** (Director)	Leave of Absence
7.	**Ms. Shefali Malhotra** (Director)	Leave of Absence
8.	**Mr. Narendra Jain** (Director)	In Favour

32. As on March 31, 2018, the amount due to the unsecured creditors of the Transferee Company 2 is Rs. 21,19,49,00,000/-.

33. Disclosure about the effect of the Scheme on the following stakeholders:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Equity Shareholders	In terms of Clause 10.2 of Part D of the Scheme, upon Part D of the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2, the Transferee Company 2 shall, issue and allot: (A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**"), to all (and not each) TTSL Equity Holders *(defined under Clause 1.36 of Part B of the Scheme)* in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date *(defined under Clause 1.27 of Part B of the Scheme);*

		(B) 10 BHL RPS to all (and not each) TTSL CCPS Holders *(defined under Clause 1.35 of Part B of the Scheme)* in proportion to their holding of fully paid up, compulsorily, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date; and (C) 10 BHL RPS to all (and not each) TTSL OCPS Holders *(defined under Clause 1.39 of Part B of the Scheme)* in proportion to their holding of fully paid up, optionally, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date. Further, in terms of Clause 10.3 of Part D of the Scheme, the Transferee Company 2 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2 of Part D of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BHL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Transferee Company 2 so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 10.4.1 of Part D of the Scheme, the Board shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority *(defined under Clause 1.4 of Part B of the Scheme)* and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 10.2 of Part D of the Scheme. In the event that the approval of an Appropriate

		Authority is required for the issuance of BHL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent *(setout under Clause 13 of Part E of the Scheme)* have been satisfied, then in such event the Transferee Company 2 shall pay cash computed at the rate of Rs. 100/- per BHL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.
2.	Promoters	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of the Transferee Company 2
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel ("**KMPs**")/ Directors	Upon the Scheme coming into effect, the existing directors shall continue on the board of the Transferee Company 2 and the existing KMPs shall continue being with the Transferee Company 2.
5.	Creditors/ Debenture Holders	The Scheme is expected to be in the best interests of the creditors of the Transferee Company 2. Further, the Transferee Company 2 does not have any debentures.
6.	Depositors/ Deposit Trustee	Not Applicable. The Transferee Company 2 does not have any depositors nor any deposit trustee.
7.	Debenture Trustee	Not Applicable. The Transferee Company 2 does not have any debentures.
8.	Employees	In terms of Clause 9.5 of Part D of the Scheme, upon the Effective Date *(defined under Clause 1.17 of Part B of the Scheme)*, all Transferring Employees 2 shall be deemed to have become the employees of the Transferee Company 2, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 (defined under Clause 1.14 of Part B of the Scheme) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Transferee Company 2. The Transferring Employees 2 are defined under Clause 1.14(d) of Part B of the Scheme as "*all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2*".

34. Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferee Company 2:

None of the "Directors" *(as defined under the Act)*, the "Key Managerial Personnel" *(as defined under the Act)* of the Transferee Company 2 and their respective "Relatives" (as defined under the Act) have any interests, financial or otherwise in the Scheme except to the extent of 1 equity share of the Transferee Company 2 held by Mr. Devendra Khanna and Mr. Mukesh Hassanand Bhavnani (both directors of the Transferee Company 2) in the capacity of nominees of Bharti Airtel Limited (i.e. the Transferee Company 1) and to the extent the said Directors/ Key Managerial Personnel of the Transferee Company 2 are directors on the Board of/ key managerial personnel of the Transferee Company 1 as set out below:

Details as on June 30, 2018				
S. No.	**Name of Director/ KMP**	**Designation in the Transferor Company**	**Designation in the Transferee Company 1**	**Designation in the Transferee Company 2**
1.	Mr. Nilanjan Roy (KMP)	None	Chief Financial Officer	Director

DETAILS OF THE TRANSFEROR COMPANY AS PER RULE 6(3) OF THE RULES

35. Details of the Transferor Company:

Tata Teleservices Limited (Transferor Company)	
Corporate Identification No. (CIN)	U74899DL1995PLC066685
Permanent Account No. (PAN)	AAACT2438A
Incorporation Date	March 23, 1995
Type of Company	Public Limited Company
Registered Office Address	10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi – 110001
Email	pravin.jogani@ tatatel.co.in
Stock Exchange(s) where securities of the Transferor Company are listed	Not applicable as the shares of the Transferor Company are not listed.

36. Summary of the main objects as per the memorandum of association of the Transferor Company:

The main objects of the Transferor Company are set out under Clause III(A) of its memorandum of association, which are as under:

"1. To carry on the business of providing Basic Telecommunication Service, manufacturers, franchisers, dealers, importers, exporters, assemblers and fabricators, repairers, maintainers, owners and operators of all kinds of telecommunication equipment and cryptographic equipment including terminal equipment, exchange equipment subscriber and equipment, transmission lines and equipment of all kinds, used to provide voice, text, data or image communications services, including but not limited to telephone instruments of all kinds, switching exchanges of all kinds such as public switching exchanges, private exchanges, mobile switching exchanges, radio transmitting and receiving apparatus, commercial radio receivers, high power radio telephone telegraph transmitters for radio links, medium, long and short wave radio broadcasting transmitters for radio links, medium, long and short wave radio broadcasting transmitters and receivers, multichannel radio links, wireless, cellular, mobile telephone and microwave telecommunication systems, network systems and products, assemblies and apparatus modules and hardware and software relating thereto, including data processing units, printers, display devices, computer keys boards and key pads, digitizers, encoders, storage units, optical readers compact disc and microfiche readers, video terminals and display units, computers and computer terminals, radar and satellite communications equipment, tele-printers, digital telemetering tele-control systems, video terminals, computers, other sub-systems, components and parts thereof including basic components such as valves, transistors, condensers, coils-magnetic materials, microwave components, capacitors, integrated circuits, diodes, registers, electronic control instruments, plastic, PVS and resin components, electrical wires, cables, lugs, switches and electrical and wireless sets, magnetic materials and microwave components and to own, hire or take on lease, hire out or provide on lease communications and information services and any equipment required for such services whether for providing voice, text, data, or image services, including carriers for such purposes including cables and networks whether optical or electrical microwave or satellite linkages or any other medium that may be used for such purposes, to provide consultancy services in relation to these activities mentioned therein.

1A. To carry on in India or elsewhere any of the business in the field of Internet Service providers, Telecommunications, to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T.V., on line Shopping, creation of Web sites and Web based solutions, CGI Interface, FTP Access, Usenet and Telnet, Internet Relay Chat, Domain name Registration and Routing, Computer Storage Space Solutions, To develop, design, conceptualize, improve, produce, reproduce, market, patent, distribute, buy, sell, license, provide, import, export, implement, operate, support and maintain Information Technology and Communication based products and services including those through the Internet World wide computer network, voice data and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training, designing, coding and integrating systems for

intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products and the development and marketing of software and all types of products and services relating to the computer industry.

IB. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the world wide computer networks and web services available and to obtain/offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell, market, distribute or deal in such products and services and acquire or rent computer/storage space on the worldwide web or similar networks for this purpose.

1C. To establish, promote, purchase, setup or connect with and/or lease any database, network, data and information possessing centers and bureaus either of its own or franchise centers for dissemination of knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronic media and digital media, internet, intranet, Modems, Fax modems, Video Conferencing, E-Mail, Voicemail, Voice Response Systems, Multiplexers, Line Drivers, Routers, Bridges, Hubs, VSAT's Radio Trunking, Networking, Telecom Software, Cable, Wireless Networks, ERP solutions and satellite communications.

2. To carry on the business of designers, manufacturers, assemblers, importers, exporters, stockists, agents, hirers, fabricators, repairers, maintainers of computer systems and product including hardware and software, all kinds of calculators, business machines, accounting machines and computer based products, and in particular computer systems and microprocessor controls required in the operation of the teleservices equipment manufactured by the Company.

3. To carry on all or any of the business of manufacturers, installers, maintainers, repairers of and dealers in electrical and electronic appliances and apparatus of every description, and of and in radio, television and supplies and electrical and electronic apparatus, appliances, equipment and stores of all kinds."

37. Main business carried on by the Transferor Company: The Transferor Company is primarily engaged in the business in the telecom sector including, inter alia, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) Wi-Fi business.

38. Details of change of name of the Transferor Company during the last five years: The Transferor Company was incorporated on March 23, 1995 under the provisions of the Companies Act, 1956 under the name '*Tata Teleservices Private Limited*. Thereafter, on June 5, 1995, the name of the Transferor Company was changed to its present name i.e. "*Tata Teleservices Limited*". Accordingly, there has been no change in the name of the Transferor Company during the last five years.

39. Details of change in registered office of the Transferor Company during the last five years: There has been no change in the registered office of the Transferor Company during the last five years.

40. Details of change in objects of the Transferor Company during the last five years: There has been no change in the objects of the Transferor Company during the last five years.

41. Details of the capital structure of the Transferor Company including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (Rs. Crore)
Authorized Share Capital as on June 30, 2018	
2263,00,00,000 equity shares of Rs.10/- each	22,630
63,00,00,000 compulsorily convertible non-cumulative preference shares ("**CCPS**") for Rs.100/- each	6,300
112,20,00,000 preference shares of Rs.100/- each	11,220
1000,00,00,000 unclassified share of Rs.10/- each	10,000
400,00,00,000 unclassified shares of Rs.100/- each	40,000
Total	**90,150**
Issued, Subscribed and Fully Paid-up Share Capital as on June 30, 2018	
577,50,33,234 equity shares of Rs.10/- each	5,775.03
62,24,49,170 CCPS of Rs.100/- each	6,224.49
23,00,00,000 optionally convertible non-cumulative preference shares of Rs.100/- each	2,300.00
Total	**14,299.52**

Note: There will be no change in the capital structure of the Transferor Company pursuant to the Scheme.

42. Names of the promoters of the Transferor Company as on June 30, 2018 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Tata Sons Limited	Bombay House, 24, Homi Mody Street, Mumbai – 400001

43. Names of the directors of the Transferor Company as on June 30, 2018 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	**Mr. Saurabh Agrawal** (Director)	Flat No. 2803, Imperial Towers, BB Nakashe Marg, Tardeo, Mumbai – 400034
2.	**Dr. Gopichand Katragadda** (Director)	4th Floor, Vaswani Gardens, 25 Sobani Road, Cuffe Parade, Mumbai – 400005
3.	**Mr. Ankur Verma** (Director)	A-501, Attrai Akruti Housing Society, Saiwadi, Andheri East, Mumbai – 400069
4.	**Dr. Narendra Damodar Jadhav** (Independent Director)	D 852, 2, Sujan Mahendra Road, New Friends Colony, New Delhi – 110025
5	**Ms. Bharati Rao** (Independent Director)	Flat #308, 'Kumar Paradise', B.P. Wadia Road, Basavanagudi, Bangalore – 560004
6	**Ms. Vibha Paul Rishi** (Independent Director)	812, Aralias, 12th Floor, Block – 8, Golf Link, DLF City - V, Gurgaon – 122002
7	**Mr. N. Srinath** (Managing Director)	201, Domus Josephi Building, Plot No. 160, Master Vinayak Rd (formerly Perry Rd), Bandra (West), Mumbai – 400050

44. The date of the board meeting at which the Scheme was approved by the Board of the Transferor Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The details of the directors who voted on the resolution passed on December 19, 2017 are as follows:

S. No.	Names of the Directors	Votes
1.	**Mr. Saurabh Agrawal** (Director)	Leave of Absence
2.	**Dr. Gopichand Katragadda** (Director)	In Favour
3.	**Dr. Narendra Damodar Jadhav** (Independent Director)	In Favour
4.	**Ms. Bharati Rao** (Independent Director)	Present through video conference
5	**Ms. Vibha Paul Rishi** (Independent Director)	Present through video conference
6	**Mr. N. Srinath** (Managing Director)	In Favour

45. As on May 31, 2018, the amount due to the unsecured creditors of the Transferor Company is Rs. 3,31,42,58,83,648/-.

46. Disclosure about the effect of the Scheme on the following stakeholders:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Equity Shareholders	In terms of Clause 6 of the Scheme, BAL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be mutually agreed by TTSL and BAL ("**Record Date 1**"). In terms of Clause 10 of the Scheme, BHL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be mutually agreed by TTSL and BHL ("**Record Date 2**"). Even after the allotment of the equity shares by BAL and BHL, the equity shareholders of TTSL will continue to hold the equity shares of TTSL held by them as on the Record Date 1 or Record Date 2 (as the case may be).
2.	Preference Shareholders	In terms of Clause 6 of the Scheme, BAL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. (ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1.

		Even after the allotment of the RPS by BAL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 1. In terms of Clause 10 of the Scheme, BHL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2. (ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2. Even after the allotment of the RPS by BHL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 2.
3.	Key Managerial Personnel and Directors	None of the Key Managerial Personnel ("**KMPs**") of TTSL (i.e. chief executive officer, company secretary, whole-time director, chief financial officer etc.) and existing Directors will be transferred to BAL or BHL as part of the Scheme. The KMPs will continue with TTSL for the other businesses of TTSL.
4.	Promoters	The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in TTSL as detailed in S. Nos. 1 and 2 above.
5.	Non-Promoter Shareholders	Please refer to S. Nos. 1 and 2 above regarding effect on the equity and preference shareholders.
6.	Depositors	Not Applicable. The Transferor Company does not have any depositors.
7.	Creditors	The Scheme is expected to be in the best interest of the Transferor Company's creditors
8.	Debenture Holders	The Scheme does not contemplate payment of any additional considerations to the Debenture holders of the Transferor Company.
9.	Debenture Trustees	Not Applicable. The Transferor Company does not have any debenture trustee.
10.	Employees	In terms of Clause 5.5 of the Scheme, upon the Scheme coming into effect, all Transferring Employees 1 *(as defined in the Scheme)* shall be deemed to have become the employees of the Transferee Company 1, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 (as defined in the Scheme) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Transferee Company 1. In terms of Clause 9.5 of the Scheme, upon the Scheme becoming Effective, all Transferring Employees 2 (as defined in the Scheme) shall be deemed to have become the employees of the Transferee Company 2, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 (as defined in the Scheme) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Transferee Company 2.

47. Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferor Company:

Please refer to Para 46 above for the effect of the Scheme on the material interests of Directors, Key Managerial Personnel and Debenture Trustee of the Transferor Company.

48. Relationship between the Companies: There is no relationship between the Transferor Company and the Transferee Company 1/ Transferee Company 2. The Transferee Company 2 is a subsidiary of the Transferee Company 1.

49. Rationale of the Scheme and the benefits of the Scheme as perceived by the Board of Directors of the respective Companies: Part III of Part (A) of the Scheme (i.e. Rationale and Benefits of the Scheme) states as under:

"This Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 (as defined hereinafter) of TTSL to BAL and BHL, respectively, results in the following benefits:

a) expanding the business of the Transferee companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;

b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;

c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;

d) the combination of the Demerged Undertakings and Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;

f) increase in customer base and also acquisition of new customers;

g) provision of state of the art services to the customers using the spectrum and other assets; and

h) enhanced generation of revenues and therefore enhanced license fee to the Government.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties"

50. Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:

Clause 1.2 of Part B of the Scheme defines Appointed Date as "*means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor Company as well as the Transferee Company 1 or the Transferee Company 2, as the case may be, and thereafter approved by the NCLT*".

Clause 1.17 of Part B of the Scheme defines Effective Date as "*shall have the following meaning*:

a) In the event that Part C and Part D take effect simultaneously, "Effective Date" shall mean the date on which they so take effect in accordance with Clause 13 hereof, and

b) In the event that Part C takes effect before Part D takes effect in accordance with Clause 13 hereof, "Effective Date", wherever used in the context of Demerged Undertaking 1, shall mean the date on which Part C takes effect and "Effective Date", wherever used in the context of Demerged Undertaking 2, shall mean the date on which Part D takes effect."

Clause 1.27 of Part B of the Scheme defines Record Date as: "*in relation to Demerged Undertaking 1 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 1, and in relation to Demerged Undertaking 2 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 2, in each case for the purpose of reckoning the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders as applicable, eligible to receive BAL RPS or BHL RPS as the case may be in accordance with Clause 6.1 or Clause 10.2, as the case may be*".

"6. Consideration for the Demerger

6.1 Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of the Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

- *500 (Five Hundred) BAL RPS to all (and not each) to TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;*
- *10 (Ten) BAL RPS to all (and not each) to TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and*
- *10 (Ten) BAL RPS to all (and not each) to TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date;"*

"10. Consideration for the Demerger

10.1 Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of the Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

- *500 (Five Hundred) BHL RPS to all (and not each) to TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;*
- *10 (Ten) BHL RPS to all (and not each) to TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and*
- *10 (Ten) BHL RPS to all (and not each) to TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date*;"

51. Salient Features of the Scheme:

"1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expression shall have the meaning assigned against them:

*1.2 "**Appointed Date**" means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor Company as well as the Transferee Company 1 or the Transferee Company 2, as the case may be, and thereafter approved by the NCLT;*

1.6 *"**BAL RPS**" means fully paid up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1 and having the terms set forth in Schedule 3;*

1.7 *"**BHL RPS**" means fully paid up redeemable, non-participating, non-cumulative preference shares of ace value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 2 and having the terms set forth in Schedule 3;*

1.13 *"**Demerged Undertaking 1**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the TTSL Circles, other than the Demerged Undertaking 2, to be transferred to BAL as a going concern with effect from the Appointed Date and, unless mutually agreed to and /or identified between the relevant Parties, includes without limitation:*

(a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 1, including without limitation:

(i) the Spectrum allocated in relation to the Demerged Undertaking 1 as set out in Schedule 1;

(ii) various resources granted by the DoT in relation to the TTSL Circles. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.

(iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;

(iv) the Cash pertaining to the Demerged Undertaking 1, accrued to, or available with, the Transferor Company as on the Appointed Date;

(v) all statutory and regulatory approvals, licenses except UASL, UL and NLD agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 1 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/ services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 1;

(vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor Company for operating the Demerged Undertaking 1, including base station controllers, switches, packet core, router and switches, Mobility IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 1;

(viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 1; and

(ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties;

(b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 1;

(c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 1;

*(d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 1 ("**Transferring Employees 1**");*

(e) all subscribers of the Demerged Undertaking 1 in the TTSL Circles other than the subscribers of the Demerged Undertaking 2 and the Residual Undertaking;

(f) all Liabilities of the Demerged Undertaking 1;

*(g) all Contracts, deeds, bonds, lease, deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 1 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 1 may be eligible, and which are subsisting or have effect ("**Transferring Contracts 1**");*

(h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and./or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 1, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by the Transferee Company 1 except identified bank guarantees, as mutually agreed to between the relevant Parties;

*(i) all civil, legal or other proceedings in relation to the Demerged Undertaking 1, except the Excluded Litigations ("**Transferring Litigations 1**");*

(j) all necessary books, tax, books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 1; and

(k) the microwave backhaul of the Transferor Company.

*1.14 "**Demerged Undertaking 2**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the Rajasthan Circle provided under the Rajasthan Telecom License, other than the Demerged Undertaking 1, to be transferred to BHL as a going concern with effect from the Appointed Date and, unless mutually agree to and/ or identified between the relevant Parties, includes without limitation;*

(a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 2, including without limitation;

(i) the Spectrum allocated in relation to the Demerged Undertaking 2 as set out in Schedule 2;

(ii) various resources granted by the DoT in relation to the Rajasthan Circle. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;

(iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;

(iv) the Cash pertaining to the Demerged Undertaking 2, accrued to, or available with, the Transferor Company as on the Appointed Date;

(v) all statutory and regulatory approvals, licenses except UASL and NLD, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 2 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/ services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 2;

(vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor Company for operating the Demerged Undertaking 2, including base station controllers, switches, packet core, router and switches, Mobility IN/HLER/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 2;

(viii) *all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 2; and*

(ix) *indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.*

(b) *the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 2;*

(c) *specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 2;*

(d) *all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2 ("**Transferring Employees 2**");*

(e) *all subscribers of the Demerged Undertaking 2 in the Rajasthan Circle other than the subscribers of the Demerged Undertaking 1 and the Residual Undertaking;*

(f) *all Liabilities of the Demerged Undertaking 2;*

(g) *all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 2 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 2 may be eligible and which are subsisting or have effect ("**Transferring Contracts 2**");*

(h) *all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 2, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by Transferee Company 2 except identified bank guarantees, as mutually agreed to between the relevant Parties;*

(i) *all civil, legal or other proceedings in relation to Demerged Undertaking 2, except the Excluded Litigations ("**Transferring Litigations 2**");*

(j) *all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 2; and*

(k) *the microwave backhaul of the Transferor Company.*

1.17 *"**Effective Date**" as "shall have the following meaning:*

(a) *In the event that Part C and Part D take effect simultaneously, "Effective Date" shall mean the date on which they so take effect in accordance with Clause 13 hereof, and*

(b) *In the event that Part C takes effect before Part D takes effect in accordance with Clause 13 hereof, "Effective Date", wherever used in the context of Demerged Undertaking 1, shall mean the date on which Part C takes effect and "Effective Date", wherever used in the context of Demerged Undertaking 2, shall mean the date on which Part D takes effect.*

References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construe accordingly.

1.27 *"**Record Date**" in relation to Demerged Undertaking 1 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 1, and in relation to Demerged Undertaking 2 means the date to be mutually agreed by the Transferor Company and the Transferee Company 2, in each case for the purpose of reckoning the TTSL Equity Holders or TTSL CCPS Holders or TTSL OCPS Holders as applicable, eligible to receive BAL RPS or BHL RPS as the case may be, in accordance with Clause 6.1 or Clause 10.2 as the case may be.*

6. CONSIDERATION FOR THE DEMERGER

6.1 *Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:*

(A) *500 (Five Hundred) BAL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;*

(B) *10 (Ten) BAL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and*

(C) *10 (Ten) BAL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.*

6.2 The Transferee Company 1 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1. The Board of Transferee Company 1 shall consolidate all such fractional entitlements and thereupon issue BAL RPS, as applicable (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 1 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 1 so allotted on the Stock Exchange or otherwise at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) in proportion to their respective fractional entitlements.

6.3 For the purpose of issue and allotment of BAL RPS pursuant to this Clause 6, the following terms shall apply:

6.3.1 The Board of Transferee Company 1 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) pursuant to Clause 6.1 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 1 shall pay cash computed at the rate of INR 100 (Rupees one hundred) per BAL RPS to such TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder as the case may be.

6.3.2 The BAL RPS issued pursuant to Clause 6.1 shall be issued in the dematerialised or physical form as the Transferor Company and Transferee Company 1 may mutually agree.

6.3.3 Approval of the Scheme by the shareholders of Transferee Company 1 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of BAL RPS by Transferee Company 1 as provided in the Scheme.

6.3.4 The BAL RPS to be issued by Transferee Company 1 pursuant to Clause 6.1 of the Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

10. CONSIDERATION FOR THE DEMERGER

10.1 The Transferee Company 2 shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the BHL RPS and if applicable, for the issuance of necessary share certificates and/or letters of allotment representing BHL RPS.

10.2 Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of this Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCZPS on the relevant Record Date.

10.3 The Transferee Company 2 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2. The Board of Transferee Company 2 shall consolidate all such fractional entitlements and thereupon issue BHL RPS, as applicable (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 2 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 2 so allotted on the Stock Exchange or otherwise at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) in proportion to their respective fractional entitlements.

10.4 For the purpose of issue and allotment of BAL RPS pursuant to this Clause 10, the following terms shall apply:

10.4.1 The Board of Transferee Company 2 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder (as the case may be) pursuant to Clause 10.2 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 2 shall pay cash computed at the rate of INR 100 (Rupees one hundred) per BHL RPS to such TTSL Equity Holder or a TTSL CCPS Holder or a TTSL OCPS Holder as the case may be.

10.4.2 The BHL RPS issued pursuant to Clause 10.2 shall be issued in the dematerialised or physical form as the Transferor Company and Transferee Company 2 may mutually agree.

10.4.3 Approval of the Scheme by the shareholders of Transferee Company 2 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of BHL RPS by Transferee Company 1 as provided in the Scheme.

10.4.4 The BHL RPS to be issued by Transferee Company 1 pursuant to Clause 10.2 of the Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

7. ACCOUNTING TREATMENT

7.1 Notwithstanding, anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 1, the accounting treatment shall also take into account the provisions of Clause 7.2 below.

7.2 ***Accounting treatment in the books of the Transferee Company 1***

7.2.1 Upon the Scheme becoming effective from the Appointed Date, the Transferee Company 1 shall account for the transfer and vesting of Demerged Undertaking 1 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 1 shall, on the Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 1;

(ii) For the liabilities of the Demerged Undertaking 1 recognized in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 1 shall record the consideration transferred (BAL RPS issued to equity shareholders of Transferor Company pursuant to the Scheme);

(iv) The difference, if any, being excess/ deficit arising pursuant to the Scheme shall be accounted as capital reserve/ goodwill; and

(v) To the extent there are inter-corporate balances between the Transferee Company 1 and the Demerged Undertaking 1, the obligations in respect thereof shall stand cancelled.

11 ACCOUNTING TREATMENT

11.1 Notwithstanding, anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 2, the accounting treatment shall also take into account the provisions of Clause 11.2 below.

11.2 ***Accounting treatment in the books of the Transferee Company 2***

11.2.1 Upon the Scheme becoming effective from the Appointed Date, the Transferee Company 2 shall account for the transfer and vesting of Demerged Undertaking 2 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 2 shall, on the Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 2;

(ii) For the liabilities of the Demerged Undertaking 2 recognized in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 2 shall record the consideration transferred (BHL RPS issued to equity shareholders of Transferor Company pursuant to the Scheme);

(iv) The difference, if any, being excess/ deficit arising pursuant to the Scheme shall be accounted as capital reserve/ goodwill; and

(v) To the extent there are inter-corporate balances between the Transferee Company 2 and the Demerged Undertaking 2, the obligations in respect thereof shall stand cancelled.

13. CONDITIONS PRECEDENT

*13.1 The effectiveness of this Scheme shall be conditional upon satisfaction or waiver (if applicable) of the following conditions ("**Conditions Precedent**") and this Scheme shall take effect from the later of any of the dates set out below:*

13.1.1 The written approvals of the DoT with respect to the transactions contemplated under the Scheme shall have been received.

13.1.2 Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Parties.

13.1.3 Execution of an agreement between the Parties in relation to the Scheme and fulfilment/waiver of the conditions precedent thereunder in the manner stated therein.

13.2 Notwithstanding anything to the contrary contained in this Scheme, if the approval of shareholders and/or creditors and/or any Appropriate Authority required in relation to the transactions contemplated by Part D of the Scheme is not obtained but all Conditions Precedent are satisfied for the transactions contemplated under Part C of the Scheme, then the Scheme shall take effect in so far as it relates to Part C and Parties shall continue to undertake their commercially reasonable efforts to procure the approvals necessary to give effect to Part D.

13.3 This Scheme shall come into effect simultaneously with the effectiveness of the Scheme for the demerger of the consumer mobile telephony business of Tata Teleservices (Maharashtra) Limited into the Transferee Company 1."

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HEREWITH) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF AND THE RATIONALE OF THE SCHEME.

52. Summary of the Valuation Report including basis of valuation and the Fairness Opinion of the Registered Valuer:

The Share Entitlement Report recommends that the share entitlement ratios for the proposed transactions should be anywhere in the following range:

- For transfer by way of demerger of the Demerged Undertaking 1 into the Transferee Company 1: Nil (lower range) to 3.8 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**").
- For transfer by way of demerger of the Demerged Undertaking 2 into the Transferee Company 2: Nil (lower range) to 0.29 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**").

The issuance of BAL RPS and BHL RPS by the Transferee Company 1 and the Transferee Company 2, respectively, to the compulsorily/ optionally convertible preference shareholders of the Transferor Company have not been considered for the above estimation of the share entitlement ratios. No special valuation difficulties were reported by the valuers.

The fairness opinion dated December 19, 2017 issued to the Transferee Company 1 by RBSA Capital Advisors LLP, a SEBI registered merchant banker ("**Fairness Opinion**") has been issued in respect of the Share Entitlement Report wherein it has been stated that the proposed share swap entitlement range as recommended by valuers, which forms the basis of the proposed demergers, is fair.

Please refer to the Share Entitlement Report and the Fairness Opinion that are enclosed as **ANNEXURE 3** and **ANNEXURE 4**, respectively.

53. Details of capital or debt restructuring, if any: Clause 8 of Part C of the Scheme, as set out below, envisages the reclassification/ reorganization of the authorized share capital of the Transferee Company 1:

"8. RECLASSIFICATION/ REORGANIZATION OF THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY 1

8.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company 1 shall be reclassified/ reorganized as under.

A.	***Authorized share capital***	***Amount (in INR)***
	549,99,80,000 equity shares of INR 5 each	*2749,99,00,000*
	1,000 preference shares of INR 100 each	*1,00,000*
	TOTAL	***2750,00,00,000***

8.2 Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be due compliance of the provisions of Section 13 and Section 61 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the reclassification of the authorized share capital envisaged under Clause 8.1 above.

8.3 Clause V of the memorandum of association of the Transferee Company 1 shall stand amended to give effect to the relevant provisions of this Scheme."

It may be noted that the Board of the Transferee Company 1 approved the Scheme on December 19, 2017 post which the authorized share capital of the Transferee Company 1 has increased. Please refer to Para 15 of the Explanatory Statement for details regarding the capital structure of the Transferee Company 1. Further, there shall be no debt restructuring of any of the Companies pursuant to the Scheme.

54. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:

a) The equity shares of the Transferee Company 1 are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). The NSE was appointed as the designated stock exchange by the Transferee Company 1 for the purpose of coordinating with SEBI, pursuant to the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by SEBI ("**SEBI Circular**"). The Transferee Company 1 has received an observation letter dated April 26, 2018 from NSE and an observation letter dated April 27, 2018 from BSE wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Tribunal. The said observation letters issued by the NSE and the BSE are enclosed as **ANNEXURE 7** and **ANNEXURE 8**, respectively.

b) As required by the SEBI Circular, the Transferee Company 1 has filed its Complaint Report with NSE and BSE, on February 23, 2018 and March 8, 2018 respectively. The Complaint Report filed by the Transferee Company 1 indicates that it has received 'NIL' complaints. A copy of the Complaint Reports is enclosed as **ANNEXURE 5** and **ANNEXURE 6** respectively.

c) The Competition Commission of India ("CCI") has provided its approval on the transaction contemplated in the Scheme under Section 31(1) of the Competition Act, 2002 by way of an order dated November 16, 2017. A copy of the order of the CCI is enclosed as **ANNEXURE 18**.

d) The Scheme was filed by the Companies with the Tribunal, on May 17, 2018. Consequently, the Hon'ble Principal Bench of the Tribunal vide order dated June 14, 2018, has directed, *inter alia*, the convening of the Meeting.

e) Pursuant to Clause 3(a) of the "*Guidelines for transfer/ merger of various categories of telecommunication service / licenses / authorization under unified license on compromises, arrangements, and amalgamation of the Companies*" dated February 20, 2014 ("**DoT Merger Guidelines**") issued by the Department of Telecommunications ("**DoT**"), the Companies were required to notify the DoT of the Scheme. Accordingly, in accordance with the DoT Merger Guidelines, the Transferee Company 1 and the Transferee Company 2 jointly notified the DoT vide letter dated May 22, 2018 bearing No. RP/FY18-19/037/338 upon which the DoT has issued a letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1). Further, the Transferor Company separately notified the DoT vide letter dated May 23, 2018 bearing No. TTSL/Demerger/merger/2018/01 upon which also the DoT has issued a letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1) to the Transferor Company.

55. No investigation or proceedings have been instituted or are pending in relation to any of the Companies under the Act.

56. The Companies have filed a copy of the Scheme with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.

57. Inspection of Documents: Copies of the following documents will be open for inspection to the equity shareholders of the Transferee Company 1 at its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 on all days except Saturday, Sunday and public holidays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting:

a) Order dated June 14, 2018 passed by the Hon'ble Principal Bench of the Tribunal in Company Application No. (CAA)98/PB/2018, directing *inter alia*, the convening of the Meeting;

b) Scheme, as filed before the Hon'ble Tribunal;

c) Share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP;

d) Fairness opinion dated December 19, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with SEBI;

e) Complaints report submitted by the Transferee Company 1 to the NSE on February 23, 2018;

f) Complaints report submitted by the Transferee Company 1 to BSE on March 8, 2018;

g) Observation letter dated April 26, 2018 issued by the NSE to the Transferee Company 1;

h) Observation letter dated April 27, 2018 issued by BSE to the Transferee Company 1;

i) Certificate of incorporation dated March 23, 1995 along with copies of the memorandum of association and articles of association of the Transferor Company;

j) Certificate of incorporation dated July 7, 1995, the certificate for commencement of business dated January 18, 1996 and the fresh certificate of incorporation consequent upon change of name dated April 24, 2006 along with copies of the memorandum of association and articles of association of the Transferee Company 1;

k) Certificate of incorporation dated April 20, 1995 the certificate for commencement of business dated April 26, 1995, and the fresh certificate of incorporation consequent upon change of name dated December 2, 2004 along with copies of the memorandum of association and articles of association of the Transferee Company 2;

l) Certificate dated December 19, 2017 issued by Price Waterhouse Chartered Accountants LLP, the statutory auditor of the Transferor Company in terms of the proviso to Section 230(7)/ 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

m) Certificate dated December 19, 2017 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Transferee Company 1 in terms of the proviso to Section 230(7)/232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

n) Certificate dated December 19, 2017 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Transferee Company 2 in terms of the proviso to Section 230(7)/ 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

o) Annual reports of the Transferee Company 1 for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016;

p) Audited financial statements of each of the Companies for the period ended March 31, 2018;

q) Extracts of the resolutions dated December 19, 2017 passed by the Boards' of the Transferor Company and Transferee Company 1 and the resolution dated December 26, 2017 passed by the Board of the Transferee Company 2, *inter alia*, approving the Scheme and the filing thereof with the Tribunal;

r) Report of the Audit & Risk Management Committee (now reconstituted and known as the Audit Committee) of the Transferee Company 1 dated December 19, 2017 recommending the Scheme to the Board of the Transferee Company 1;

s) Reports adopted by the respective Boards' of each of the Companies pursuant to Section 232(2)(c) of the Act;

t) Order of the Competition Commission of India dated November 16, 2017 approving the transaction contemplated in the Scheme under Section 31(1) of the Competition Act, 2002;

u) Letter dated June 22, 2018 bearing No. AS-21/ I/2018-AS-V-Part(1) issued by the DoT under the DoT Merger Guidelines pursuant to the letter dated May 22, 2018 bearing No. RP/FY18-19/037/338 of the Transferee Company 1 and the Transferee Company 2;

v) Letter dated June 22, 2018 bearing No. AS-21/I/2018-AS-V-Part(1) issued by the DoT under the DoT Merger Guidelines pursuant to the letter dated May 23, 2018 bearing No. TTSL/Demerger/ merger/2018/01 of the Transferor Company;

w) Other documents displayed on the websites of the Stock Exchanges and the Transferee Company 1 in terms of the SEBI Circular;

x) Abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 specifying applicable information of Transferor Company.

y) Abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 specifying applicable information of Transferee Company 2;

z) any other contracts or agreements material to the Scheme; and

aa) Copies of the paper books filed in Company Application No. (CAA) 98/PB/2018.

Dated this 20th day of July, 2018

For Bharti Airtel Limited
Sd/-
Rohit Krishan Puri
(Authorized Signatory)

Registered Office: Bharti Crescent, 1,
Nelson Mandela Road, Vasant Kunj, Phase II,
New Delhi - 110070.
CIN: L74899DL1995PLC070609
Email: compliance.officer@bharti.in

COMPOSITE SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

AMONGST

TATA TELESERVICES LIMITED
(TTSL or Transferor Company)

AND
BHARTI AIRTEL LIMITED
(BAL or Transferee Company 1)

AND
BHARTI HEXACOM LIMITED
(BHL or Transferee Company 2)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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PART A – GENERAL

I. PREAMBLE AND OVERVIEW OF THE SCHEME

(a) This composite scheme of arrangement ("**Scheme**", as more particularly defined below) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined below) read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, between Tata Teleservices Limited ("**TTSL**" or the "**Transferor Company**") and Bharti Airtel Limited ("**BAL**" or the "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or the "**Transferee Company 2**"), collectively known as "**Transferee Companies**" and their respective shareholders and creditors.

(b) This Scheme provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking 1 (as defined below) of the Transferor Company to the Transferee Company 1, and the consequent issue of BAL RPS (as defined below) by the Transferee Company 1 to the shareholders of the Transferor Company in accordance with Clause 6 below;

(ii) the transfer by way of a demerger of the Demerged Undertaking 2 (as defined below) of the Transferor Company to the Transferee Company 2, and the consequent issue of BHL RPS (as defined below) by the Transferee Company 2 to the shareholders of the Transferor Company in accordance with Clause 10 below; and

(iii) various other matters consequential or otherwise integrally connected therewith.

II. INTRODUCTION

(a) TTSL is a public limited company incorporated on March 23, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1995PLC066685. Its registered office is situated at Jeevan Bharati Tower I, 10th Floor, 124, Connaught Circus, New Delhi - 110001. TTSL became a pan-India telecom operator in January 2005. It has Unified Access (Basic and Cellular) Service License to operate in 16 circles, Unified License for Andhra Pradesh and National Long Distance ("**NLD**") license to provide NLD services across India (collectively, referred to as the "**Telecom Licenses**"). TTSL is engaged in businesses in the telecom sector including, *inter alia*, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) wi-fi business, which are all provided under the same Telecom License. The consumer mobile telephony business as carried out by TTSL as a part of the Demerged Undertakings and the enterprise business and other businesses carried on as part of the Residual Undertaking are separate and different business of TTSL. TTSL is a subsidiary of Tata Sons Limited.

(b) BAL is a public listed company incorporated on July 7, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number L74899DL1995PLC070609. Its registered office is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. BAL is engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. In India, the Transferee Company 1's product offerings include consumer mobile services (2G, 3G and 4G), mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national and international long distance services to carriers. It has Unified License to operate in Punjab, Himachal Pradesh, Karnataka, Andhra Pradesh, Delhi

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and Kolkata and Unified Access Service License in remaining circles except in Rajasthan and North-Eastern circle. In the rest of the geographies, it offers consumer mobile services (2G, 3G and 4G) and mobile commerce.

(c) BHL is a public limited company incorporated on April 20, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1995PLC067527. Its registered office is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. It has Unified Access (Basic and Cellular) Service License in Rajasthan and North-Eastern circle. It is engaged in cellular mobile, broadband and telephone services in Rajasthan and North-Eastern circles. BHL is a subsidiary of BAL. BAL holds 70% of the equity share capital of BHL and Government of India, through Telecommunications Consultants India Ltd., holds 30% of the equity share capital of BHL.

III. RATIONALE AND BENEFITS OF THIS SCHEME

This Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 (as defined hereinafter) of TTSL to BAL and BHL, respectively, results in the following benefits:

(a) expanding the business of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;

(b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;

(c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;

(d) the combination of the Demerged Undertakings and the Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;

(f) increase in customer base and also acquisition of new customers;

(g) provision of state of the art services to the customers using the spectrum and other assets; and

(h) enhanced generation of revenues and therefore enhanced license fee to the Government.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.

IV. PARTS OF THE SCHEME

The Scheme is divided into following parts:

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(a) **Part A** deals with background of the Parties and the rationale and benefits of the Scheme;

(b) **Part B** deals with the Definitions, Interpretation and Share Capital;

(c) **Part C** deals with demerger of the Demerged Undertaking 1 as a going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income-tax Act, 1961;

(d) **Part D** deals with demerger of the Demerged Undertaking 2 as a going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income-tax Act, 1961; and

(e) **Part E** deals with the General Terms and Conditions applicable to the Scheme.

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PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1. "**Act**" means the Companies Act, 2013 and the Companies Act, 1956 (to the extent the same is in force and applicable), the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;

1.2. "**Appointed Date**" means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor Company as well as the Transferee Company 1 or the Transferee Company 2, as the case may be, and thereafter approved by the NCLT;

1.3. "**Applicable Law**" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/ or jurisdiction; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time;

1.4. "**Appropriate Authority**" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange in India or any other country including the Registrar of Companies, Regional Director, DoT, CCI, Reserve Bank of India, SEBI, Stock Exchanges, NCLT, and such other sectoral regulators or authorities as may be applicable;

1.5. "**Assets**" shall mean and include without limitation, assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, whether owned or leased or otherwise acquired by or in the possession of the Transferor Company, in connection with or pertaining or relatable to the Demerged Undertakings;

1.6. "**BAL RPS**" means fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1 and having the terms set forth in Schedule 3;

1.7. "**BHL RPS**" means fully paid-up redeemable, non-participating, non-cumulative preference share of face value INR 100 (Rupees hundred only) in the share capital of Transferee Company 2 and having the terms set forth in Schedule 3;

1.8. "**Board**" in respect of a company means the board of directors of such company at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;

1.9. "**Cash**" means and includes, the aggregate amount in respect of the following items, including without limitation: (a) cash and bank balances; (b) securities held by or on behalf of the

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Transferor Company which are readily convertible into cash (i.e. cash equivalents); (c) fixed deposit receipts and any interest accrued thereon; and (d) any other cash equivalent;

1.10. "**Contract**" means any contract, lease, licence, indenture, agreement, commitment or any other legally binding arrangement;

1.11. "**CCI**" means the Competition Commission of India;

1.12. "**Demerged Undertakings**" mean Demerged Undertaking 1 and Demerged Undertaking 2;

1.13. "**Demerged Undertaking 1**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the TTSL Circles, other than the Demerged Undertaking 2, to be transferred to BAL as a going concern with effect from the Appointed Date and, unless mutually agreed to and/ or identified between the relevant Parties, includes without limitation:

(a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 1, including without limitation:

(i) the Spectrum allocated in relation to the Demerged Undertaking 1 as set out in Schedule 1;

(ii) various resources granted by the DoT in relation to the TTSL Circles. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;

(iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;

(iv) the Cash pertaining to the Demerged Undertaking 1, accrued to, or available with, the Transferor Company as on the Appointed Date;

(v) all statutory and regulatory approvals, licenses except UASL, UL and NLD, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 1 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/ or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 1;

(vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor

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Company for operating the Demerged Undertaking 1, including base station controllers, switches, packet core, router and switches, Mobility IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 1;

(viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 1; and

(ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.

(b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 1;

(c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 1;

(d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 1 ("**Transferring Employees 1**");

(e) all subscribers of the Demerged Undertaking 1 in the TTSL Circles other than the subscribers of the Demerged Undertaking 2 and the Residual Undertaking;

(f) all Liabilities of the Demerged Undertaking 1;

(g) all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 1 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 1 may be eligible, and which are subsisting or have effect ("**Transferring Contracts 1**");

(h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 1, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by the Transferee Company 1 except identified bank guarantees, as mutually agreed to between the relevant Parties;

(i) all civil, legal or other proceedings in relation to the Demerged Undertaking 1, except the Excluded Litigations ("**Transferring Litigations 1**");

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(j) all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 1; and

(k) the microwave backhaul of the Transferor Company.

1.14. "**Demerged Undertaking 2**" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the Rajasthan Circle provided under the Rajasthan Telecom License, other than the Demerged Undertaking 1, to be transferred to BHL as a going concern with effect from the Appointed Date and, unless mutually agreed to and/ or identified between the relevant Parties, includes without limitation:

(a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking 2, including without limitation:

(i) the Spectrum allocated in relation to the Demerged Undertaking 2 as set out in Schedule 2;

(ii) various resources granted by the DoT in relation to the Rajasthan Circle. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions, access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;

(iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;

(iv) the Cash pertaining to the Demerged Undertaking 2, accrued to, or available with, the Transferor Company as on the Appointed Date;

(v) all statutory and regulatory approvals, licenses except UASL and NLD, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking 2 including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/ or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking 2;

(vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor Company for operating the Demerged Undertaking 2, including base station controllers, switches, packet core, router and switches, Mobility



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IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);

(vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking 2;

(viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking 2; and

(ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.

(b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 2;

(c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 2;

(d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2 ("**Transferring Employees 2**");

(e) all subscribers of the Demerged Undertaking 2 in the Rajasthan Circle other than the subscribers of the Demerged Undertaking 1 and the Residual Undertaking;

(f) all Liabilities of the Demerged Undertaking 2;

(g) all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking 2 and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking 2 may be eligible, and which are subsisting or have effect ("**Transferring Contracts 2**");

(h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking 2, by way of cash, deposits, bank guarantees, including without limitation the DoT Bank Guarantees, etc. which shall be substituted by Transferee Company 2 except identified bank guarantees, as mutually agreed to between the relevant Parties;

(i) all civil, legal or other proceedings in relation to the Demerged Undertaking 2, except the Excluded Litigations ("**Transferring Litigations 2**");

(j) all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues,

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quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking 2; and

(k) the microwave backhaul of the Transferor Company.

1.15. "**DoT**" means the Department of Telecommunications, Government of India;

1.16. "**DoT Bank Guarantees**" means all the bank guarantees provided by TTSL to DoT in terms of any notice inviting application issued by DoT or UL or UASL held by TTSL or as mutually agreed to and/ or identified between the relevant Parties;

1.17. "**Effective Date**" shall have the following meaning:

(a) in the event that Part C and Part D take effect simultaneously, "Effective Date" shall mean the date on which they so take effect in accordance with Clause 13 hereof, and

(b) in the event that Part C takes effect before Part D takes effect in accordance with Clause 13 hereof, "Effective Date", wherever used in the context of Demerged Undertaking 1, shall mean the date on which Part C takes effect and "Effective Date", wherever used in the context of Demerged Undertaking 2, shall mean the date on which Part D takes effect.

References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly;

1.18. "**Excluded Litigations**" means:

(a) all criminal proceedings (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against the Transferor Company arising and pertaining to the period prior to a specified date, as mutually agreed to between the relevant Parties; and

(b) any other civil, legal, regulatory, taxation or other litigation or proceedings (including before any statutory or quasi-judicial authority or tribunal), as are specifically agreed to between the relevant Parties, including under or in accordance with any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme.

1.19. "**GAAP**" means generally accepted accounting principles;

1.20. "**INR**" means Indian Rupees;

1.21. "**Intellectual Property**" means all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software), in relation to the Demerged Undertakings, excluding Intellectual Property owned by Tata Sons Limited, NTT Docomo Inc. and Future Corporate Resources Limited;

1.22. "**Liabilities**" means liabilities determined and identified after due consideration of the applicable provisions of Section 2(19AA) of the Income-tax Act, 1961, and includes without limitation:

(a) liabilities in connection with or pertaining or relatable to the Demerged Undertakings of every kind, nature and description, and recognized as liabilities in the books of

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accounts of the Transferor Company, as on the Appointed Date, in accordance with Indian GAAP;

(b) the specific loans or borrowings (including debentures, if any, raised, incurred and utilized solely for the activities or operations) of the Demerged Undertakings; and

(c) in cases other than those referred to in (a) or (b) above, so much of the amounts of general or multipurpose borrowings, if any, of Transferor Company, as stand in the same proportion which the value of the assets transferred with the Demerged Undertakings bears to the total value of the assets of the Transferor Company immediately prior to the Appointed Date.

1.23. "**NCLT**" means the National Company Law Tribunal at New Delhi having jurisdiction in relation to the Parties as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;

1.24. "**Parties**" mean Transferor Company, Transferee Company 1 and Transferee Company 2 collectively;

1.25. "**Rajasthan Circle**" shall mean the telecom circle of Rajasthan as stipulated by the DoT;

1.26. "**Rajasthan Telecom License**" means TTSL's UASL license for Rajasthan Circle with effective date of January 30, 2004 bearing license number 20-216/2003-TATA/BS-III;

1.27. "**Record Date**" in relation to Demerged Undertaking 1 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 1, and in relation to Demerged Undertaking 2 shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company 2, in each case for the purpose of reckoning the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders as applicable, eligible to receive BAL RPS or BHL RPS as the case may be in accordance with Clause 6.1 or Clause 10.2, as the case may be;

1.28. "**Residual Undertaking**" means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company that are not part of the demerger of the Demerged Undertaking 1 and the Demerged Undertaking 2 to the Transferee Company 1 and the Transferee Company 2, respectively, in terms of and upon the effectiveness of this Scheme. For the avoidance of doubt, it is hereby clarified that the Residual Undertaking shall also mean and include, without limitation, the following:

(a) wireline business, wi-fi business, managed services business (such as internet of things, cloud and SaaS services) and wholesale data services business and undertakings of the Transferor Company;

(b) national long distance business of the Transferor Company;

(c) the optical fibre and copper fibre network and the indefeasible right to use the optical fibre and copper fibre network of other operators;

(d) retail wireline voice and broadband business of the Transferor Company;

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(e) the Transferor Company's passive infrastructure assets (not including telecom towers owned by the Transferor Company) comprising of the following, unless mutually agreed otherwise between the Parties: all the uninterrupted power supply, rectifier power supplies, electrical panels, air conditioners, battery banks, DG sets and associated power cables, fire alarm and fire suppression systems;

(f) investment of the Transferor Company in shares of other companies including 32.86% of the equity share capital (comprising of 21,76,38,273 equity shares of face value INR 10 each) of ATC Telecom Infrastructure Private Limited held by the Transferor Company;

(g) infrastructure and allocations including unlicensed band radios network associated with, or related to, (a) to (e);

(h) the UASL, UL and NLD; and

(i) the IPV4/IPV6 allocations and SDCA based numbering series, SMS codes (alpha numeric) given to subscribers of the businesses mentioned at (a) to (d) above, toll free services numbering series.

1.29. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this composite scheme of arrangement in as modified from time to time, as per Clause 12 of the Scheme;

1.30. "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.31. "**Spectrum**" means the spectrum allotted to the Transferor Company, details of which are set out in Schedule 1 and Schedule 2;

1.32. "**Stock Exchange**" means BSE Limited and/ or the National Stock Exchange of India Limited and "**Stock Exchanges**" shall mean both collectively

1.33. "**Taxes**" or "**Tax**" or "**Taxation**" means: (a) all forms of direct tax and indirect tax, levy, duty (including stamp duty), charge, impost, withholding or other amount whenever or wherever created or imposed under Applicable Laws; and (b) all charges, interest, penalties and fines (by whatever name called) incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

1.34. "**TTSL CCPS**" means fully paid-up, compulsorily, convertible preference shares (of any series whatsoever) of TTSL of face value INR 100 (Rupees hundred only) each;

1.35. "**TTSL CCPS Holders**" means a person recorded in the Transferor Company's register of members as the owner of one or more TTSL CCPS as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;

1.36. "**TTSL Equity Holders**" means a person recorded in the Transferor Company's register of members as the owner of one or more TTSL Equity Shares as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;

1.37. "**TTSL Equity Shares**" means fully paid up equity shares of TTSL of face value INR 10 (Rupees ten only) each in the share capital of TTSL;

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1.38. "**TTSL OCPS**" means fully paid-up, optionally, convertible preference shares (of any series whatsoever) of TTSL of face value INR 100 (Rupees hundred only) each;

1.39. "**TTSL OCPS Holders**" means a person recorded in the Transferor Company's register of members as the owner of one or more TTSL OCPS as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;

1.40. "**Transferee Companies**" shall have the meaning set out in Preamble I (a);

1.41. "**Transferee Company 1**" or "**BAL**" shall have the meaning set out in Preamble I (a);

1.42. "**Transferee Company 2**" or "**BHL**" shall have the meaning set out in Preamble I (a);

1.43. "**Transferor Company**" or "**TTSL**" shall have the meaning set out in Preamble I (a);

1.44. **"Transferring Contracts 1"** shall have the meaning set out in Clause 1.13(g);

1.45. **"Transferring Contracts 2"** shall have the meaning set out in Clause 1.14(g);

1.46. **"Transferring Employees 1"** shall have the meaning set out in Clause 1.13(d)

1.47. **"Transferring Employees 2"** shall have the meaning set out in Clause 1.14(d)

1.48. "**Transferring Litigations 1**" shall have the meaning set out in Clause 1.13(i);

1.49. **"Transferring Litigations 2"** shall have the meaning set out in Clause 1.14(i);

1.50. "**TTSL Circles**" means the telecom service areas of Karnataka, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Uttar Pradesh (E), Uttar Pradesh (W), Punjab, Haryana, Gujarat, Delhi, Kolkata, Kerala, Orissa, Bihar, Bengal and Himachal Pradesh;

1.51. **"UASL**" means Unified Access Service License granted by the DoT to TTSL for all TTSL Circles except Andhra Pradesh; and

1.52. "**UL**" mean Unified License with access service authorization for Andhra Pradesh service area granted by the DoT to TTSL.

2. INTERPRETATION

2.1.1. References to clauses and schedules, unless otherwise provided, are to clauses and schedules of and to this Scheme.

2.1.2. The headings herein shall not affect the construction or interpretation of this Scheme.

2.1.3. Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

2.1.4. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

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2.1.5. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2.1.6. An asset, contract, proceeding, resource or other matter that is mutually agreed in writing by the Parties to be or not to be primarily relatable to or used in a Demerged Undertaking shall be deemed for the purposes of this Scheme to be or not be (respectively) primarily relatable to or used in a Demerged Undertaking.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be operative and effective from the Appointed Date.

4. SHARE CAPITAL

4.1. The authorized, issued and paid up share capital of the Transferor Company as on December 15, 2017 is as under:

Share Capital	Amount (INR in Crores)
Authorized Share Capital	
2263,00,00,000 equity shares of INR 10 each	22,630
63,00,00,000 compulsory convertible non-cumulative preference shares (CCPS) of INR 100 each	6,300
112,20,00,000 preference shares of INR 100 each	11,220
1000,00,00,000 unclassified shares of INR.10/-	10,000
400,00,00,000 unclassified shares of INR.100 each	40,000
TOTAL	**90,150**
Issued and paid-up Share Capital	
577,50,33,234 fully paid up equity shares of INR 10 each	5,775.03
62,24,49,170 fully paid up CCPS of INR 100 each	6,224.49
23,00,00,000 fully paid up optionally convertible preference shares of INR 100 each	2,300.00
TOTAL	**14,299.52**

4.2. The authorized, issued and paid up share capital of BAL as on December 15, 2017 is as under:

Share Capital	Amount (INR in Crores)
Authorized Share Capital	
550,00,00,000 equity shares of INR 5 each	2750
TOTAL	2750
Issued and paid-up Share Capital	
399,74,00,102 fully paid up equity shares of INR 5 each	1998.7
TOTAL	1998.7

4.3. The authorized, issued, subscribed and paid up share capital of BHL as on December 15, 2017 is as under:

Share Capital	Amount (INR in Crores)
Authorized Share Capital	
25,00,00,000 equity shares of INR 10 each	250

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Share Capital	Amount (INR in Crores)
TOTAL	250
Issued and paid-up Share Capital	
25,00,00,000 fully paid up equity shares of INR 10 each	250
TOTAL	250

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PART C - DEMERGER AND VESTING OF DEMERGED UNDERTAKING 1 OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY 1

5. DEMERGER AND VESTING OF DEMERGED UNDERTAKING 1

5.1. Upon the Scheme becoming effective, the Demerged Undertaking 1 shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Act, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 1 as a going concern.

5.2. **Transfer of Assets**

5.2.1. Upon the Scheme becoming effective and subject to any agreement between the Parties:

(i) all the Assets relating primarily to the Demerged Undertaking 1 and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company 1 and shall become the property of the Transferee Company 1 in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same;

(ii) in respect of the Assets relating to the Demerged Undertaking 1 other than those specified in Clause 5.2.1(i) above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company 1 and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company 1 may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company 1 and be paid or made good or held on account of the Transferee Company 1 as the person entitled thereto;

(iii) the Assets relating to the Demerged Undertaking 1 that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company 1, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company 1. With effect from the Effective Date, the Transferee Company 1 shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 1 by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof; and

(iv) for purposes of taking on record the name of the Transferee Company 1 in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company 1 pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company 1 may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or

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leave or licence (as the case may be) by the Transferor Company in favour of the Transferee Company 1.

(v) It is hereby clarified that for continuation of the non-wireless business (i.e. the wireline business), the Residual Undertaking will retain the UASL, UL and NLD.

5.3. **Transfer of Liabilities**

5.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities relating to the Demerged Undertaking 1 shall be transferred or deemed to be transferred to the Transferee Company 1 so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company 1 which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking 1 and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.

5.3.2. The provisions of this Clause 5.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

5.4. **Legal Proceedings**

5.4.1. Upon the Scheme becoming effective, all Transferring Litigations 1, pending on the Effective Date, shall be continued, prosecuted and enforced by or against the Transferee Company 1, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company.

5.4.2. The Transferee Company 1: (a) shall be replaced/added as party to Transferring Litigations 1; and (b) shall prosecute or defend such proceedings at its own cost and subject to any agreement between the Parties, the liability of the Transferor Company shall consequently stand nullified. Each of the Parties shall make relevant applications in that behalf, as may be required.

5.4.3. Upon the Scheme becoming effective, the outcome of the Writ Petition No. 10617 (W) 2013 (Tata Teleservices Limited and another v. Union of India) before the Calcutta High Court or any appellate/ review proceedings thereof ("**Spectrum Proceeding**") shall (to the extent it relates to any TTSL Circle other than Rajasthan Circle) be to the account of the Transferee Company 1. In other words,

(A) In the event any spectrum is held to be owned by the Transferor Company pursuant to the Spectrum Proceeding, such spectrum (to the extent it relates to any TTSL Circle other than Rajasthan Circle) shall be deemed to have been transferred to the Transferee Company 1; and

(B) All liabilities associated with or arising from such spectrum and the Spectrum Proceedings (in each case, to the extent it relates to any TTSL Circle other than Rajasthan Circle) shall be assumed by the Transferee Company 1.

5.5. **Employees**

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5.5.1. Upon the Scheme becoming Effective, all Transferring Employees 1 shall be deemed to have become the employees of the Transferee Company 1, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Transferee Company 1.

5.5.2. The Transferee Company 1 agrees that for the purpose of payment of any compensation, retrenchment compensation, gratuity and other terminal benefits, the past services of the Transferring Employees 1 with the Transferor Company shall also be taken into account, and pay the same as and when payable.

5.5.3. On the Scheme becoming effective, in so far as all employee benefits including the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of Transferor Company are concerned (collectively referred to as the "**Employee Benefit Funds**"), such proportion of the investments made in the funds and liabilities which are referable to the Transferring Employees 1 shall be transferred to the similar funds existing or created by the Transferee Company 1 and shall be held for their benefit pursuant to this Scheme, or maintained as separate funds by Transferee Company 1.

5.6. **Contracts, Deeds, etc.**

Notwithstanding anything to the contrary contained in any Transferring Contracts 1, upon the coming into effect of the Scheme, all Transferring Contracts 1 subsisting or having effect on the Effective Date, shall continue in full force and effect and all rights and obligations stipulated therein (except as otherwise agreed) shall be for the benefit of the Transferee Company 1, and may be enforced effectively by or against the Transferee Company 1 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 1 had been a party thereto from inception.

5.7. **Permits**

5.7.1. All governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking 1, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company 1 and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto.

5.7.2. The Transferee Company 1 shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking 1 pursuant to the effectiveness of the Scheme on its own account, pending the transfer of any approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Transferee Company 1 and would be entitled to make any applications, requests and the like in this regard.

5.8. **Taxes and Taxation**

5.8.1. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company 1 are expressly permitted to revise their respective financial statements and returns along with

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prescribed forms, filings and annexures under the Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

5.8.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Transferor Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking 1, shall be available to and vest in the Transferee Company 1, upon this Scheme coming into effect.

5.8.3. This Scheme complies with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions, of the Income-tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

6. CONSIDERATION FOR DEMERGER

6.1. Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BAL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BAL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BAL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

6.2. The Transferee Company 1 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1. The Board of Transferee Company 1 shall consolidate all such fractional entitlements and thereupon issue BAL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 1 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 1 so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements.

6.3. For the purpose of issue and allotment of the BAL RPS pursuant to this Clause 6, the following terms shall apply:

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6.3.1. The Board of Transferee Company 1 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 6.1 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 1 shall pay cash computed at the rate of INR 100 (Rupees hundred only) per BAL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

6.3.2. The BAL RPS issued pursuant to Clause 6.1 shall be issued in dematerialized or physical form as the Transferor Company and Transferee Company 1 may mutually agree.

6.3.3. Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the BAL RPS by Transferee Company 1 as provided in this Scheme.

6.3.4. The BAL RPS to be issued by Transferee Company 1 pursuant to Clause 6.1 of this Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

7. ACCOUNTING TREATMENT

7.1 Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 1, the accounting treatment shall also take into account the provisions of Clause 7.2 below:

7.2 **Accounting treatment in the books of the Transferee Company 1**

7.2.1 On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company 1 shall account for the transfer and vesting of Demerged Undertaking 1 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 1 shall, on this Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 1;

(ii) For the liabilities of the Demerged Undertaking 1 recognised in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 1 shall record the consideration transferred (BAL RPS issued to equity holders of Transferor Company pursuant to this Scheme);

(iv) The difference, if any, being excess / deficit arising pursuant to this Scheme shall be accounted as capital reserve / goodwill; and

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(v) To the extent there are inter-corporate balances between the Transferee Company 1 and the Demerged Undertaking 1, the obligations in respect thereof shall stand cancelled.

8. RECLASSIFICATION/ REORGANIZATION OF THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY 1

8.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company 1 shall be reclassified/ reorganized as under.

A.	Authorized share capital	Amount (in INR)
	549,99,80,000 equity shares of INR 5 each	2749,99,00,000
	1,000 preference shares of INR 100 each	1,00,000
	TOTAL	**2750,00,00,000**

8.2. Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be due compliance of the provisions of Section 13 and Section 61 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the reclassification of the authorized share capital envisaged under Clause 8.1 above.

8.3. Clause V of the memorandum of association of the Transferee Company 1 shall stand amended to give effect to the relevant provisions of this Scheme.

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PART D - DEMERGER AND VESTING OF DEMERGED UNDERTAKING 2 OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY 2

9. DEMERGER AND VESTING OF DEMERGED UNDERTAKING 2

9.1. Upon the Scheme becoming effective, the Demerged Undertaking 2 shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Act, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 2 as a going concern.

9.2. **Transfer of Assets**

9.2.1. Upon the Scheme becoming effective and subject to any agreement between the Parties:

(i) all the Assets relating primarily to the Demerged Undertaking 2 and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company 2 and shall become the property of the Transferee Company 2 in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same;

(ii) in respect of the Assets relating to the Demerged Undertaking 2 other than those specified in Clause 9.2.1(i) above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company 2 and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company 2 may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company 2 and be paid or made good or held on account of the Transferee Company 2 as the person entitled thereto;

(iii) the Assets relating to the Demerged Undertaking 2 that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company 2, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company 2. With effect from the Effective Date, the Transferee Company 2 shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 2 by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof; and

(iv) for purposes of taking on record the name of the Transferee Company 2 in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company 2 pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company 2 may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or

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leave or licence (as the case may be) by the Transferor Company in favour of the Transferee Company 2.

(v) It is hereby clarified that for continuation of the non-wireless business (i.e. the wireline business), the Residual Undertaking will retain the UASL and NLD.

9.3. **Transfer of Liabilities**

9.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities relating to the Demerged Undertaking 2 shall be transferred or deemed to be transferred to the Transferee Company 2 so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company 2 which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking 2 and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.

9.3.2. The provisions of this Clause 9.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

9.4. **Legal Proceedings**

9.4.1. Upon the Scheme becoming effective, all Transferring Litigations 2, pending on the Effective Date, shall be continued, prosecuted and enforced by or against the Transferee Company 2, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company.

9.4.2. The Transferee Company 2: (a) shall be replaced/added as party to Transferring Litigations 2; and (b) shall prosecute or defend such proceedings at its own cost and subject to any agreement between the Parties, the liability of the Transferor Company shall consequently stand nullified. Each of the Parties shall make relevant applications in that behalf, as may be required.

9.4.3. Upon the Scheme becoming effective, the outcome of the Spectrum Proceeding shall (to the extent it relates to the Rajasthan Circle) be to the account of the Transferee Company 2. In other words,

(A) In the event any spectrum is held to be owned by the Transferor Company pursuant to the Spectrum Proceeding, such spectrum shall (to the extent it relates to the Rajasthan Circle) shall be deemed to have been transferred to the Transferee Company 2; and

(B) All liabilities associated with or arising from such spectrum and the Spectrum Proceedings shall (in each case, to the extent it relates to the Rajasthan Circle) shall be assumed by the Transferee Company 2.

9.5. **Employees**

9.5.1. Upon the Scheme becoming Effective, all Transferring Employees 2 shall be deemed to have become the employees of the Transferee Company 2, on terms and conditions not less

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favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Transferee Company 2.

9.5.2. The Transferee Company 2 agrees that for the purpose of payment of any compensation, retrenchment compensation, gratuity and other terminal benefits, the past services of the Transferring Employees 2 with the Transferor Company shall also be taken into account, and pay the same as and when payable.

9.5.3. On the Scheme becoming effective, in so far as the Employee Benefit Funds are concerned, such proportion of the investments made in the funds and liabilities which are referable to the Transferring Employees 2 shall be transferred to the similar funds existing or created by the Transferee Company 2 and shall be held for their benefit pursuant to this Scheme, or maintained as separate funds by Transferee Company 2.

9.6. **Contracts, Deeds, etc.**

9.6.1. Notwithstanding anything to the contrary contained in any Transferring Contracts 2, upon the coming into effect of the Scheme, all Transferring Contracts 2 subsisting or having effect on the Effective Date, shall continue in full force and effect and all rights and obligations stipulated therein (except as otherwise agreed) shall be for the benefit of the Transferee Company 2, and may be enforced effectively by or against the Transferee Company 2 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party thereto from inception.

9.7. **Permits**

9.7.1. All governmental approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking 2, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company 2 and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto.

9.7.2. The Transferee Company 2 shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking 2 pursuant to the effectiveness of the Scheme on its own account, pending the transfer of any approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Transferee Company 2 and would be entitled to make any applications, requests and the like in this regard.

9.8. **Taxes and Taxation**

9.8.1. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company 2 are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

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9.8.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Transferor Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking 2, shall be available to and vest in the Transferee Company 2, upon this Scheme coming into effect.

9.8.3. This Scheme complies with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions, of the Income-tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

10. CONSIDERATION FOR DEMERGER

10.1. The Transferee Company 2 shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorized share capital suitably so as to enable it to issue and allot the BHL RPS and if applicable, for the issuance of the necessary share certificates and/or letters of allotment representing the BHL RPS.

10.2. Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of this Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

(A) 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

10.3. The Transferee Company 2 shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2. The Board of Transferee Company 2 shall consolidate all such fractional entitlements and thereupon issue BHL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 2 in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of Transferee Company 2 so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements.

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10.4. For the purpose of issue and allotment of the BHL RPS pursuant to this Clause 10, the following terms shall apply:

10.4.1. The Board of Transferee Company 2 shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authority and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 10.2 of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all Conditions Precedent have been satisfied, then in such event the Transferee Company 2 shall pay cash computed at the rate of INR 100 (Rupees hundred only) per BHL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

10.4.2. The BHL RPS issued pursuant to Clause 10.2 shall be issued in dematerialized or physical form as the Transferor Company and Transferee Company 2 may mutually agree.

10.4.3. Approval of this Scheme by the shareholders of Transferee Company 2 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the BHL RPS by Transferee Company 2 as provided in this Scheme.

10.4.4. The BHL RPS to be issued by Transferee Company 2 pursuant to Clause 10.2 of this Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.

11. ACCOUNTING TREATMENT

11.1. Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company 2, the accounting treatment shall also take into account the provisions of Clause 11.2 below:

11.2. **Accounting treatment in the books of the Transferee Company 2**

11.2.1 On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company 2 shall account for the transfer and vesting of Demerged Undertaking 2 in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:

(i) The Transferee Company 2 shall, on this Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking 2;

(ii) For the liabilities of the Demerged Undertaking 2 recognised in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;

(iii) The Transferee Company 2 shall record the consideration transferred (BHL RPS issued to equity holders of Transferor Company pursuant to this Scheme);

(iv) The difference, if any, being excess / deficit arising pursuant to this Scheme shall be accounted as capital reserve / goodwill; and

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(v) To the extent there are inter-corporate balances between the Transferee Company 2 and the Demerged Undertaking 2, the obligations in respect thereof shall stand cancelled.

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PART E - GENERAL TERMS AND CONDITIONS

12. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Companies shall have the right to amend or modify the Scheme, as they deem fit, subject to Applicable Law. Provided that no amendment or modification will be made to the Scheme without specific and written approval of the authorized signatory of each of the Transferor Company, Transferee Company 1 and Transferee Company 2.

13. CONDITIONS PRECEDENT

13.1. The effectiveness of this Scheme shall be conditional upon satisfaction or waiver (if applicable) of the following conditions ("**Conditions Precedent**") and this Scheme shall take effect from the later of any of the dates set out below:

13.1.1. The written approvals of the DoT with respect to the transactions contemplated under the Scheme shall have been received.

13.1.2. Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Parties.

13.1.3. Execution of an agreement between the Parties in relation to the Scheme and fulfilment/ waiver of the conditions precedent thereunder in the manner stated therein.

13.2. Notwithstanding anything to the contrary contained in this Scheme, if the approval of shareholders and/ or creditors and/ or any Appropriate Authority required in relation to the transactions contemplated by Part D of the Scheme is not obtained but all Conditions Precedent are satisfied for the transactions contemplated under Part C of the Scheme, then the Scheme shall take effect in so far as it relates to Part C and Parties shall continue to undertake their commercially reasonable efforts to procure the approvals necessary to give effect to Part D.

13.3. This Scheme shall come into effect simultaneously with the effectiveness of the Scheme for the demerger of the consumer mobile telephony business of Tata Teleservices (Maharashtra) Limited into the Transferee Company 1.

14. COSTS AND EXPENSES

Stamp duty costs incurred in connection with this Scheme (including any order sanctioning this Scheme) shall be borne by the Parties in such manner as may be mutually agreed.

15. RESIDUAL PROVISIONS

The consent of the shareholders and creditors of each of the Parties to the Scheme in accordance with the Act, as applicable, shall be deemed to be sufficient for purposes of effecting all the actions set out in this Scheme and no additional actions of the Parties shall be separately required.

16. POWER TO REMOVE DIFFICULTIES

The authorised signatories of the Parties, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing, including without limitation through any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme:

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(a) give such directions (acting jointly) as may be mutually agreed in writing by the Parties as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of 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;

(b) do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect; and

(c) make any inclusions or exclusions (including without limitation in relation to Assets, Liabilities, Excluded Litigations and/ or the like) to the Demerged Undertakings.

17. SEVERABILITY

If any part of this Scheme is found to be invalid, unenforceable or unworkable for any reason whatsoever, the same shall not, subject to the decision of the Boards of the respective Parties, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. CONDUCT OF BUSINESS OF THE RESIDUAL UNDERTAKING OF THE TRANSFEROR COMPANY

18.1. The Residual Undertaking and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company 1 or the Transferee Company 2, as the case may be, shall have no right, claim or obligation in relation to the Residual Undertaking.

18.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking and the Excluded Litigations shall be continued and enforced by or against the Transferor Company. The Transferee Company 1 or the Transferee Company 2, as the case may be, shall, unless otherwise agreed between the Transferor Company and the Transferee Company 1 or the Transferee Company 2, as the case may be, in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.

18.3. With effect from and beyond the Effective Date, the Transferor Company:

(i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf; and

(ii) all profits accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company.

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Schedule 1

Spectrum (auction acquired) forming part of Demerged Undertaking 1

800 Mhz	Mhz	Auction Year	Allotment letter date	Spectrum Expiry date	Price/Mhz (Rs crs)	Cost (Rs crs)
Andhra Pradesh	2.50	Mar15	28-May-15	27-May-35	606	1,515
Andhra Pradesh	1.25	Mar15	21-Dec-15	20-Dec-35	606	757
Delhi	1.25	Mar15	21-Apr-16	20-Apr-36	848	1,060
Harayana	1.25	Mar15	28-May-15	27-May-35	57	71
1800 Mhz						
Andhra Pradesh	2.60	Mar15	27-May-15	26-May-35	243	631
Andhra Pradesh	2.40	Oct16	10-Nov-16	29-Sep-37	243	583
2100 Mhz						
Gujarat	5.00	Jun10	1-Sep-10	31-Aug-30	215	1,076
Harayana	5.00	Jun10	1-Sep-10	31-Aug-30	45	223
Karnataka	5.00	Jun10	1-Sep-10	31-Aug-30	316	1,580
Kerala	5.00	Jun10	1-Sep-10	31-Aug-30	62	312
Madhya Pradesh	5.00	Jun10	1-Sep-10	31-Aug-30	52	258
Punjab	5.00	Jun10	1-Sep-10	31-Aug-30	64	322
Uttar Pradesh (W)	5.00	Jun10	1-Sep-10	31-Aug-30	103	514

Administratively Allocated Spectrum

800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs. crs)
Delhi	2.5	Sep 02	16-Sep-02	30-Aug-2021	170.7
Delhi	1.25	Aug 04	13-Aug-04		No cost
Kolkata	2.5	Jul 04	06-Jul-04	29-Jan-2024	78.01
Gujarat	2.5	Sep 02	03-Sep-02	30-Aug-2021	109.01
Karnataka	2.5	Jun 02	28-Jun-02	30-Aug-2021	206.83
Tamilnadu	2.5	Jun 02	28-Jun-02	30-Aug-2021	79
Chennai	2.5	Sep 04	24-Sep-04	30-Aug-2021	154
Kerala	2.5	Jul 04	01-Jul-04	29-Jan-2024	40.54

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Punjab	2.5	Jun 04	29-Jun-04	29-Jan-2024	151.75
Haryana	1.25	Jun 04	30-Jun-04	29-Jan-2024	21.46
Haryana	1.25	Oct 04	27-Oct-04	29-Jan-2024	
UP (West)	2.5	May 04	31-May-04	29-Jan-2024	30.55
UP (East)	2.5	May 04	31-May-04	29-Jan-2024	45.25
Bihar	2.5	May 04	28-May-04	29-Jan-2024	10
MP	2.5	Jun 04	29-Jun-04	11-Feb-2024	17.45
WB	2.5	Jul 04	06-Jul-04	29-Jan-2024	1
HP	2.5	Jun 04	29-Jun-04	29-Jan-2024	1.1
Orissa	2.5	May 04	28-May-04	29-Jan-2024	5

Administratively allocated spectrum

1800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs crs)
Kolkata	4.4	Dec 08	05-Dec-08	29-Jan-24	78.01
Gujarat	4.4	Mar 09	09-Mar-09	30-Aug-21	109.01
Karnataka	4.4	May 08	30-May-08	30-Aug-21	206.83
Tamil Nadu	4.4	Apr 08	22-Apr-08	30-Aug-21	79
Chennai	4.4	Apr 08	22-Apr-08	30-Aug-21	154
Kerala	4.4	May 08	15-May-08	29-Jan-24	40.54
Punjab	4.4	Mar 09	09-Mar-09	29-Jan-24	151.75

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Haryana	4.4	Dec 08	04-Dec-08	29-Jan-24	21.46
UP-West	4.4	Dec 08	26-Dec-08	29-Jan-24	30.55
UP-East	4.4	Jan 09	21-Jan-09	29-Jan-24	45.25
Madhya Pradesh	4.4	Aug 08	28-Aug-08	11-Feb-24	17.45
West Bengal	4.4	Jan 09	09-Jan-09	29-Jan-24	1.00
Himachal Pradesh	4.4	Dec 08	04-Dec-08	29-Jan-24	1.10
Bihar	4.4	Oct 08	03-Oct-08	29-Jan-24	10.00
Orissa	4.4	Apr 08	24-Apr-08	29-Jan-24	5.00



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Schedule 2

Spectrum (auction acquired) forming part of Demerged Undertaking 2

2100 Mhz	Mhz	Auction Year	Allotment letter date	Spectrum Expiry date	Price/Mhz (Rs crs)	Cost (Rs crs)
Rajasthan	5.00	Jun10	1-Sep-10	31-Aug-30	64	321

Administrative Spectrum

800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs crs)
Rajasthan	2.5	Jul 04	14-Jul-04	29-Jan-2024	32.25
1800 MHz	MHz	Allocation Year	Allotment letter date	Spectrum Expiry date	Cost (Rs crs)
Rajasthan	4.4	Dec 08	23-Dec-08	29-Jan-24	32.25

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Schedule 3

Terms of RPS

1.	Dividend	10% per annum
2.	Face value	INR 100
3.	Term and Redemption	Mandatorily redeemable at par at the end of 18 months from the date of issuance
4.	Transferability	Transferable
5.	Voting/ Non-voting	Non-voting

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FREE OF COST COPY

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI

Company Application No.CA (CAA) 98/PB/2018

Judgment dated: 14.06.2018

Coram:

CHIEF JUSTICE (Rtd.) SHRI M.M. KUMAR,

HON'BLE PRESIDENT

&

MR. S.K. MOHAPATRA,

MEMBER (TECHNICAL)

In the matter of:

Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AMONGST

1. TATA TELESERVICES LIMITED

..... (APPLICANT COMPANY NO. 1/TRANSFEROR COMPANY NO. 1)

AND

2. BHARTI AIRTEL LIMITED

(APPLICANT COMPANY NO.2/TRANSFEREE COMPANY NO. 1)

3. BHARTI HEXACOM LIMITED

(APPLICANT COMPANY NO. 3/ TRANSFEREE COMPANY NO. 2)

AND

Their respective Shareholders and Creditors

MEMO OF PARTIES

1. TATA TELESERVICES LIMITED

Company registered under the Companies Act, 2013

Having Registered Office at:

10th floor, Tower 1, Jeevan Bharati,

124 Connaught Circus,

New Delhi-110001

..... Applicant Company No. 1 / Transferor Company

2. BHARTI AIRTEL LIMITED

Company registered under the Companies Act, 2013

Having Registered Office at:

Bharti Crescent, 1,

Nelson Mandela Road, Vasant Kunj,

Phase II, New Delhi-110070

..... Applicant Company No. 2 / Transferor Company

3. BHARTI HEXACOM LIMITED

Company registered under the Companies Act, 1956

Having Registered Office at:

Bharti Crescent, 1,

Nelson Mandela Road, Vasant Kunj,

Phase II, New Delhi-110070

... Applicant Company No. 3/Transferee Company

ORDER

M.M. KUMAR, PRESIDENT

1. This is an application filed by the applicant companies under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (for brevity 'The Act') read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'The Rules') in relation to the Scheme of Amalgamation (for brevity the "SCHEME") proposed between the applicants. The said Scheme is also annexed [Annexure "A1"]. In terms of Sections 230 and 232 of the 2013 Act following prayers have been made for orders:-

a) This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the equity and preference shareholders of the

Transferor Company, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the consent affidavits given by the equity shareholders having over 90% equity shareholding in the Transferor Company and in view of Transferor Company and the sole preference shareholder of the Transferor Company;

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the equity and preference shareholders of the Transferor Company cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening a meeting of the equity and preference shareholders of the Transferor Company, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the equity and preference shareholders of the Transferor Company to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferor Company to the equity and preference shareholders of the Transferor Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

b) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the secured*

creditors of the Transferor Company, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the secured creditors of the Transferor Company to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferor Company to the secured creditors of the Transferor Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

c) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the unsecured creditors of the Transferor Company, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the unsecured creditors of the Transferor Company to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferor Company to the unsecured creditors of the Transferor Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other*

manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

d) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the shareholders of the Transferee Company No. 1, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the shareholders of the Transferee Company No. 1 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the Transferee Company 1 to the shareholders of the Transferee Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;*

e) *This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the secured creditors of the Transferee Company 1, to consider and, if thought fit, approve, with or without*

modification, the scheme, in view of the consent affidavits given by the only secured creditor of the Transferee Company 1;

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the secured creditors of the Transferee Company 1cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening a meeting of the secured creditors of the Transferee Company 1, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the secured creditors of the Transferee Company 1 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferee Company to the secured creditors of the Transferee Company 1 through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

f) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the unsecured creditors of the Transferee Company No. 1, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if*

required) for conducting such meeting of the unsecured creditors of the Transferee Company No. 1 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the Transferee Company to the unsecured creditors of the Transferee Company through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

g) *This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the shareholders of the Transferee Company 2, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the consent affidavits given by all the equity shareholders of the Transferee Company 2 and it having no preference shareholders;*

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the shareholders of the Transferee Company 2 cannot be dispensed with, this Hon'ble Tribunal may be pleased to pass directions for holding and convening a meeting of the shareholders of the Transferee Company 2, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the shareholders of the Transferee Company 2 to be held on such

terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the transferee Company 2 to the shareholders of the Transferee Company 2 through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

h) *This Hon'ble Tribunal may be pleased to pass appropriate orders/directions for dispensing with the requirement of holding and convening the meeting of the secured creditors of the Transferee Company 2, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the Transferee Company No. 2 having no secured creditors as on 31.03.2018;*

i) *This Hon'ble Tribunal may be pleased to pass appropriate order/directions for holding and convening the meeting of the unsecured creditors of the Transferee Company No. 2, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct the appointment of a Chairperson, an Alternate Chairperson and a Scrutinizer (if required) for conducting such meeting of the unsecured creditors of the Transferee Company No 2 to be held on such terms as this Hon'ble Tribunal may deem fit and who shall report the result thereof to this Hon'ble Tribunal; and direct that individual notices of the meeting may be sent by the Transferee Company 2 to the unsecured creditors of the*

Transferee Company 2 through registered post or speed post or through courier or through e-mail in accordance with applicable law and in such other manner as this Hon'ble Tribunal may deem fit; and direct the publication of the notices in relation of the said meeting in the newspapers, namely "Indian Express" (English, Delhi Edition) and "Jansatta" (Hindi, Delhi Edition), by way of a joint advertisement, if required;

j) This Hon'ble Tribunal may be pleased to direct service of notice under Section 230 (3) read with Section 230 (5) of the Companies Act, 2013 along with all the documents in such form as may be prescribed to the statutory authorities and such other sectoral regulators or authorities which are likely to be affected by the Scheme as per Section 230 (5) of the Companies Act, 2013;and

k) This Hon'ble Tribunal may be pleased to pass such further and other orders as deemed proper in the facts and circumstances on the instant case."

2. Affidavits in support of the application sworn for and on behalf of the Transferor Company has been filed by one Mr. Arun Kumar Singh, on behalf of the Transferee Company No. 1 has been filed by one Mr. Rohit Krishan Puri, on behalf of the Transferee Company No. 2 has been filed by one Mr. Suman Singh being the authorized representatives.

3. It is represented that the Scheme does not contemplate any corporate debt restructuring exercise as contemplated under Section 230(2) of the Act.

Learned Counsel has taken us through the averments made in the application as well as the typed set of documents annexed there with. It is further represented that the application filed by the applicants is maintainable in view of Rule 3(2) of the Rules and Learned Counsel also represented that the registered offices of all the applicant companies are situated within the territorial jurisdiction of this Tribunal and fall within domain of Registrar of Companies, NCT, New Delhi.

4. In relation to the Transferor/ Applicant Company No. 1 in the Scheme marked as Annexure- "A1", it has been represented that company has 35 Equity Shareholders 10 of whom, having 90% equity shareholding have already given their consent affidavits to the scheme. We are further apprised that the Transferor / Applicant Company No.1 has only one preference shareholder who has also consented to the Scheme by way of an affidavit. There are 24 Secured Creditors and 16,524 Unsecured Creditors. In relation to the Secured and Unsecured Creditors Transferor / Applicant Company No. 1 seeks a direction for direction of convening of meetings for the purpose of obtaining their approval to the proposed Scheme.

5. In relation to the Transferee/ Applicant Company No. 2 in the Scheme marked as Annexure- "A1", it has been represented that company has 2,00,110 Equity Shareholders and no Preference Shareholders. We are further apprised that the Transferor / Applicant Company No.1 has one Secured Creditor who has already consented to the Scheme by way of an

affidavit and 8,311 Unsecured Creditors. In relation to the Shareholders and Unsecured Creditors Transferee / Applicant Company No. 2 seeks a direction for direction of convening & holding of meetings for the purpose of obtaining their approval to the proposed Scheme.

6. In relation to the Transferee/ Applicant Company No. 3 in the Scheme marked as Annexure- "A1", it has been represented that company has 7 Equity Shareholders all of who have already given their consent affidavits to the scheme and no Preference Shareholders. We are further apprised that the Transferee/ Applicant Company No.3 have no Secured Creditor and 965 Unsecured Creditors. In relation to the Unsecured Creditors Transferee / Applicant Company No. 3 seeks a direction for direction of dispensing with holding of meetings for the purpose of obtaining their approval to the proposed Scheme.

7. The above application has been placed before us and this Tribunal proceeds to entertain the same. The registered offices of all the applicant companies are situated within New Delhi which are subject to the territorial jurisdiction of Registrar of Companies, NCT, New Delhi as well as that of this Tribunal.

8. We have perused the application and the connected documents filed along with the Scheme of Amalgamation contemplated between the Applicant Companies.

9. Applicant Company No. 1 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 23.03.1995 under the name "*Tata Teleservices Private Limited*". Thereafter on 06.05.1995, the name of the Transferor Company was changed to the present name i.e. "*Tata Teleservices Limited*".The authorised share capital of the Transferor Company is Rs 90,150 crores divided into 2263,00,00,000 equity shares of Rs 10/- each, 63,00,00,000 CCPS of Rs. 100/- each, 112,20,00,000 preference shares of Rs. 100/- each, 1000,00,00,000 unclassified shares of Rs. 10/- each and 400,00,00,000 unclassified shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the Company is Rs. 14,299.52 crores divided into 577,50,33,234 fully paid up equity shares of Rs. 10/- each, 62,24,49,170 fully paid up CCPS of Rs 100/- each, 23,00,00,000 fully paid up optionally convertible non-cumulative preference shares of Rs. 100/- each.

10. Applicant Company No. 2/ Transferee Company No. 1 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 07.07.1995 the name "*Bharti Tele-Ventures Limited*". Thereafter, on 24.04.2006, the name of the Transferee Company 1 was changed to its present name i.e. "*Bharti Airtel Limited*". The authorised share capital of the Company is Rs 27,50,00,00,000 Only, divided into 5,50,00,00,000 equity shares of face value Rs. 5 each. The issued, subscribed and paid-up share

National Company Law Tribunal
Principal Bench

capital of the Company is Rs. 19,98,70,00,510 only divided into 3,99,74,00,102 equity shares of face value Rs 5 /- each.

11. Applicant Company No. 3/ Transferee Company 2 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 20.04.1995 under the name "*Hexacom India Limited*". Thereafter on 02.12.2004 the name of the Company was changed to "*Bharti Hexacom Limited*" . The authorised share capital of the Company is Rs 250 crores only, divided into 25,00,00,000 equity shares of Rs. Ten each. The issued, subscribed and paid-up share capital of the Company is Rs. Rs 250 crores only, divided into 25,00,00,000 equity shares of Rs. Ten each.

12. The Board of Directors of the Companies, vide separate meetings held on 19.12.2017 have unanimously passed resolutions and approved the proposed Scheme of Arrangement as contemplated above and copies of resolutions have also been placed on record by the Company.

13. Taking into consideration the application and the documents filed therewith, we propose to issue the following directions with respect to calling, convening and holding of the meetings of the Shareholders, Secured and Unsecured Creditors or dispensing with the same which are as follows:-

A. In relation to the Applicant No. 1/ Transferor Company:

i. With respect to Shareholders:

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Since it is represented by the Applicant No. 1 that consent-affidavits of Shareholders have been obtained and are placed on record, the requirement of convening and holding a meeting is dispensed with.

ii. With respect to Secured Creditors:

It is represented by the Applicant No. 1 that there are 24 Secured Creditors in the Company. Meeting of Secured Creditors be convened on Tuesday, 21.08.2018 at 11.00 A.M. at Shri Satya Sai Auditorium, Lodhi Road, New Delhi-110003. The Quorum of the meeting shall be 15.

iii. With respect to Unsecured Creditors:

It is represented by the Applicant No. 1 that there are 16,524 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on Tuesday, 21.08.2018 at 02.00 P.M. at Shri Satya Sai Auditorium, Lodhi Road, New Delhi-110003. The Quorum of the meeting shall be 75.

B. In relation to the Applicant No. 2/ Transferee Company No. 1:

i. With respect to Shareholders:

राष्ट्रीय कम्पनी विधि अधिकरण
National Company Law Tribunal
प्रधान न्यायपीठ
Principal Bench

It is represented by the Applicant No. 2 that there are 2,00,110 Equity Shareholders in the Company. Meeting of Equity Shareholders be convened on Tuesday, 28.08.2018 at 10.30 A.M. at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi-110034. The Quorum of the meeting shall be 75.

ii. With respect to Secured Creditors:

Since it is represented that there is one Secured Creditor in the Company, who has already consented to the scheme by way of an affidavit, therefore the requirement of convening and holding a meeting is dispensed with.

iii. With respect to Unsecured Creditors:

It is represented by the Applicant No. 2 that there are 8311 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on Tuesday, 28.08.2018 at 01.30 P.M. at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi-110034. The Quorum of the meeting shall be 50.

C. In relation to the Applicant No. 3/ Transferee Company No. 2:

i. With respect to Shareholders:



It is represented that there are only 7 Equity Shareholders and no preference shareholders in the Company and consent-affidavits from all of them have been obtained and are placed on record. Hence, the necessity of convening and holding a meeting is dispensed with.

ii. With respect to Secured Creditors:

Since it is represented that there are no Secured Creditors in the Company, therefore the necessity of convening and holding a meeting is dispensed with.

iii. With respect to Unsecured Creditors:

It is represented by the Applicant No. 3 that there are 965 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on Tuesday, 28.08.2018 at 04.00 P.M. at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi-110034. The Quorum of the meeting shall be 50.

D. In case the Quorum as noted above for the above meetings of the applicant companies are not present, in the meetings, then the meetings shall be adjourned for half an hour, and thereafter, the person present shall be deemed to constitute the quorum. For the purpose of computing the quorum,

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the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, are duly filed with registered office of the applicant companies at least 48 hours before the meetings. The Chairperson and the Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained.

E. Sh. Anant Palli, Advocate, Supreme Court (9810199102) is appointed as the Chairperson and Sh. Sandeep Vermani, Advocate (9815600534) is appointed as Alternative Chairperson for the meetings of Applicant Companies as has been directed to be convened by this Tribunal.

F. The fee for the Chairperson for the aforesaid meetings shall be Rs. 2 Lacs and the fee for the Alternate Chairperson shall be Rs. One Lac , in addition to meeting their incidental expenses. Sh. Vivek Goel (9815522553) is appointed as a Scrutinizer and would be entitled to fee of Rs. One Lac for his services in addition to meeting his incidental expenses. The Chairperson will file their reports within two weeks from the date of holding of the above said meetings.

G. The individual notices of the said meetings shall be sent as required and prescribed by the Companies Act, 2013 through registered post or speed

post or through courier or through e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, place and time as aforesaid, together with a copy of scheme of arrangement, a copy of explanatory statement. The prescribed form of proxy shall be sent along with and in addition to the above documents, any other documents as may be prescribed under the Act may also be duly sent with the notice.

H. That the applicant companies shall publish advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date, place and time as aforesaid, to be published in the English Daily '**Indian Express**' and Hindi Daily '**Jansatta**' (Delhi Edition) stating the copies of Scheme of Arrangement, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies.

I. Voting shall be allowed on the proposed Scheme by voting in person or by proxy, as may be applicable to the respective companies under the Act and rules framed there under. The Chairperson shall be responsible to report the result of the meeting to this Tribunal within two weeks of the conclusion of the meeting with regard to the proposed scheme.



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J. The Companies shall individually send notice to the Central Government, the Income Tax Authorities, concerned Registrar of Companies, NCT of Delhi & Haryana, Official Liquidator, BSE Limited, National Stock Exchange of India Ltd, Securities and Exchange Board of India and any sectorial regulators who may have significant bearing on the operation of the applicant companies along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

K. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

The application stands allowed in the aforesaid terms.

Sd/-

(M.M. KUMAR)
PRESIDENT

Sd/-

(S.K. MOHAPATRA)
MEMBER (TECHNICAL)

15.06.2018
(vidya)

FREE OF COST COPY

15.6.2018
Registrar
National Company Law Tribunal
New Delhi

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Recommendation of share entitlement report for the proposed demerger of the CMB of TTSL into BAL and BHL

Ernst & Young Merchant Banking Services Private Limited 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.	**Walker Chandiok & Co LLP** **(Formerly Walker, Chandiok & Co)** 5th Floor, No.65/2, Block 'A', Bagmane Tridib, Bagmane Tech Park, CV Raman Nagar Bengaluru – 560 093.

Dated: 19 December 2017

To

The Board of Directors

Tata Teleservices Limited
2A Old Ishwar Nagar,
Main Mathura Road,
New Delhi – 110 065

The Board of Directors

Bharti Airtel Limited and Bharti Hexacom Limited
Bharti Crescent,
1, Nelson Mandela Road, Vasant Kunj Phase II
New Delhi – 110070

Sub: Recommendation of share entitlement ratios for the proposed demerger of the consumer mobile business of Tata Teleservices Limited into Bharti Airtel Limited and Bharti Hexacom Limited

Dear Sir,

We refer to the engagement letters wherein

- Bharti Airtel Limited (hereinafter referred to as "BAL") and Bharti Hexacom Limited (hereinafter referred to as "BHL") have appointed Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or "Valuer 1") and
- Tata Teleservices Limited (hereinafter referred to as "TTSL") has appointed Ernst & Young Merchant Banking Services Private Limited (hereinafter referred to as "EYMBSPL" or "EY" or "Valuer 2")

respectively to recommend share entitlement ratios for

1. the proposed demerger of the consumer mobile business of TTSL in Rajasthan circle (hereinafter referred to as "Rajasthan CMB of TTSL") into BHL
2. the proposed demerger of the consumer mobile business of TTSL in 16 circles (all circles of TTSL excluding Rajasthan circle – hereinafter referred to as the "Residual CMB of TTSL") into BAL.

TTSL, BAL and BHL are together hereinafter referred to as the "Companies".

Rajasthan CMB of TTSL and Residual CMB of TTSL are hereinafter referred to as "Demerged Undertakings"

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SCOPE AND PURPOSE OF THIS REPORT

TTSL is a telecom company headquartered in New Delhi, India. TTSL provides basic and cellular telecommunication services to retail, large corporate and small and medium enterprises in 17 out of 22 circles in India. It offers wireline services, code division multiple access services, global system for mobile communications services and 3G services; and voice, data and other enterprise services, such as connectivity and managed services, verticals based mobile applications and cloud services. The company also provides high speed Internet access services. Consumer Mobile Business of TTSL (hereinafter referred to as 'CMB of TTSL') refers to the wireless business providing CDMA/2G/3G services and excludes the enterprise business and the wireline/broadband business.

BAL, together with its subsidiaries, operates as a telecommunications company. The company operates within various segments such as Mobile business segment, Airtel Business segment, Tower Infrastructure Services segment, Home Services segment and Digital TV Services segment. BAL also offers fixed line, DSL broadband, mobile commerce and infrastructure sharing service. It was founded in 1995 and is headquartered in New Delhi, India. For the year ended 31 March 2017, BAL reported a consolidated revenue (including other income) of INR 955,889 million and profit after tax of INR 42,414 million.

BHL, a subsidiary of BAL, provides cellular services in Rajasthan and Northeast circles. It offers cellular mobile, broadband, and telephone services.

We understand that the management of the Companies (hereinafter referred to as "Management") are contemplating

1. transfer by way of a demerger of the Residual CMB of TTSL into BAL ("Proposed Transaction 1").
2. transfer by way of a demerger of the Rajasthan CMB of TTSL into BHL ("Proposed Transaction 2")

   through a Scheme of Arrangement under the provisions of Section 230-232 of the Companies Act, 2013 ("Scheme").

Proposed Transaction 1 and Proposed Transaction 2 are hereinafter referred to as "Proposed Transactions".

The consideration for equity shareholders of TTSL would be in the form of Redeemable Preference Shares ("RPS"). Under the Proposed Transaction 1, BAL would issue RPS (hereinafter referred to as "Share Entitlement Ratio 1") and under the Proposed Transaction 2, BHL would issue RPS (hereinafter referred to as "Share Entitlement Ratio 2").

Share Entitlement Ratios 1 and 2 are hereinafter referred to as "Share Entitlement Ratios". However, the management of TTSL has informed us that they expect funding into TTSL to repay part of the external debt and spectrum liability before the closure of the above mentioned transactions but the quantum and structure is not yet finalized. This is expected to change the number of shares in TTSL and it is difficult for them to provide us an estimated number of shares on diluted basis. Hence they have requested us to provide them an absolute value of the demerged undertaking and/or absolute number of shares of BAL and BHL to be issued to shareholders of TTSL, rather than a distribution ratio.

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For the aforesaid purpose, BAL and BHL have appointed WCC and TTSL has appointed EY to prepare a report (the "Report") on the Share Entitlement Ratios to be placed before the Board of Directors of the Companies.

The Valuers have been appointed separately and have worked independently in their analysis. WCC owns responsibility only to BAL and BHL, and EY owns responsibility only to TTSL.

The Valuers have received same information and clarifications from the Companies. For recommending the Share Entitlement Ratios, the Valuers have independently arrived at different values. However, to arrive at the consensus on the Share Entitlement Ratios, appropriate discussions, averaging and rounding off in the values arrived at by the Valuers have been done.

We have considered facts made known (past or future) to us till the date of our Report.

This Report is our deliverable in respect of our recommendation of Share Entitlement Ratios for the purpose of the Proposed Transactions.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

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SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and / or gathered from public domain:

With respect to TTSL/CMB business
- Annual report of TTSL for the year ended 31 March 2017
- Carved out unaudited balance sheet of CMB of TTSL as at 30 September 2017
- Details of assets/liabilities proposed to be transferred
- The amount of debt proposed to be transferred to BAL and BHL, which is INR 19,650 million and INR 350 million, respectively.
- Carved out unaudited profit and loss statements (upto EBITDA) of CMB for FY 2016-17 and six months ended 30 September 2017
- Carved out revenue of Residual CMB of TTSL and Rajasthan CMB of TTSL for FY 2016-17 and six months ended 30 September 2017
- Expected revenue and EBITDA of CMB of TTSL (separately for Residual CMB of TTSL and Rajasthan CMB of TTSL) for the year ended 31 March 2018
- Historical circle-wise key operational parameters of the CMB of TTSL for FY 2016-17 and for six months ended 30 September 2017

With respect to BAL and BHL
- Audited financial statements for the year ended 31 March 2017.
- Terms of the RPS to be issued such as the face value, coupon rate and the redemption terms.

Others
- Draft Composite Scheme of Amalgamation

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Managament has been provided with the opportunity to review the draft Report as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

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PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Discussions (physical / over call) to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about business plans, future performance estimates, or budgets.
- Requested and received financial and qualitative information on the CMB of TTSL
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - Valuers' internal transactions database
    - Proprietary databases subscribed by the Valuers'
  - Other publically available information.
- Analysis of information
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations

Further, at the request of the Management, WCC has had discussions with fairness opinion provider appointed by BAL on the valuation approach adopted and assumptions made.

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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 18 December 2017 ("Valuation Date").

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratios based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratios at which the Proposed Transactions shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transactions and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. We have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Company. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Companies. However nothing has come to our attention to indicate that the information

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provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies and Demerged Undertakings.

This Report does not look into the business/ commercial reasons behind the Proposed Transactions nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transactions as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. In addition, this Report does not in any manner address the prices at which equity shares of BAL will trade following announcement of the Proposed Transactions and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Transactions.

No investigation/inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any third party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This valuation Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Our appointment was formalized via engagement letters dated 15 December 2017 for WCC and 18 December 2017 for EY, however, the work had started earlier.

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EQUITY SHARE CAPITAL

Tata Teleservices Limited

The issued, subscribed and paid up equity share capital of TTSL as at 30 September 2017 is INR 57,750 million, consisting of 5,77,50,33,234 equity shares of face value of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 30 September 2017	No. of shares	% shareholding
Promoter & Group	4,01,60,19,890	69.54%
Non Promoter	1,75,90,13,344	30.46%
Total	**5,77,50,33,234**	**100.00%**

Source: Management

Bharti Airtel Limited

The issued, subscribed and paid up equity share capital of BAL as at 30 September 2017 is INR 19,987 million consisting of 3,99,74,00,102 equity shares of INR 5 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 30 September 2017	No. of shares	% shareholding
Promoter & Group	2,68,37,81,555	67.14%
Non Promoter	1,31,25,16,810	32.83%
Employee Benefit Trust	11,01,737	0.03%
Total	**3,99,74,00,102**	**100.00%**

Source: BSE filing

Bharti Hexacom Limited

The issued, subscribed and paid up equity share capital of BHL as at 30 September 2017 is INR 2,500 million consisting of 25,00,00,000 equity shares of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 31 March 2017	No. of shares	% shareholding
Bharti Airtel Limited	17,50,00,000	70.00%
Telecommunications Consultants India Limited	7,50,00,000	30.00%
Total	**25,00,00,000**	**100.00%**

Source: Management

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APPROACH - BASIS OF PROPOSED TRANSACTION

We understand from the Management that the proposed Scheme of Arrangement contemplates the demerger of the CMB of TTSL to BAL and BHL, pursuant to sections 230 to 232 of the Companies Act, 2013. Arriving at the Share Entitlement Ratios for the Proposed demerger of the CMB of TTSL into BAL and BHL respectively, would require determining the value of the Demerged Undertakings relative to fair value of the Redeemable Preference Shares of BAL and BHL. These values are to be determined independently without considering the current Proposed Transactions.

There are several commonly used and accepted methods for determining the value of the Demerged Undertakings, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of business / companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner, based on our previous experience of assignments of a similar nature.

Market Price (MP) method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. However, there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Since, TTSL is not listed on any recognized exchange, we have not considered the Market price method for the valuation of TTSL.

Comparable Companies' Market/Transaction Multiple (CCM) method

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We identified listed comparable companies and available transactions, based on business of TTSL and thereafter adjusted the selected multiples based on size, growth, profitability and the circles in which TTSL operates.

Discounted Cash Flows (DCF) method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided with mid-term/long term forecasts by TTSL. TTSL management informed us that they could not prepare the same considering uncertainties surrounding the continuation of the business. Hence, we have not considered the DCF method for valuation purpose.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

In case of CMB of TTSL, a large portion of assets in the books is represented by purchased telecom spectrum. The Management has informed us that the 30 September 2017 financials of TTSL (prepared although yet to be approved by the Board) are expected to have significant impairment write downs for CMB assets including spectrum.

According to us, the spectrum price benchmarks for 2016 auctions have limited relevance now due to the following factors:

- Unsold spectrum in the auctions
- Reduction in number of players due to
  - Consolidation (eg. Idea-Vodafone, Bharti-Telenor)
  - Possible discontinuation of business (eg. Reliance Communication, Aircel)
- Increase in spectrum holdings due to consolidation and asset purchases (eg. Tikona-Bharti)

Additionally, telecom sector is moving towards 4G making 3G bands non-lucrative. TTSL did not have any 4G spectrum and management of TTSL informed us that they had already considered all possible strategic options for CMB. As per management of TTSL, considering limited scope of meaningful revival of profitability, there were no other realistic options available to them.

Considering the uncertainties around possible sale/pricing of individual assets in this situation and consequential costs/liabilities, we believe estimation of realizable value of assets would not be realistically possible with sufficient degree of objectivity.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- CMB business of TTSL has witnessed decline in revenues and has negative EBITDA margins.
- Challenging competitive environment which limited the scope of meaningful revival of profitability of CMB of TTSL.
- TTSL has limited visibility on the continuity of the operations of the CMB and therefore has not been able to provide mid/long term cash flow forecasts.

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BASIS OF PROPOSED TRANSACTIONS

The basis of valuation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

Demerged Undertakings has been valued using CCM method.

BAL and BHL would issue RPS with market based coupon rate to shareholders of TTSL as consideration for demerger of the CMB operations. As per Management, BAL and BHL would issue fresh RPS at book value of INR 100 each fully paid up at market coupon rates. Since the coupon rate would be based on market rates and these will be redeemable at par, we have considered their face value to be the fair value.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that the Share Entitlement Ratios for equity shareholders of TTSL for the Proposed Transactions should be anywhere in the following range:

- In case of Proposed Transaction 1, Nil (lower range) to 3.8 million (upper range) RPS of BAL of INR 100 each fully paid up
- In case of Proposed Transaction 2, Nil (lower range) to 0.29 million (upper range) RPS of BHL of INR 100 each fully paid up

Please note that we have not considered the issuance of RPS by BAL and BHL to the Compulsorily/Optionally Convertible Preference Shareholders in TTSL for the estimation of the Share Entitlement Ratios.

It should be noted that we have not examined any other matter including economic rationale for the Transactions per se or accounting, legal or tax matters involved in the Transactions.

Respectfully submitted,

Ernst & Young Merchant Banking Services Private Limited

Amish Mehta
Place: Mumbai
Date: 19 December 2017

Encls:
Annexures

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Partner Name: Shashishekhar Chaugule
Membership No: 212151
Place: Gurgaon
Date: 19 December 2017

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Annexure 1: EY's computation of Equity Value of TTSL's CMB Unit (16 circles except Rajasthan)

Currency INR mn	Notes	Weight	Residual CMB of TTSL Lower Range	Residual CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	19,527	21,870
Enterprise Value			**19,527**	**21,870**
Less: gross debt			(19,650)	(19,650)
Equity Value			-	**2,220**
RPS to be issued by BAL (INR 100 each fully paid up) in million			-	**22.2**

Note 1: Enterprise Valuation of TTSL's CMB unit (except Raj) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.625	0.700
Revenue - TTSL's CMB Unit except Rajasthan- FY18 estimate	31,243	31,243
Enterprise Value	**19,527**	**21,870**

Annexure 2: WCC's computation of Equity Value of TTSL's CMB Unit (16 circles except Rajasthan)

Currency INR mn	Notes	Weight	Residual CMB of TTSL Lower Range	Residual CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	19,508	20,030
Enterprise Value			**19,508**	**20,030**
Less: gross debt			(19,650)	(19,650)
Equity Value			-	**380**
RPS to be issued by BAL (INR 100 each fully paid up) in million			-	**3.8**

Note 1: Enterprise Valuation of TTSL's CMB unit (except Raj) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.624	0.641
Revenue - TTSL's CMB Unit except Rajasthan- FY18 estimate	31,243	31,243
Enterprise Value	**19,508**	**20,030**

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Annexure 3: EY's computation of Equity Value of TTSL's CMB Unit (Rajasthan circle)

Currency INR mn	Notes	Weight	Rajasthan CMB of TTSL Lower Range	Rajasthan CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	338	379
Enterprise Value			**338**	**379**
Less: gross debt			(350)	(350)
Equity Value			**-**	**29**
RPS to be issued by BHL (Rs 100 each fully paid up) in million			**-**	**0.29**

Note 1: Enterprise Valuation of TTSL's CMB unit (Rajasthan circle) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.438	0.490
Revenue - TTSL's CMB Unit (Rajasthan circle) - FY18 estimate	773	773
Enterprise Value	**338**	**379**

Annexure 4: WCC's computation of Equity Value of TTSL's CMB Unit (Rajasthan circle)

Currency INR mn	Notes	Weight	Rajasthan CMB of TTSL Lower Range	Rajasthan CMB of TTSL Upper Range
Trading multiple				
Enterprise Value based on EV/Revenue multiple	1	100%	341	396
Enterprise Value			**341**	**396**
Less: gross debt			(350)	(350)
Equity Value			**-**	**46**
RPS to be issued by BHL (Rs 100 each fully paid up) in million			**-**	**0.46**

Note 1: Enterprise Valuation of TTSL's CMB unit (Rajasthan circle) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.4407	0.5129
Revenue - TTSL's CMB Unit (Rajasthan circle) - FY18 estimate	773	773
Enterprise Value	**341**	**396**

RBSA

RBSA Capital Advisors LLP

SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724

Report Ref No: RCA/FAS/2017-18/1205

December 19, 2017

The Board of Directors,
Bharti Airtel Limited
Bharti Crescent 1,
Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi – 110070

Sub: Fairness Opinion on the proposed demerger of "Consumer Wireless Mobile Business" of Tata Teleservices Limited into Bharti Airtel Limited

Dear Sirs,

We refer our engagement letter dated December 15, 2017, wherein Bharti Airtel Limited ("BAL") has requested us to provide fairness opinion on the joint report of Walker Chandiok & Co LLP, Chartered Accountants and Ernst & Young Merchant Banking Services Private Limited (together referred to as the "Valuers") dated December 19, 2017, in relation to the proposed demerger of the "Consumer Wireless Mobile Business (excluding Rajasthan circle)" ("CWMB") of Tata Teleservices Limited ("TTSL") into Bharti Airtel Limited ("BAL").

BAL and TTSL are hereinafter jointly referred as the "Companies".

Scope and Purpose of this Report

BAL is leading integrated pan-India telecom service provider. The company is engaged in the business of providing global telecommunications with operations in 17 countries across Asia and Africa. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long-distance services to carriers.

The shares of BAL are listed on the National Stock Exchange ("NSE") and BSE Limited. The issued, subscribed and paid up share capital of the company as on September 30, 2017 is INR 19,987 Mn consisting of 3,997,400,102 equity shares of INR 5 each fully paid up.

TTSL has Unified Access (Basic and Cellular) Service License to operate in 16 circles, Unified License for Andhra Pradesh and National Long Distance ("NLD") license to provide NLD services across India. TTSL is engaged in businesses in the telecom sector including *inter alia* (i) consumer mobile telephony business;

Head Office: 912, Venus Atlantis Corporate Park, Anandnagar Main Road, Prahaladnagar, Ahmedabad – 380015 Tel: +91 79 4050 6000
Corporate Office: 21-23, T.V. Industrial Estate, 248-A, S.K. Ahire Marg, Off. Dr. A.B. Road, Worli, Mumbai – 400030 Tel: +91 22 6130 6000

BHARTI AIRTEL LIMITED NEW DELHI

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(ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) wi-fi business. TTSL is a subsidiary of Tata Sons Limited. The issued, subscribed and paid up share capital of TTSL as on September 30, 2017 is INR 57,750.3 Mn consisting of 5,775,033,234 equity shares of INR 10 each fully paid up.

We understand that the Board of Directors of Companies are proposing a scheme of arrangement to demerge the CWMB of TTSL into BAL pursuant to a scheme of arrangement under the provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme")

In order to comply with the requirements of the regulator, the Companies have appointed Valuers to determine the share entitlement ratio pursuant to the Scheme. In this connection, the management of BAL (the "Management") has engaged RBSA Capital Advisors LLP ("RBSA Advisors") to submit a report on the fairness of the ratio recommended by the Valuers with respect to the transaction. Our scope of work includes commenting only on the fairness of the recommendation in the report by the Valuers and not on the fairness or economic rationale of the transaction per se.

This report is our deliverable in respect of our fairness opinion on report by Valuers for the demerger of CWMB of TTSL into BAL.

This report is subject to the scope, assumption, exclusion, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The report has been issued only for facilitating the demerger and should not be used for any other purpose.

Sources of Information

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information received from Management and/ or available in public domains as follows:

a) Joint Report of the Valuers, dated December 19, 2017;
b) Annual Report of BAL and TTSL for FY 2016-17;
c) Carved out financials of CWMB for the year ended March 31, 2017 and for the 6 months period ended September 30, 2017;
d) Expected revenue and EBITDA of CWMB of TTSL for the year ending March 31, 2018;
e) Details of circle wise spectrum holding of CWMB;
f) Draft Composite Scheme of Arrangement;
g) Details of debt proposed to be taken over by BAL from TTSL;
h) Other relevant information made available to us by management of the BAL/TTSL through virtual data room, emails and discussions.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for our analysis. Further we have also relied on the representation given to us by the management of the Companies.

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RBSA Capital Advisors LLP

Exclusions and Limitations

- We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent appraisal of any assets or liabilities of CWMB / BAL.
- Our work did not constitute a validation of the financial statements of the Companies, and accordingly, we do not express any opinion on the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans and disclosed in the accounts. Therefore, no liabilities have been assumed for matters of legal nature.
- In rendering our opinion, we have assumed that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third-party approvals for the Scheme, no delay, limitations, restrictions or condition will be imposed that would have an adverse effect on the Companies.
- This opinion is based on business, economic, market and other conditions as they existed as of December 18, 2017. Subsequent events or circumstances that could affect the conclusions set forth in the Opinion include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Companies. RBSA Advisors is under no obligation to update, revise or reaffirm the Opinion.
- RBSA Advisors has relied upon the representations that the information provided to it is accurate and complete in all material respects. While all public information (including industry and statistical information) was obtained from sources we believe are reliable, RBSA Advisors makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification.
- The opinion should not be construed, to be investment advice in any manner whatsoever. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, accounting, tax or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.
- The fee for our services is not contingent upon the result of the proposed demerger. This opinion is subject to laws of India.
- Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with scheme or any matter related thereto.

Valuers Recommendation

As stated and elaborated in the valuation report, the Valuers have considered Comparable Companies Market/ Transaction multiple for the purposes of arriving at the share entitlement ratio. The Discounted Cash Flow method has not been considered as TTSL had not provided mid-term/long-term forecasts, considering uncertainties surrounding continuation of business. The Net Asset Value method was not considered due to the uncertainties around possible sale/pricing of individual assets and consequential costs/liabilities. The realizable value of assets could not be estimated with sufficient degree of objectivity.

BHARTI AIRTEL LIMITED NEW DELHI

RBSA Capital Advisors LLP

The Valuers have recommended a share entitlement ratio in the range of Nil to 3.8 million Redeemable Preference Shares ("RPS") of BAL of INR 100 each to be issued to equity shareholders of TTSL.

The Valuers have not considered issuance of RPS to the RPS and Optionally Convertible Preference Shareholders of TTSL while estimating the share entitlement ratio.

Our Comment on the Valuer's Report

In the circumstance, having regards to the relevant factors and based on information and explanations provided to us, in our view, the proposed share swap entitlement range as recommended by the Valuers, which forms the basis for the proposed demerger, is fair in our opinion.

The detailed terms and conditions of the demerger are more fully set forth in the draft scheme of arrangement. We have issued the fairness opinion with the understanding that scheme of arrangement shall not be materially altered, and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of arrangement alters the transaction.

Yours Truly,

For RBSA Capital Advisors LLP
SEBI Registered Category I Merchant Banker
Registration Code: INM000011724

RBSA CAPITAL ADVISORS LLP

Rajeev Shah
Managing Director

BHARTI AIRTEL LIMITED NEW DELHI

bharti

February 23, 2018

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Ref.: Bharti Airtel Limited (532454/BHARTIARTL)

Sub: Submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013.

Dear Sir / Madam,

In furtherance to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) dated December 27, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013 ('the Scheme'), we are enclosing the report on complaints received by the Company (or its RTA) during the period of 21 days from the date of filing of the Scheme to the Stock Exchanges (National Stock Exchange of India Limited) and hosting of the same on the website of the Stock Exchanges.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

CC: BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

bharti

Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
---------- Not Applicable ----------			

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

bharti

March 08, 2018

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Ref.: Bharti Airtel Limited (532454/BHARTIARTL)

Sub: Submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013.

Dear Sir / Madam,

In furtherance to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) dated December 27, 2017 w.r.t. draft Scheme of Arrangement between Tata Teleservices Limited ('Transferor Company'), Bharti Airtel Limited ('Transferee Company 1') and Bharti Hexacom Limited ('Transferee Company 2') and their respective shareholders and creditors, under sections 230 to 232 of the Companies Act, 2013 ('the Scheme'), we are enclosing the report on complaints received by the Company (or its RTA) during the period of 21 days from the date of filing of the Scheme to the Stock Exchanges (BSE Limited) and hosting of the same on the website of the Stock Exchanges.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Bharti Airtel Limited

BHARTI AIRTEL LIMITED NEW DELHI

Rohit Krishan Puri
Dy. Company Secretary

CC: National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

bharti

Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
---------- Not Applicable ----------			

For Bharti Airtel Limited



Rohit Krishan Puri
Dy. Company Secretary

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/14642 April 26, 2018

The Dy. Company Secretary
Bharti Airtel Limited
Bharti Crescent, 1
Nelson Mandela Road
Vasant Kunj, Phase II,
New Delhi - 110070

Kind Attn.: Mr. Rohit Krishan Puri

Dear Sir,

Sub: **Observation Letter for Composite Scheme of Arrangement between Tata Teleservices Limited and Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and creditors.**

We are in receipt of the composite scheme of arrangement between Tata Teleservices Limited ('Transferor Company') and Bharti Airtel Limited ('Transferee Company1') and Bharti Hexacom Limited ('Transferee Company2') and their respective shareholders and creditors vide application dated December 27, 2017.

Based on our letter reference no Ref: NSE/LIST/38914 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated April 26, 2018, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circulars.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

This Document is Digitally Signed
Signer: Divya Babu Poojari
Date: Thu, Apr 26, 2018 14:16:15 IST
Location: NSE

The validity of this "Observation Letter" shall be six months from April 26, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Divya Poojari
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed
Signer: Divya Babu Poojari
Date: Thu, Apr 26, 2018 14:16:15 IST
Location: NSE

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Cor[illegible]E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com

DCS/AMAL/AJ/R37/1110/2018-19

April 27, 2018

The Company Secretary
BHARTI AIRTEL LTD.
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi ,Delhi-110070

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited

We are in receipt of Draft Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 26, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

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

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Sr. Manager

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA TELESERVICES LIMITED (THE "COMPANY"/"TRANSFEROR COMPANY") on JULY 10, 2018 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT AMONGST THE COMPANY AND BHARTI AIRTEL LIMITED AND BHARTI HEXACOM LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS OF THE COMPANY

The Board of Directors of the Company ("**Board**") at its meeting held on December 19, 2017 approved a scheme of arrangement amongst the Company, and Bharti Airtel Limited ("**BAL**" or "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or "**Transferee Company 2**") and their respective shareholders and creditors (the **"Scheme"**) under Section 230 to 232 of the Companies Act, 2013 ("**Act**"). The Board noted that Section 232(2)(c) of the Act requires a report to be adopted by the Directors explaining, *inter alia*, the effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, and the report is required to be circulated to the Shareholders.

Accordingly, the Board considered the following documents and adopted the report as required by Section 232(2)(c) of the Act, which is annexed hereto as Annexure 1.

1. Scheme; and
2. Valuation Report dated December 19, 2017 provided by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co. LLP.

ANNEXURE 1

REPORT EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT AMONGST THE COMPANY AND BAL AND BHL AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (THE "**SCHEME**") ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS OF THE COMPANY

S. No.	Persons	Effect of the Scheme
1.	Equity Shareholders	In terms of Clause 6 of the Scheme, BAL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be mutually agreed by TTSL and BAL ("**Record Date 1").** In terms of Clause 10 of the Scheme, BHL will allot 500 (five hundred) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) equity shareholders of TTSL in proportion to their holding of equity shares of TTSL held in TTSL on such date as may be

S. No.	Persons	Effect of the Scheme
		mutually agreed by TTSL and BHL ("**Record Date 2").** Even after the allotment of the equity shares by BAL and BHL, the equity shareholders of TTSL will continue to hold the equity shares of TTSL held by them as on the Record Date 1 or Record Date 2 (as the case maybe).
2.	Preference Shareholders	In terms of Clause 6 of the Scheme, BAL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. (ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BAL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 1. Even after the allotment of the RPS by BAL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 1. In terms of Clause 10 of the Scheme, BHL will allot: (i) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold compulsorily convertible preference shares in proportion to their holding of fully paid-up, compulsorily convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2.

S. No.	Persons	Effect of the Scheme
		(ii) 10 (ten) fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 each of BHL to all (and not each) shareholders of TTSL who hold optionally convertible preference shares in proportion to their holding of fully paid-up, optionally convertible preference shares of TTSL of face value of INR 100 each on the Record Date 2. Even after the allotment of the RPS by BHL, the preference shareholders of TTSL will continue to hold the preference shares of TTSL held by them as on the Record Date 2.
3.	Key Managerial Personnel	None of the Key Managerial Personnel ("**KMPs**") of TTSL (i.e. chief executive officer, company secretary, whole-time director, chief financial officer etc.) will be transferred to BAL or BHL as part of the Scheme. The KMPs will continue with TTSL for the other businesses of TTSL.
4.	Promoters	The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in TTSL as detailed in point 1 and 2 above.
5.	Non-Promoter Shareholders	Please refer point 1 and 2 above regarding effect on the equity and preference shareholders.

Particulars of Share Exchange Ratio:

(a) As per Clause 6.1 of the Scheme, the consideration for demerger shall be in the form of redeemable preference shares to be issued by the Transferee Company 1 as set out in detail below.

"Upon Part C of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Transferee Company 1 in terms of this Scheme, the Transferee Company 1 shall, without any further application, act or deed, issue and allot:

i. 500 (Five Hundred) BAL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

ii. 10 (Ten) BAL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

iii. 10 (Ten) BAL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date."

(b) As per Clause 10.2 of the Scheme, the consideration for demerger shall be in the form of redeemable preference shares to be issued by the Transferee Company 2 as set out in detail below.

"Upon Part D of this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Transferee Company 2 in terms of this Scheme, the Transferee Company 2 shall, without any further application, act or deed, issue and allot:

i. 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

ii. 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

iii. 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date."

The ratio in which equity and preference shares of the Transferee Company 1 and Transferee Company 2 are to be issued and allotted to the relevant members of the Transferor Company as set out above is herein referred to as the "**Share Exchange Ratios**".

The Share Exchange Ratios have been arrived at by following Comparable Companies' Market/Transaction Multiple ("**CCM**") method. Under the CCM method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market variations of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The valuer identified listed comparable companies and available transactions, based on business of TTSL and thereafter adjusted the selected multiples based on size, growth, profitability and the circles in which TTSL operates.

For and on behalf of Board of Directors of
Tata Teleservices Limited

N Srinath
Managing Director
DIN: 00058133

Date: July 11, 2018
Place: Mumbai

bharti

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BHARTI AIRTEL LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

1.1 The proposed composite scheme of arrangement amongst Tata Teleservices Limited, ("**Transferor Company**"), Bharti Airtel Limited ("**Company**" or "**Transferee Company 1**") and Bharti Hexacom Limited ("**Transferee Company 2**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of the Company ("**Board**") *vide* resolution dated December 19, 2017.

1.2 The provisions of Section 232(2)(c) of the Act require the directors of the Company to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties.

1.3 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:

(a) The Scheme as approved by the Board *vide* resolution dated December 19, 2017;

(b) The share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP ("**Share Entitlement Report**");

(c) The fairness opinion dated December 19, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India ("**Fairness Opinion**"); and

(d) The report of the Audit & Risk Management Committee of the Company dated December 19, 2017.

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.		EFFECT OF THE SCHEME ON
1.	**Key Managerial Personnel/ Employees of the Company**	In terms of Clause 5.5 of Part C of the Scheme, upon the Effective Date (*defined under Clause 1.17 of Part B of the Scheme*), all Transferring Employees 1 shall be deemed to have become the employees of the Company, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 1 (*defined under Clause 1.13 of Part B of the Scheme*) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 1 to the Company. The Transferring Employees 1 are defined under Clause 1.13(d) of Part B of the Scheme as "*all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 1 as on the Effective Date, or (B) are mutually agreed between the Parties to be*

BHARTI AIRTEL LIMITED NEW DELHI

S. NO.	EFFECT OF THE SCHEME ON	
		directly involved and responsible for the operations of the Demerged Undertaking 1".
2.	**Equity shareholders:** Promoters of the Company	In terms of Clause 6.1 of Part C of the Scheme, upon Part C of the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 of the Transferor Company in the Company, the Company shall, issue and allot:
3.	**Equity shareholders:** Non promoter shareholders of the Company	(A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Company having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**"), to all (and not each) TTSL Equity Holders (*defined under Clause 1.36 of Part B of the Scheme*) in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date (*defined under Clause 1.27 of Part B of the Scheme*); (B) 10 BAL RPS to all (and not each) TTSL CCPS Holders (*defined under Clause 1.35 of Part B of the Scheme*) in proportion to their holding of fully paid up, compulsorily, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date; and (C) 10 BAL RPS to all (and not each) TTSL OCPS Holders (*defined under Clause 1.39 of Part B of the Scheme*) in proportion to their holding of fully paid up, optionally, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date. Further, in terms of Clause 6.2 of Part C of the Scheme, the Company shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 6.1 of Part C of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BAL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Company so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 6.3.1 of Part C of the Scheme, the Board shall, if and to the extent required, apply for and obtain any

BHARTI AIRTEL LIMITED NEW DELHI

S. NO.	EFFECT OF THE SCHEME ON	
		approvals from the concerned Appropriate Authority (*defined under Clause 1.4 of Part B of the Scheme*) and undertake necessary compliance for the issue and allotment of BAL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 6.1 of Part C of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BAL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent (*setout under Clause 13 of Part E of the Scheme*) have been satisfied, then in such event the Company shall pay cash computed at the rate of Rs. 100 per BAL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

3. Valuation

3.1 The above mentioned Share Entitlement Report recommends that the share entitlement ratios for the proposed transactions should be anywhere in the following range:

- For transfer by way of demerger of the Demerged Undertaking 1 into the Transferee Company 1: Nil (lower range) to 3.8 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**").

- For transfer by way of demerger of the Demerged Undertaking 2 into the Transferee Company 2: Nil (lower range) to 0.29 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/- each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**").

3.2 The issuance of BAL RPS and BHL RPS by the Transferee Company 1 and the Transferee Company 2, respectively, to the compulsorily/ optionally convertible preference shareholders of the Transferor Company have not been considered for the above estimation of the share entitlement ratios. No special valuation difficulties were reported by the valuers.

3.3 The Fairness Opinion has been issued in respect of the Share Entitlement Report wherein it has been stated that the proposed share swap entitlement range as recommended by valuers, which forms the basis of the proposed demergers, is fair.

4. Adoption of the Report by the Board

4.1 The Board has adopted this report after noting and considering the information set forth in this report.

For and on behalf of the Board of Directors of Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

BHARTI AIRTEL LIMITED NEW DELHI

Date: December 19, 2017
Place: New Delhi

bharti

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BHARTI HEXACOM LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

1.1 The proposed composite scheme of arrangement amongst Tata Teleservices Limited, ("**Transferor Company**"), Bharti Airtel Limited ("**Transferee Company 1**") and Bharti Hexacom Limited ("**Company**" or "**Transferee Company 2**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of the Company ("**Board**") *vide* resolution dated December 26, 2017.

1.2 The provisions of Section 232(2)(c) of the Act require the directors of the Company to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties.

1.3 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:

(a) The Scheme as approved by the Board *vide* resolution dated December 26, 2017; and

(b) The share entitlement report dated December 19, 2017 issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co LLP ("**Share Entitlement Report**").

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	**Key Managerial Personnel / Employees of the Company**	In terms of Clause 9.5 of Part D of the Scheme, upon the Effective Date (*defined under Clause 1.17 of Part B of the Scheme*), all Transferring Employees 2 shall be deemed to have become the employees of the Company, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking 2 (*defined under Clause 1.14 of Part B of the Scheme*) and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking 2 to the Company. The Transferring Employees 2 are defined under Clause 1.14(d) of Part B of the Scheme as "*all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking 2 as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking 2*".
2.	**Equity shareholders:**	In terms of Clause 10.2 of Part D of the Scheme, upon Part D of the Scheme becoming effective and in

Bharti Hexacom Limited
(A Bharti enterprise)
[CIN: U74899DL1995PLC067527]
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070.
T: +91-11-4666 6100, F: +91-11-4166 6137, email: corporate.secretarial@bharti.in

	Promoters of the Company	consideration of vesting of the Demerged Undertaking 2 of the Transferor Company in the Company, the Company shall, issue and allot:
3.	**Equity shareholders:** Non promoter shareholders of the Company	(A) 500 fully paid up redeemable, non-participating, non-cumulative preference shares of the Company having face value of Rs. 100/ each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**"), to all (and not each) TTSL Equity Holders (*defined under Clause 1.36 of Part B of the Scheme*) in proportion to their holding of fully paid up equity shares of the Transferor Company on the relevant Record Date (*defined under Clause 1.27 of Part B of the Scheme*); (B) 10 BHL RPS to all (and not each) TTSL CCPS Holders (*defined under Clause 1.35 of Part B of the Scheme*) in proportion to their holding of fully paid up, compulsorily, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date; and (C) 10 BHL RPS to all (and not each) TTSL OCPS Holders (*defined under Clause 1.39 of Part B of the Scheme*) in proportion to their holding of fully paid up, optionally, convertible preference shares (of any series whatsoever) of the Transferor Company on the relevant Record Date. Further, in terms of Clause 10.3 of Part D of the Scheme, the Company shall not allot shares in respect of fractional entitlements to which a TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder may be entitled on allotment of shares as per Clause 10.2 of Part D of the Scheme. The Board shall consolidate all such fractional entitlements and thereupon issue BHL RPS (which shall be rounded off to the next whole number) in lieu thereof to a person/ trustee authorized by the Board in this behalf who shall hold the shares in trust on behalf of the TTSL Equity Holders, TTSL CCPS Holders or TTSL OCPS Holders entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Company so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) in proportion to their respective fractional entitlements. Moreover, in terms of Clause 10.4.1 of Part D of the Scheme, the Board shall, if and to the extent required, apply for and obtain any approvals from the concerned

		Appropriate Authority (*defined under Clause 1.4 of Part B of the Scheme*) and undertake necessary compliance for the issue and allotment of BHL RPS to the TTSL Equity Holders, TTSL CCPS Holders and TTSL OCPS Holders (as the case may be) pursuant to Clause 10.2 of Part D of the Scheme. In the event that the approval of an Appropriate Authority is required for the issuance of BHL RPS to a particular TTSL Equity Holder, a TTSL CCPS Holder or a TTSL OCPS Holder but is not duly obtained after all conditions precedent (*setout under Clause 13 of Part E of the Scheme*) have been satisfied, then in such event the Company shall pay cash computed at the rate of Rs. 100 per BHL RPS to such TTSL Equity Holder, TTSL CCPS Holder or TTSL OCPS Holder, as the case may be.

3. Valuation

3.1 The above mentioned Share Entitlement Report recommends that the share entitlement ratios for the proposed transactions should be anywhere in the following range:

- For transfer by way of demerger of the Demerged Undertaking 1 into the Transferee Company 1: Nil (lower range) to 3.8 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 1 having face value of Rs. 100/ each and having the terms set forth in Schedule 3 of the Scheme ("**BAL RPS**").

- For transfer by way of demerger of the Demerged Undertaking 2 into the Transferee Company 2: Nil (lower range) to 0.29 million (upper range) fully paid up redeemable, non-participating, non-cumulative preference shares of the Transferee Company 2 having face value of Rs. 100/ each and having the terms set forth in Schedule 3 of the Scheme ("**BHL RPS**").

3.2 The issuance of BAL RPS and BHL RPS by the Transferee Company 1 and the Transferee Company 2, respectively, to the compulsorily/ optionally convertible preference shareholders of the Transferor Company have not been considered for the above estimation of the share entitlement ratios. No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

4.1 The Board has adopted this report after noting and considering the information set forth in this report.

For and on behalf of the Bharti Hexacom Limited

Mukesh Hassanand Bhavnani
Director
DIN: 03595080

BHARTI HEXACOM LIMITED NEW DELHI

Place: New Delhi
Date: July 12, 2018

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA TELESERVICES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Tata Teleservices Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 1.3 of the statement regarding the accounting for amalgamation of Tata Internet Services Limited (a wholly owned subsidiary of the Company) (the "Transferor Company") with the Company, in accordance the Scheme of Amalgamation ('the scheme') approved by the National Company Law Tribunal vide its order dated April 24, 2017. In accordance with the scheme, the Company has recognised the assets and liabilities of the Transferor Company at their respective fair values in accordance with the purchase method as per Accounting Standard (AS) 14 – Accounting for Amalgamations prescribed under the Companies (Accounting Standards) Rules, 2006. The said accounting treatment followed by the Company is not in compliance with the requirements of Appendix C of Ind AS 103 "Business Combinations". Had the Company followed the accounting treatment envisaged under Ind AS 103, the written down value of investment property would have been lower by Rs 118.66 crores, current investment would have been lower by Rs 0.13 crores, accumulated losses would have been higher by Rs.109.57 crores and capital reserve of Rs 9.22 crores would not have been recognised. Our conclusion is not qualified for this matter.

Other Matter

10. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 18, 2017, expressed a qualified opinion on those financial statements. It is impracticable for the Company to determine the impact on the opening retained earnings thus the full amount has been adjusted in the Financial Statements as of March 31, 2018. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.



12. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company as far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 37;

ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership No. 043229

Place: Mumbai
Date: June 1, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Teleservices Limited on the standalone financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Teleservices Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Teleservices Limited on the standalone financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership No. 043229

Place: Mumbai
Date: June 1, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Teleservices Limited on the financial statements for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties as disclosed in Note 3 on fixed assets to the financial statement, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax (with effect from July 1, 2017) and other material statutory dues, as applicable, with the appropriate authorities.



(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of custom, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount # (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax and Local Sales Tax Acts	Sales Tax including interest and penalty, as applicable	16.86	2004-05 to 2014-15	Appellate Authority - up to Commissioner's level of various states
		4.49	2004-05 to 2005-06, 2007-08 to 2008-09, 2011-12 to 2012-13 & 2014-15	Tribunals of various states
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	65.59	2002-03 to 2008-09 & 2011-12 to 2014-15	Appellate Authority - up to Commissioner's level of various states
		3.28	2004-2011	Supreme Court
		48.03	2011-12 to 2013-14	Tribunals of various states
Income Tax Act, 1961	Income Tax including interest and penalty, as applicable	468.98	2004-05 to 2009-10	Appellate Authority - up to Commissioner's level of various states
		1.59	2001-02 to 2005-06	High Court, Delhi
		12.83	2009-10	High Court, Andhra Pradesh
		20.38	2004-05, 2006-07 & 2009-10 to 2010-11	Income Tax Appellate Tribunal of various states

Net of amounts paid under protest.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.



xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number 043229

Place: Mumbai
June 01, 2018

TATA TELESERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

TATA

	Notes	As at March 31, 2018	As at March 31, 2017 (refer note 46)	As at April 01, 2016 (refer note 46)
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,270.54	5,522.38	6,370.94
Capital work-in-progress	4	58.12	73.96	119.54
Investment Property	5	132.18	135.23	136.27
Intangible assets	6	155.16	7,894.55	8,771.67
Investment in an associate, joint venture and subsidiaries	7	5,050.52	5,371.52	7,979.09
Right to spectrum earmaked pending allotment		-	583.20	-
Financial assets:				
Investments	8	4.14	1,736.07	4.14
Other bank balances		-	0.09	0.07
Loans and advances	12	81.08	164.64	159.42
Derivative financial assets		3,743.30	146.88	312.16
Income tax recoverable		-	0.96	-
Other non-current assets	13	367.45	432.83	1,004.00
Total non-current assets		**11,862.49**	**22,062.31**	**24,859.30**
Current assets				
Inventories	14	1.40	4.08	20.30
Financial assets:				
Investments	8	250.38	2,196.30	817.03
Trade receivables	9	271.95	483.45	595.27
Cash and cash equivalents	10	41.61	78.89	159.19
Other bank balances	11	17.02	234.63	196.72
Loans and advances	12	88.02	24.93	21.04
Derivative financial assets		1,890.11	486.51	716.38
Income tax recoverable		178.82	139.11	844.27
Other current assets	13	396.85	264.68	315.90
		3,136.16	**3,914.58**	**3,686.10**
Assets classified as held for sale	22	2,162.70	-	-
Total current assets		**5,298.86**	**3,914.58**	**3,686.10**
Total Assets		**17,161.35**	**25,976.89**	**28,545.40**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	5,775.03	5,775.03	4,712.39
Other equity	16	(30,798.26)	(17,423.79)	(13,471.06)
Total equity		**(25,023.23)**	**(11,648.76)**	**(8,758.67)**
Non-current liabilities				
Financial liabilities				
Borrowings	17	19,405.26	25,017.05	26,974.86
Derivative financial liabilities		-	67.99	22.41
Provisions	20	2,341.99	8.23	5.80
Other non-current liabilities	21	128.59	123.78	77.33
Total non-current liabilities		**21,875.84**	**25,217.05**	**27,080.40**
Current liabilities				
Financial liabilities				
Borrowings	17	12,047.25	876.86	719.03
Trade and other payables	18	1,276.08	1,395.10	1,817.51
Other financial liabilities	19	2,689.95	9,205.36	6,744.75
Derivative financial liabilities		-	52.57	35.77
Provisions	20	812.58	437.28	397.99
Other current liabilities	21	205.93	441.63	508.62
		17,031.79	**12,408.60**	**10,223.67**
Liabilities directly associated with assets held for sale	22	3,276.95	-	-
Total current liabilities		**20,308.74**	**12,408.60**	**10,223.67**
Total equity and liabilities		**17,161.35**	**25,976.89**	**28,545.40**
Summary of significant accounting policies	2.2			

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place: Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972692]

N Srinath
Managing Director
[DIN No: 00058133]

Anuraag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

TATA TELESERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

TATA

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	23	5,156.25	9,484.52
Other income	24	168.31	(7.84)
Total income		**6,324.56**	**9,476.68**
EXPENSES			
Access charges		1,093.81	1,932.60
License fees and spectrum charges (revenue share)		402.02	846.01
Cost of goods sold	25	15.10	43.25
Employee benefit expenses	26	525.73	689.61
Power and fuel	27	864.24	989.53
Rent	28	1,700.84	1,731.67
Other expenses	29	1,623.69	2,093.59
Total expenses		**6,225.43**	**8,326.26**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		(900.87)	1,150.42
Depreciation and amortisation expense	30	(1,086.01)	(1,850.51)
Finance cost	31	(3,278.60)	(3,347.28)
Finance income	32	312.26	223.21
Profit on sale of current investments		82.09	175.04
Loss for the year before exceptional items and tax		**(4,870.53)**	**(3,849.12)**
Exceptional items	33	(12,759.26)	(977.48)
Loss for the year before tax		**(17,629.79)**	**(4,826.60)**
Tax expense		-	-
Loss for the year		**(17,629.79)**	**(4,826.60)**
Other comprehensive income/ (loss)			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan (gratuity)		2.17	(9.89)
Re-measurement gains/(losses) on defined benefit plan (Provident fund)		-	0.27
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve		(36.76)	36.76
Total comprehensive loss for the year		**(17,664.38)**	**(4,599.46)**
Earnings per equity share			
Basic & Diluted (in Rs)	34	(30.53)	(9.48)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place: Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972892]

N Srinath
Managing Director
[DIN No: 00058133]

Anurag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

ATA TELESERVICES LIMITED
TATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

TATA

uity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. crores	Rs in crores	No. crores	Rs in crores
ity Shares (Refer note 15)				
he beginning of the year	577.50	5,775.03	471.23	4,712.39
ed during the year	-	-	106.27	1,062.64
tstanding at the end of the year	577.50	5,775.03	577.50	5,775.03

ıer Equity

	Equity component of compound financial instruments	Reserves & surplus			Cash flow hedge reserve	Total Other Equity
		Securities premium account	Capital reserve	Retained earnings		
As at April 01, 2016	644.74	11,554.57	9.22	(25,679.59)	-	(13,471.06)
Loss for the year	-	-	-	(4,626.60)	-	(4,626.60)
Other comprehensive income/ (loss)	-	-	-	(9.63)	36.76	27.13
Total comprehensive income/ (loss)	-	-	-	(4,636.23)	36.76	(4,599.47)
CCPS issued during the year	463.98	-	-	-	-	463.98
CCPS converted during the year	-	1,417.56	-	-	-	1,417.56
Adjustment on conversion of CCPS	(375.15)	(859.65)	-	-	-	(1,234.80)
As at March 31, 2017	733.57	12,112.48	9.22	(30,315.82)	36.76	(17,423.79)
Loss for the year	-	-	-	(17,629.79)	-	(17,629.79)
Other comprehensive income/ (loss)	-	-	-	2.17	(36.76)	(34.59)
Total comprehensive loss	-	-	-	(17,627.62)	(36.76)	(17,664.38)
Compulsorily convertible preference share issued during the year	426.77	-	-	-	-	426.77
Optionally convertible preference share issued during the year	612.34	-	-	-	-	612.34
Optionally convertible debentures issued during the year	3,250.80	-	-	-	-	3,250.80
As at March 31, 2018	5,023.48	12,112.48	9.22	(47,943.44)	-	(30,798.26)

accompanying notes are an integral part of the Ind AS standalone financial statements.

ıer our report of even date

Price Waterhouse Chartered Accountants LLP
l Firm Registration No.: 012754N/ N500016
ıtered Accountants

rmila A. Karve
ner
rbership no. 043229

e: Mumbai
e: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No. 07972892]

N Srinath
Managing Director
[DIN No. 00058133]

Anurag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

TATA TELESERVICES LIMITED
CASH FLOW STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

	For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	**(17,629.79)**	**(4,626.60)**
Adjustments for :		
Depreciation and amortisation	1,086.01	1,850.51
Exceptional item (refer note 33)	12,759.26	977.48
Finance cost	3,278.00	3,347.28
Finance income	(312.26)	(223.21)
Foreign exchange, net	119.26	95.04
(Profit)/ Loss on sale of property,plant & equipments, net	(3.25)	(11.07)
Liabilities no longer required written back	(156.88)	(54.56)
(Profit)/ Loss on sale of current investments	(82.09)	(175.04)
Bad debt written off and provision for doubtful debts and advances	132.04	50.35
Provision for contingencies and forseeable losses	229.54	46.98
Operating Profit/ (Loss) before working capital changes	**(580.16)**	**1,277.18**
Adjustment for changes in:		
(Increase)/ Decrease in inventories	2.68	16.22
(Increase)/ Decrease in trade receivables	(43.00)	53.90
(Increase)/ Decrease in non-current loans and advances, other assets	147.59	246.89
(Increase)/ Decrease in current loans and advances, other assets	(204.35)	47.32
Increase/ (Decrease) in other long term liabilities & provision	-	(7.14)
Increase/ (Decrease) in trade & other payables	623.61	(734.43)
Increase/ (Decrease) in other current liabilities & provision	249.33	(39.85)
Increase/ (Decrease) in other financial liabilities	1,765.01	(27.86)
Cash generated from operations	**1,960.71**	**832.22**
Direct taxes received/ (paid), net of refund	(38.74)	704.14
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	**1,921.97**	**1,536.37**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(198.03)	(396.90)
Net movement (increase)/ decrease to CWIP	1.69	45.59
Net movement (increase)/ decrease to capital advances	9.09	(281.23)
Acquisition of Intangible assets,net	(1.46)	(27.21)
Proceeds from sale of property, plant & equipments	31.16	78.21
Purchase of investments	(6.38)	-
Purchase of investments in mutual funds	(21,600.27)	(39,731.10)
Sale of investments in mutual funds	23,631.16	38,526.90
Sale of investements	-	2,807.95
Investments in subsidiary	-	(8.00)
Loan given to related parties	(6.25)	-
ICD's given to related parties	(3,700.00)	(2,016.01)
Redeemable preference shares investments	-	0.17
Investment in bank deposits (having original maturity of more than three months)	(485.43)	(474.03)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	703.05	436.09
Interest received	8.92	21.03
NET CASH FLOW (USED IN) INVESTING ACTIVITIES (B)	**(1,612.75)**	**(1,018.64)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of CCPS	-	2,200.67
Share application money pending allotment	-	2,003.94
(Repayment of debentures)/ Proceeds from debentures issued	11,750.00	(250.00)
Proceeds from long term borrowings	1,431.20	250.00
Repayment of long term borrowings	(22,317.21)	(2,308.59)
Proceeds from short term borrowings	13,263.62	2,328.12
Repayment of short term borrowings	(2,283.17)	(2,092.06)
Finance set up cost	(5.26)	(1.00)
Interest paid	(2,188.30)	(2,725.26)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(349.12)**	**(694.17)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	**(39.90)**	**(76.34)**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	77.25	153.59
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**37.35**	**77.25**

Price Waterhouse Chartered Accountants LLP (LLPIN AAC-9001) Chartered Accountants FRN 012754N/N500016 Mumbai

TATA TELESERVICES LTD. MUMBAI

TATA TELESERVICES LIMITED
CASH FLOW STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Rupees Crores unless stated otherwise)

	For the year ended March 31, 2018	For the year ended March 31, 2017
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents include : (refer note 10)		
Cash on hand	0.16	1.22
Cheques in hand	11.65	10.28
Balances with scheduled banks:		
Current accounts	30.00	64.39
Deposit Accounts	-	3.00
Cash & bank balances as per balance sheet	**41.81**	**78.89**
Less: Bank overdraft	4.46	1.64
CASH AND CASH EQUIVALENTS	**37.35**	**77.25**
Summary of significant accounting policies (refer note 2.2)		

The accompanying notes are an integral part of the Ind AS standalone financial statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
ICAI Firm Registration No.: 012754N/ N500016
Chartered Accountants

Sharmila A. Karve
Partner
Membership no. 043229

Place : Mumbai
Date: June 01, 2018

For and on Behalf of the Board of Directors

Ankur Verma
Director
[DIN No: 07972892]

N Srinath
Managing Director
[DIN No. 00058133]

Anuraag Srivastava
Chief Financial Officer

Pravin Jogani
Assistant Company Secretary

Place: Mumbai
Date: June 01, 2018

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2018, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 23(i)(f)(v) to the Standalone Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Standalone Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 , based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, based on our examination of the lease agreements or court orders approving the schemes of arrangement or amalgamations, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect

of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act, 2005	Sales Tax	87	2004-13	Tribunal
Andhra Pradesh VAT Act, 2005	Sales Tax	52	2013-15	Deputy Commissioner (Appeals)
Bihar VAT Act, 2005	Sales Tax	0*	2015-16	Assistant Commissioner
Bihar VAT Act, 2005	Sales Tax	2	2006-07	Commercial Tax Officer
Bihar VAT Act, 2005	Sales Tax	1	2016-17	Deputy Commissioner
Bihar VAT Act, 2005	Sales Tax	22	2015-17	Joint Commissioner (Appeal)
Bihar VAT Act, 2005	Sales Tax	139	2005-15	Tribunal
Chhattisgarh VAT Act, 2003	Sales Tax	0*	2006-07	Assistant Commissioner
Delhi VAT Act, 2004	Sales Tax	6	2011-14	Assistant Commissioner
The Gujarat VAT Act, 2003	Sales Tax	1	2005-07	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	291	2005-06	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	0*	2012-13	Deputy Commissioner
The Karnataka VAT Act, 2003	Sales Tax	2	2016-17	Joint Commissioner (Appeal)
The Kerala VAT Act, 2003	Sales Tax	1	2005-17	Commercial Tax Officer
The Kerala VAT Act, 2003	Sales Tax	0*	2016-17	Intelligence Officer Ernakulum
Kerala Sales Tax Act	Sales Tax	0*	2005-11	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	16	2005-10	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0*	2008-10	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	1	2002-05	Tribunal
The Kerala VAT Act, 2003	Sales Tax	71	2006-07	High Court of Kerala
The Kerala VAT Act, 2003	Sales Tax	44	2007-12	Asst. Commissioner, Spl Circle III, Ernakulam
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. I, Tellichery

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
The Madhya Pradesh VAT Act, 2002	Sales Tax	7	2008-10,2012-13	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2004-08	Commercial Tax Officer
The Madhya Pradesh VAT Act, 2002	Sales Tax	1	2008-10	Deputy Commissioner
The Madhya Pradesh VAT Act, 2002	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2005-06	Assistant Commissioner
The Maharashtra VAT Act, 2002	Sales Tax	0*	2003-04	Joint Commissioner, Appeal
Punjab VAT Act, 2005	Sales Tax	1	2009-17	Deputy Excise and Taxation Commissioner
Punjab VAT Act, 2005	Sales Tax	30	2003-04	High Court
Punjab VAT Act, 2005	Sales Tax	1	2002-03	Jt. Director(Enforcement)
Punjab VAT Act, 2005	Sales Tax	1	2008-10	Tribunal
Rajasthan VAT Act, 2003	Sales Tax	2	2015-16	Commercial Tax Officer
The Tamil Nadu VAT Act, 2003	Sales Tax	0*	2010-11	Deputy Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	11	2005-13	Assessing officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	21	2002-05	Assistant Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	0*	2017-18	Commercial Tax Officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2007-08	Joint Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	6	2008-10	High court
The Uttar Pradesh VAT Act, 2008	Sales Tax	2	2003-10	Joint Commissioner, Appeal
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2005-13	Tribunal
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2015-16	Additional Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2003-17	Deputy Commissioner

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
The West Bengal VAT Act, 2003	Sales Tax	0*	1996-97	The Deputy Commissioner of Commercial Taxes
The West Bengal VAT Act, 2003	Sales Tax	0*	1995-98	Commercial Tax Officer
The West Bengal VAT Act, 2003	Sales Tax	9	2005-06	Revision Board
The West Bengal VAT Act, 2003	Sales Tax	3	1997-12	Tribunal
Sub Total (A)		**877**		
Finance Act, 1994 (Service tax provisions)	Service Tax	278	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	7,226	1995-16	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	571	1999-13	Commissioner of Service Tax
Sub Total (B)		**8,082**		
Custom Act, 1962	Custom Act	4,128	2001-05	Supreme Court
Custom Act, 1962	Custom Act	755	2003-15	Tribunal
Sub Total (C)		**4,883**		
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08	Supreme Court
Income Tax Act, 1961	Income Tax	10,519	1996-97, 2003-10	High Court
Income Tax Act, 1961	Income Tax	24,338	1995-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	607	1998-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	638	1996-97; 2004-17	Assessing Officer
Sub Total (D)		**36,230**		
Grand Total(A+B+C+D):		**50,071**		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Sales Tax is 327 Mn, Service Tax is 472 Mn, Income Tax is 10,968 Mn and Custom Duty is 2,141 Mn.

* Amount less than million are appearing as '0'.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013, except that the commission of Rs.67.64 million to non-executive directors is in excess by Rs. 33.12 million, basis the lower limits approved by the Shareholders of the Company. As informed, the Company would be seeking Shareholders' approval for the said excess amount at the ensuing Annual General Meeting.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, directors of subsidiary company or directors of associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Bharti Airtel Limited
Standalone Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	476,911	381,176
Capital work-in-progress	6	27,387	11,818
Intangible assets	7	749,183	734,052
Intangible assets under development	7	28,040	84,184
Investment in subsidiaries and joint ventures	8	481,219	459,538
Financial assets			
- Investments	8	63	52
- Derivative instruments	9	80	213
- Loans and security deposits	10	10,290	10,389
- Others	11	260	556
Income tax assets		19,595	16,164
Deferred tax assets	12	14,244	8,808
Other non-current assets	13	27,142	42,596
		1,834,414	**1,749,546**
Current assets			
Inventories		63	39
Financial assets			
- Derivative instruments	9	195	634
- Trade receivables	14	43,196	32,118
- Cash and cash equivalents	15	4,626	1,087
- Other bank balances	15	825	647
- Loans	10	72,496	72,081
- Others	11	11,837	13,200
Other current assets	13	81,721	33,295
Assets-held-for-sale	5	-	13,729
		214,959	**166,830**
Total assets		**2,049,373**	**1,916,376**
Equity and liabilities			
Equity			
Share capital	16	19,987	19,987
Other equity		1,008,622	992,086
		1,028,609	**1,012,073**
Non-current liabilities			
Financial liabilities			
- Borrowings	18	544,681	503,421
- Derivative instruments	9	124	186
- Others	19	19,354	21,881
Deferred revenue		18,371	18,321
Provisions	20	1,830	2,330
		584,360	**546,139**
Current liabilities			
Financial liabilities			
- Borrowings	18	80,680	65,478
- Current maturities of long-term borrowings	18	28,797	32,048
- Derivative instruments	9	228	1,662
- Trade payables	22	176,990	149,698
- Others	19	92,529	62,149
Deferred revenue		30,242	30,311
Provisions	20	1,262	1,291
Current tax liabilities		2,447	3,885
Other current liabilities	21	23,229	11,642
		436,404	**358,164**
Total liabilities		**1,020,764**	**904,303**
Total equity and liabilities		**2,049,373**	**1,916,376**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

Bharti Airtel Limited
Standalone Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	March 31, 2017
Income			
Revenue from operations	24	536,630	622,763
Other income		2,356	1,843
		538,986	**624,606**
Expenses			
Network operating expenses	25	139,512	145,360
Access charges		78,944	80,505
License fee / spectrum charges (revenue share)		55,630	69,416
Employee benefits expense	26	17,209	17,385
Sales and marketing expenses	27	30,519	32,320
Other expenses	28	36,171	38,524
		357,985	**383,510**
Profit from operating activities before depreciation, amortisation and exceptional items		**181,001**	**241,096**
Depreciation and amortisation	29	130,486	122,034
Finance costs	30	59,107	52,546
Finance income	30	(8,417)	(23,421)
Non-operating expenses		596	2,324
(Loss) /profit before exceptional items and tax		**(771)**	**87,613**
Exceptional items	31	6,041	172,708
Loss before tax		**(6,812)**	**(85,095)**
Tax expense / (credit)			
Current tax	12	(2,204)	(45)
Deferred tax	12	(5,400)	14,206
Profit / (loss) for the year		**792**	**(99,256)**
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss :			
- Re-measurement gains / (losses) on defined benefit plans	26	87	(36)
- Tax (charge) / credit	12	(30)	11
Other comprehensive income / (loss) for the year		**57**	**(25)**
Total comprehensive income / (loss) for the year		**849**	**(99,281)**
Earnings per share (Face value : Rs. 5 each) (In Rupees)			
Basic and Diluted	32	0.20	(24.84)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Standalone Statement of Changes in Equity
(All amounts are in millions of Indian Rupees; except per share data)

	Share capital		Other equity - Reserves and Surplus								
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserve	Business restructuring reserve	Debenture redemption reserve	Share - based payment reserve	Capital reserve	Total	Total equity
As of April 1, 2016	3,997,400	19,987	106,650	934,735	27,030	16,313	-	3,825	8,751	1,097,304	1,117,291
Loss for the year	-	-	-	(99,256)	-	-	-	-	-	(99,256)	(99,256)
Other comprehensive loss	-	-	-	(25)	-	-	-	-	-	(25)	(25)
Total comprehensive loss	-	-	-	**(99,281)**	-	-	-	-	-	**(99,281)**	**(99,281)**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	298	-	298	298
Exercise of share options	-	-	-	-	-	-	-	(144)	-	(144)	(144)
Dividend paid (including tax)	-	-	-	(5,456)	-	-	-	-	-	(5,456)	(5,456)
Merger of subsidiary	-	-	530	(720)	(445)	-	-	-	-	(635)	(635)
As of March 31, 2017	3,997,400	19,987	107,180	829,278	26,585	16,313	-	3,979	8,751	992,086	1,012,073
Profit for the year	-	-	-	792	-	-	-	-	-	792	792
Other comprehensive income	-	-	-	57	-	-	-	-	-	57	57
Total comprehensive profit	-	-	-	849	-	-	-	-	-	849	849
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	337	-	337	337
Exercise of share options	-	-	-	-	3,510	-	-	(3,646)	-	(136)	(136)
Creation of debenture redemption reserve	-	-	-	-	(7,500)	-	7,500	-	-	-	-
Dividend paid (including tax)	-	-	-	(15,350)	-	-	-	-	-	(15,350)	(15,350)
Common control transactions*	-	-	-	30,836	-	-	-	-	-	30,836	30,836
As of March 31, 2018	3,997,400	19,987	107,180	845,613	22,595	16,313	7,500	670	8,751	1,008,622	1,028,609

*This includes gains of Rs 2,335 due to regulatory changes in the funding arrangements as to previous year transactions

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

Date: **April 24, 2018**

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Pankaj Tewari
Company Secretary

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	March 31, 2017
Cash flows from operating activities		
Loss before tax	**(6,812)**	**(85,095)**
Adjustments for:		
Depreciation and amortisation	130,486	122,034
Finance costs	59,107	52,546
Finance income	(8,417)	(23,421)
Exceptional items	5,688	152,405
Employee share-based payment expenses	337	298
Other non-cash items	8,351	8,143
Operating cash flow before changes in working capital	**188,740**	**226,910**
Changes in working capital		
Trade receivables	(19,814)	(7,500)
Trade payables	14,546	24,929
Inventories	(24)	14
Provisions	(95)	180
Other financial and non-financial liabilities	8,413	2,388
Other financial and non-financial assets	(29,819)	(20,827)
Net cash generated from operations before tax	**161,947**	**226,094**
Income tax paid	(2,404)	(14,439)
Net cash generated from operating activities (a)	**159,543**	**211,655**
Cash flows from investing activities		
Purchase of property, plant and equipment	(193,180)	(156,143)
Proceeds from sale of property, plant and equipment	4,886	3,053
Purchase of intangible assets*	(28,855)	(170,135)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net proceeds from current investments	35	47
Proceeds from buyback of share by subsidiary	-	12,350
Proceeds from sale of investment of subsidiaries	65,933	146,223
Investment in subsidiaries	(41,814)	(74,283)
Loan given to subsidiaries	(72,135)	(98,797)
Loan repayment by subsidiaries	71,512	82,288
Dividend received	4,200	16,511
Interest received	4,911	5,858
Net cash used in investing activities (b)	**(194,416)**	**(242,832)**
Cash flows from financing activities		
Proceeds from borrowings	149,422	140,419
Repayment of borrowings	(57,313)	(122,391)
Net proceeds / repayment of short-term borrowings	(33,794)	32,832
Interest and other finance charges paid	(4,291)	(10,850)
Proceeds from exercise of share options	3	3
Dividend paid (including tax)	(15,350)	(5,456)
Net cash generated from financing activities (c)	**38,677**	**34,557**
Net increase in cash and cash equivalents during the year (a+b+c)	**3,804**	**3,380**
Add : Cash and cash equivalents as at the beginning of the year	822	(2,558)
Cash and cash equivalents as at the end of the year (refer Note 15)	**4,626**	**822**

*Cash flows towards spectrum acquisitions are based on the timing of payouts to DOT (viz. upfront / deferred)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No. 38919

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act ,the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the joint venture referred to below in the Other Matters paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.
Our opinion is not modified in respect of this matter.

Other Matters

i. The Consolidated Financial Statements include the Group's share of profit of Rs. 11,816 Million and total comprehensive income of Rs. 11,817 Million for the year ended March 31, 2018, as considered in the Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor. Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

ii. The comparative financial information of the Group, its associates and joint ventures for the year ended and as at March 31, 2017 prepared in accordance with Ind AS included in these Consolidated Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as

amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company, its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") and its subsidiary companies, its associates companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company , its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness



of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture company which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below the Company, its subsidiary companies, its associate companies and joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established



by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to joint venture, which is a company incorporated in India, is based solely on the corresponding report of the auditor of the joint venture company.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

	Notes	As of March 31, 2018	As of March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	706,079	620,088
Capital work-in-progress	6	52,089	23,942
Goodwill	7	328,070	338,082
Other intangible assets	7	837,855	824,181
Intangible assets under development	7	45,423	84,443
Investment in joint ventures and associates	8	86,839	82,277
Financial assets			
- Investments	10	5,769	44,187
- Derivative instruments	11	2,031	4,732
- Security deposits	12	9,703	9,630
- Others	13	5,814	16,653
Income tax assets (net)		25,505	22,716
Deferred tax assets (net)	14	29,330	26,195
Other non-current assets	15	36,319	53,488
		2,170,826	**2,150,614**
Current assets			
Inventories		693	488
Financial assets			
- Investments	10	68,978	16,923
- Derivative instruments	11	8,941	2,060
- Trade receivables	16	58,830	47,402
- Cash and cash equivalents	17	47,886	12,817
- Other bank balances	17	18,820	38,166
- Others	13	27,462	19,737
Other current assets	15	103,380	44,445
		334,990	**182,038**
Total assets		**2,505,816**	**2,332,652**

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DELOITTE HASKINS & SELLS LLP Chartered Accountants

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Bharti Airtel Limited
Consolidated Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	As of March 31, 2017
Equity and Liabilities			
Equity			
Share capital	18	19,987	19,987
Other equity		675,357	654,576
Equity attributable to owners of the Parent		**695,344**	**674,563**
Non-controlling interests ('NCI')		88,139	68,750
		783,483	**743,313**
Non-current liabilities			
Financial liabilities			
- Borrowings	20	849,420	896,373
- Derivative instruments	11	5,409	2,726
- Others	21	44,547	15,681
Deferred revenue		22,117	22,335
Provisions	22	7,212	7,471
Deferred tax liabilities (net)	14	10,606	9,429
Other non-current liabilities	23	623	727
		939,934	**954,742**
Current liabilities			
Financial liabilities			
- Borrowings	20	129,569	129,442
- Current maturities of long-term borrowings	20	134,346	47,062
- Derivative instruments	11	283	2,335
- Trade payables		277,675	268,537
- Others	21	140,605	90,212
Deferred revenue		48,666	48,785
Provisions	22	2,384	2,215
Current tax liabilities (net)		11,058	11,239
Other current liabilities	23	37,813	34,770
		782,399	**634,597**
Total liabilities		**1,722,333**	**1,589,339**
Total equity and liabilities		**2,505,816**	**2,332,652**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue	25	836,879	954,683
Other income		2,488	1,206
		839,367	**955,889**
Expenses			
Network operating expenses	26	197,520	209,154
Access charges		90,446	102,786
License fee / spectrum charges (revenue share)		75,558	92,760
Employee benefits expense	27	39,771	43,032
Sales and marketing expenses	28	55,766	66,732
Other expenses	29	77,027	86,921
		536,088	**601,385**
Profit from operating activities before depreciation, amortisation and exceptional items		**303,279**	**354,504**
Depreciation and amortisation	30	192,431	197,730
Finance costs	31	93,255	95,466
Finance income	31	(12,540)	(18,492)
Non-operating expenses (net)		141	1,319
Share of results of joint ventures and associates	8	(10,609)	(10,449)
Profit before exceptional items and tax		**40,601**	**88,930**
Exceptional items	32	7,931	11,697
Profit before tax		**32,670**	**77,233**
Tax expense / (credit)			
Current tax	14	18,230	21,240
Deferred tax	14	(7,395)	13,579
Profit for the year		**21,835**	**42,414**

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DELOITTE HASKINS & SELLS LLP Chartered Accountants

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Bharti Airtel Limited
Consolidated Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year (continued from previous page)		**21,835**	**42,414**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(7,181)	(41,424)
Net losses on net investment hedge		(8,024)	(10,330)
Net gains on cash flow hedge		809	857
Net gains on fair value through OCI investments		129	107
Tax charge	14	(122)	(16)
		(14,389)	**(50,806)**
Items not to be reclassified to profit or loss :			
Re-measurement gains / (losses) on defined benefit plans		205	(73)
Share of OCI of joint ventures and associates	8	18	(9)
Tax (charge) / credit		(29)	20
		194	**(62)**
Other comprehensive loss for the year		**(14,195)**	**(50,868)**
Total comprehensive income / (loss) for the year		**7,640**	**(8,454)**
Profit for the year attributable to :		**21,835**	**42,414**
Owners of the Parent		10,990	37,998
Non-controlling interests		10,845	4,416
Other comprehensive loss for the year attributable to :		**(14,195)**	**(50,868)**
Owners of the Parent		(13,445)	(48,655)
Non-controlling interests		(750)	(2,213)
Total comprehensive income / (loss) for the year attributable to :		**7,640**	**(8,454)**
Owners of the Parent		(2,455)	(10,657)
Non-controlling interests		10,095	2,203
Earnings per share (Face value : Rs. 5 each) (In Rupees)			
Basic	33	2.75	9.51
Diluted	33	2.75	9.51

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Consolidated Statement of Changes in Equity
(All amounts are in millions of Indian Rupees; except per share data)

	Equity attributable to owners of the Parent											
	Share capital		Other equity									
			Reserves and surplus									
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserves	Debenture redemption reserve	Share-based payment reserve	NCI reserve	Other components of equity (Note 19)	Total	Non-controlling interests	Total equity
As of April 1, 2016	3,997,400	19,987	123,456	453,279	27,030	-	5,169	51,165	(12,393)	647,706	54,981	722,674
Profit for the year	-	-	-	37,998	-	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	-	-	-	37,936	-	-	-	-	(48,593)	(10,657)	2,203	(8,454)
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	3,997,400	19,987	123,456	483,638	27,030	-	4,065	77,216	(60,829)	654,576	68,750	743,313
Profit for the year	-	-	-	10,990	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	-	-	-	11,184	-	-	-	-	(13,639)	(2,455)	10,095	7,640
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-	-	-	-	(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-
Dividend paid (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	(18,475)	-	(18,475)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	3,997,400	19,987	123,456	475,481	23,040	7,500	782	119,841	(74,743)	675,357	88,139	763,496

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Bharti Airtel Limited
Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	**32,670**	**77,233**
Adjustments for :		
Depreciation and amortisation	192,431	197,730
Finance costs	93,255	95,466
Finance income	(12,540)	(18,492)
Share of results of joint ventures and associates	(10,609)	(10,449)
Exceptional items	325	(276)
Employee share-based payment expense	413	338
Other non-cash items	10,410	7,900
Operating cash flow before changes in working capital	**306,355**	**349,450**
Changes in working capital		
Trade receivables	(24,474)	5,366
Trade payables	15,122	7,640
Inventories	(202)	948
Provisions	154	(26)
Other financial and non financial liabilities	51,205	3,558
Other financial and non financial assets	(35,899)	(52,550)
Net cash generated from operations before tax	**312,261**	**314,386**
Income tax paid	(13,723)	(31,587)
Net cash generated from operating activities (a)	**298,538**	**282,799**
Cash flows from investing activities		
Purchase of property, plant and equipment	(245,259)	(223,030)
Proceeds from sale of property, plant and equipment	5,655	4,462
Purchase of intangible assets *	(17,749)	(155,673)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net movement in current investments	(50,259)	5,785
Purchase of non-current investments	-	(89,073)
Sale of non-current investments	36,495	82,557
Investment in subsidiary, net of cash acquired / associate	(19,498)	(283)
Sale of subsidiaries	-	59,604
Sale of tower assets	4,869	7,120
Investment in associate	(60)	(250)
Proceeds from sale of interest in associate / joint venture	-	447
Dividend received	10,377	9,789
Interest received	5,662	2,305
Net cash used in investing activities (b)	**(279,676)**	**(306,044)**
Cash flows from financing activities		
Proceeds from borrowings	197,664	258,584
Repayment of borrowings	(130,717)	(274,608)
Net proceeds from short-term borrowings	(26,874)	25,377
Proceeds from sale and finance leaseback of towers	2,958	6,277
Repayment of finance lease liabilities	(3,932)	(3,899)
Purchase of treasury shares	(424)	-
Interest and other finance charges paid	(44,041)	(58,566)
Proceeds from exercise of share options	13	65
Dividend paid (including tax)	(32,652)	(9,168)
Proceeds from issuance of equity shares to NCI (refer note 5)	21	1,245
Sale of interest in a subsidiary (refer Note 5)	57,189	61,863
Purchase of shares from NCI (refer note 5)	-	(10,684)
Net cash generated from / (used in) financing activities (c)	**19,205**	**(3,514)**
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	**38,067**	**(26,759)**
Effect of exchange rate on cash and cash equivalents	281	(756)
Cash and cash equivalents as at beginning of the year	(9,880)	17,635
Cash and cash equivalents as at end of the year (Note 17)	**28,468**	**(9,880)**

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI HEXACOM LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of **BHARTI HEXACOM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 21(i) (f) (v) to the Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 26, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharti Hexacom Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 , based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: May 25, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, based on our examination of the lease agreements or court orders approving the schemes of arrangement or amalgamations, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement."

ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
Finance Act, 1994 (Service tax provisions)	Service Tax	15	FY 2006-16	Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	767	FY 2000-14	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	0*	FY 2007-16	Assistant Commissioner

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs. Million)	Period to Which the amount Relates	Forum where the dispute is pending
Finance Act, 1994 (Service tax provisions)	Service Tax	1	FY 2013-15	Audit Supdtt.
Custom Act, 1962	Custom Act	182	FY 2001-05	Supreme Court
Income Tax Act 1961	Income tax	1	FY 2003-04	Supreme Court
Income Tax Act 1961	Income tax	513	FY 2003-04 to FY 2012-13	High Court
Income Tax Act 1961	Income tax	167	FY 2003-04 to FY 2013-14	Income Tax Appellate Tribunal
Income Tax Act 1961	Income tax	346	FY 2011-2015	Commissioner Of Income Tax Appeals

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Service Tax is 44 Mn, Income Tax is 605 Mn and Custom Duty is 91 Mn.

* Amount less than million are appearing as '0'.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: May 25, 2018

Bharti Hexacom Limited
Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	25,618	20,406
Capital work-in-progress	6	1,326	634
Intangible assets	7	61,215	62,675
Intangible assets under development	7	1,785	259
Financial assets			
- Investments	8	0	0
- Derivative financial assets		-	6
- Security deposits		561	512
- Others	9	251	293
Income tax assets		1,323	556
Deferred tax assets	10	823	289
Other non-current assets	11	1,637	4,954
		94,539	**90,584**
Current assets			
Financial assets			
- Derivative financial assets		-	5
- Trade receivables	12	1,508	1,848
- Cash and cash equivalents	13	774	786
- Other bank balances	14	290	178
- Others	9	770	815
Other current assets	11	5,589	2,521
		8,931	**6,153**
Total assets		**103,470**	**96,737**
Equity and liabilities			
Equity			
Share capital	15	2,500	2,500
Other equity	15	62,393	64,328
		64,893	**66,828**
Non-current liabilities			
Financial liabilities			
-Borrowings	16	880	1,758
-Others	17	1,352	1,417
Deferred revenue		129	99
Provisions	18	267	237
Other non current liabilities	19	-	49
		2,628	**3,560**
Current liabilities			
Financial liabilities			
-Borrowings	16	19,506	11,036
-Current maturities of long-term borrowings	16	880	1,630
-Trade payables	20	9,811	7,404
-Others	17	917	3,300
Deferred revenue		2,018	2,026
Provisions	18	32	33
Current tax liabilities		1,364	596
Other current liabilities	19	1,421	324
		35,949	**26,349**
Total liabilities		**38,577**	**29,909**
Total equity and liabilities		**103,470**	**96,737**

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shefali Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Bharti Hexacom Limited
Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	22	44,083	51,255
Other income		98	58
		44,181	**51,313**
Expenses			
Network operating expenses	23	10,812	10,607
Access charges		17,144	10,317
License fee / spectrum charges (revenue share)		3,738	5,629
Employee benefits expense	24	829	897
Sales and marketing expenses	25	1,900	2,192
Other expenses	26	1,923	2,125
		36,346	**31,767**
Profit from operating activities before depreciation, amortization and exceptional items		**7,835**	**19,546**
Depreciation and amortisation	27	8,687	8,511
Finance costs	28	1,345	937
Finance income	28	(572)	(81)
Non-operating expenses	29	59	8
(Loss) / profit before exceptional items and tax		**(1,684)**	**10,171**
Exceptional items	30	77	376
(Loss) / profit before tax		**(1,761)**	**9,795**
Tax (credit) / expenses			
Current tax	10	(109)	2,986
Deferred tax	10	(533)	208
(Loss) / profit for the year		**(1,119)**	**6,601**
Other comprehensive income:			
Items not be reclassified to profit or loss :			
Re-measurement income / (loss) on defined benefit plans		3	(1)
Income tax (charge) / credit		(1)	0
Other comprehensive income / (loss) for the year		**2**	**(1)**
Total comprehensive (loss) / income for the year		**(1,117)**	**6,600**
Earnings per share (Face value : Rs. 10/- each) (In Rupees)			
Basic and Diluted	31	**(4.48)**	**26.40**

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi

DELOITTE HASKINS & SELLS LLP Chartered Accountants

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shefali Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Bharti Hexacom Limited
Statement of changes in equity
(All amounts are in millions of Indian Rupees; except per share data)

	Share capital		Other equity - Reserves and surplus				Total equity
	No of shares ('in '000)	Amount	Securities premium account	Retained earnings	General reserves	Total	
As of April 1, 2016	**250,000**	**2,500**	**1,040**	**58,105**	**900**	**60,045**	**62,545**
Profit for the year	-	-	-	6,601	-	6,601	6,601
Other comprehensive loss	-	-	-	(1)	-	(1)	(1)
Total comprehensive income	-	-	-	**6,600**	-	**6,600**	**6,600**
Dividend paid (including tax) @ Rs. 7.70 per share	-	-	-	(2,317)	-	(2,317)	(2,317)
As of March 31, 2017	**250,000**	**2,500**	**1,040**	**62,388**	**900**	**64,328**	**66,828**
Loss for the year	-	-	-	(1,119)	-	(1,119)	(1,119)
Other comprehensive income	-	-	-	2	-	2	2
Total comprehensive loss	-	-	-	**(1,117)**	-	**(1,117)**	**(1,117)**
Dividend paid (including tax) @ Rs. 2.72 per share	-	-	-	(818)	-	(818)	(818)
As of March 31, 2018	**250,000**	**2,500**	**1,040**	**60,453**	**900**	**62,393**	**64,893**

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No. 38819

Place: New Delhi

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Sheila Mehrotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Ratra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Bharti Hexacom Limited
Cash Flow Statement

(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
(Loss) / profit before tax	**(1,761)**	**9,795**
Adjustments for:		
Depreciation and amortisation	8,687	8,511
Finance costs	1,345	937
Finance income	(572)	(81)
Exceptional items	73	344
Other non-cash items	266	187
Operating cash flow before changes in working capital	**8,038**	**19,693**
Changes in working capital		
Trade receivables	24	(393)
Trade payables	2,075	586
Provisions	128	9
Other financial and non-financial liabilities	1,189	10
Other financial and non-financial assets	(1,554)	(1,826)
Net cash generated from operations before tax	**9,900**	**18,079**
Income tax refund / (paid)	(18)	(2,917)
Net cash generated from operating activities (a)	**9,882**	**15,162**
Cash flows from investing activities		
Net purchase of property, plant and equipment	(13,325)	(6,220)
Purchase of intangible assets	(1,993)	(10,282)
Interest received	434	59
Net cash used in investing activities (b)	**(14,884)**	**(16,443)**
Cash flows from financing activities		
Proceeds from borrowings	9,822	-
Repayment of borrowings	(12,410)	(5,517)
Net proceeds from short-term borrowings	7,323	8,750
Interest and other finance charges paid	(1,034)	(867)
Dividend paid (including tax)	(818)	(2,317)
Net cash generated from financing activities (c)	**2,883**	**49**
Net decrease in cash and cash equivalents during the year (a+b+c)	**(2,119)**	**(1,232)**
Add : Cash and cash equivalents as at the beginning of the year	(1,500)	(268)
Cash and cash equivalents as at the end of the year	**(3,619)**	**(1,500)**

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Shishir Malhotra
Director
(DIN: 07143784)

Devendra Khanna
Director
(DIN: 01996768)

Swati Batra
Company Secretary

Akhil Garg
Chief Financial Officer

Date: May 25, 2018

Pre and post amalgamation equity shareholding pattern of Bharti Airtel Limited

Category of Shareholders	Shareholding pre-merger as on June 30, 2018		Shareholding post-merger as on effective Date	
	Total	% of total Shares	Total	% of total Shares
A. Promoters				
Indian				
Individual /HUF	-	0.00	-	0.00
Central Government	-	0.00	-	0.00
State Government	-	0.00	-	0.00
Bodies Corporate	2,002,818,452	50.10	2,002,818,452	50.09
Banks / FI	-	0.00	-	0.00
Any Other	-	0.00	-	0.00
Sub-Total (A) (1)	**2,002,818,452**	**50.10**	**2,002,818,452**	**50.09**
Foreign				
NRIs - Individuals	-	0.00	-	0.00
Others - Individuals	-	0.00	-	0.00
Bodies Corporate	672,470,103	16.82	672,470,103	16.82
Banks / Financial Institutions	-	0.00	-	0.00
Any other (Foreign Institutional Investor)	8,493,000	0.21	8,493,000	0.21
Sub-Total A(2) :	**680,963,103**	**17.04**	**680,963,103**	**17.03**
Total A=A(1)+A(2)	**2,683,781,555**	**67.14**	**2,683,781,555**	**67.12**
B. Public Shareholding				
Institutions				
Mutual Funds/UTI	281,769,217	7.05	281,769,217	7.05
Banks / FI	3,742,970	0.09	3,742,970	0.09
Central Government	-	0.00	-	0.00
State Government	-	0.00	-	0.00
Venture Capital Funds	-	0.00	-	0.00
Insurance Companies	217,242,813	5.43	217,242,813	5.43
FIIs (including foreign portfolio investors)	730,479,420	18.27	730,479,420	18.27
Foreign Venture	-	0.00	-	0.00
Capital Funds	-	0.00	-	0.00
Others : Alternative Investment Fund	523,724	0.01	523,724	0.01
Sub-Total B(1) :	**1,233,758,144**	**30.86**	**1,233,758,144**	**30.86**
Non institutions				
Bodies Corporate				
i) Indian	24,127,499	0.60	24,127,499	0.60
ii) Overseas	-	0.00	-	0.00
Individual shareholders holding nominal share capital upto Rs.2 lakh	26,134,135	0.65	27,105,009	0.68
Individual shareholders holding nominal share capital in excess of Rs.2 lakh	9,943,418	0.25	9,943,418	0.25
Qualified Foreign Investor	-	0.00	-	0.00
Foreign Bodies	2,532,715	0.06	2,532,715	0.06
Non-resident Indians	1,583,631	0.04	1,583,631	0.04
Non-resident Indians (Non - repatriation)	735,521	0.02	735,521	0.02
Trusts (ESOP)	1,761,700	0.04	1,761,700	0.04
Clearing Members	3,642,880	0.09	3,642,880	0.09
Any other	-	0.00	-	0.00
Trusts	9,343,496	0.23	9,343,496	0.23
Investor Education and Protection Fund	49,273	0.00	49,273	0.00
NBFC	6,140	0.00	6,140	0.00
Sub-Total B(2) :	**79,860,408**	**2.00**	**80,831,282**	**2.02**
Total Public shareholding (B) = B(1)+B(2) :-	**1,313,618,552**	**32.86**	**1,314,589,426**	**32.88**
C. Shares held by Custodians for GDR's & ADR's	-	0.00	-	0.00
Total (A) + (B) + (C)	**3,997,400,107**	**100.00**	**3,998,370,981**	**100.00**

Pre and post amalgamation preference shareholding pattern of Bharti Airtel Limited

Category of Shareholders	Shareholding pre-merger as on June 30, 2018		shareholding post-merger as on effective Date	
	No. of shares	% of total Shares	No. of shares	% of total Shares
A. Promoters				
Indian				
Individual /HUF	0	0.00	0	0.00
Central Government	0	0.00	0	0.00
State Government	0	0.00	0	0.00
Bodies Corporate	0	0.00	0	0.00
Banks / FI	0	0.00	0	0.00
Any Other	0	0.00	0	0.00
Sub-Total (A) (1)	**0**	**0.00**	**0**	**0.00**
Foreign				
NRIs - Individuals	0	0.00	0	0.00
Others - Individuals	0	0.00	0	0.00
Bodies Corporate	0	0.00	0	0.00
Banks / Financial Institutions	0	0.00	0	0.00
Any other (Foreign Institutional Investor)	0	0.00	0	0.00
Sub-Total A(2)	**0**	**0.00**	**0**	**0.00**
Total A=A(1)+A(2)	**0**	**0.00**	**0**	**0.00**
B. Public Shareholding				
Institutions				
Mutual Funds/UTI	0	0.00	0	0.00
Banks / FI	0	0.00	0	0.00
Central Government	0	0.00	0	0.00
State Government	0	0.00	0	0.00
Venture Capital Funds	0	0.00	0	0.00
Insurance Companies	0	0.00	0	0.00
FIIs (including foreign portfolio investors)	0	0.00	0	0.00
Foreign Venture	0	0.00	0	0.00
Capital Funds	0	0.00	0	0.00
Others : Alternative Investment Fund	0	0.00	0	0.00
Sub-Total B(1)	**0**	**0.00**	**0**	**0.00**
Non institutions				
Bodies Corporate	0	0.00	0	0.00
i) Indian	0	0.00	0	0.00
ii) Overseas	0	0.00	0	0.00
Individual shareholders holding nominal share capital upto Rs.2 lakh	0	0.00	530	100.00
Individual shareholders holding nominal share capital in excess of Rs.2 lakh	0	0.00	0	0.00
Qualified Foreign Investor	0	0.00	0	0.00
Foreign Companies	0	0.00	0	0.00
Non-resident Indians	0	0.00	0	0.00
Non-resident Indians (Non - repatriation)	0	0.00	0	0.00
Trusts (ESOP)	0	0.00	0	0.00
Clearing Members	0	0.00	0	0.00
Any other	0	0.00	0	0.00
Trusts	0	0.00	0	0.00
Investor Education and Protection Fund	0	0.00	0	0.00
NBFC	0	0.00	0	0.00
Sub-Total B(2)	0	**0.00**	**530**	**100.00**
Total Public shareholding (B) = B(1)+B(2)		**0.00**	**530**	**100.00**
C. Shares held by Custodians for GDR's & ADR's		0.00	0	0.00
Total (A) + (B) + (C)		**0.00**	**530**	**100.00**

BHARTI AIRTEL LIMITED NEW DELHI

Expected Capital Structure of Bharti Airtel Limited ("Transferee Company 1") post sanction of the Composite Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"):

Particulars	Amount (Rs.)
Authorized Share Capital	
29,50,59,80,000 equity shares having face value of Rs. 5/- each	1,47,52,99,00,000
1,000 preference shares having face value of Rs. 100/- each	1,00,000
Total	**1,47,53,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital	
3,99,83,70,981 equity shares having face value of Rs. 5/- each	19,99,18,54,905
530 preference shares having face value of Rs. 100/- each	53,000
Total	**19,99,19,07,905**

Notes:

1. *The expected authorized share capital of the Transferee Company 1 post sanction of the Scheme as set out above does not include the authorized share capital of Bharti Digital Networks Private Limited ("Bharti Digital") (formerly, Tikona Digital Networks Private Limited) that shall merge into the Transferee Company 1 pursuant to the scheme of arrangement between Bharti Digital, its shareholders and creditors and the Transferee Company 1.*
2. *The Scheme envisages the reclassification/ reorganization of the authorized share capital of the Transferee Company 1 in terms of Clause 8 of Part C of the Scheme.*

For **Bharti Airtel Limited**

Rohit Krishan Puri
Dy. Company Secretary

BHARTI AIRTEL LIMITED NEW DELHI

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Pre and Post Demerger Shareholding Pattern of Bharti Hexacom Limited

Equity Shares of Rs. 10/- each

S. No.	Shareholder's Name	Pre-Demerger (Shareholding Pattern)		Post-Demerger (Shareholding Pattern)	
		Total	% of Total Shares	Total	% of Total Shares
1.	Bharti Airtel Limited	17,49,99,995	70.00	17,49,99,995	70.00
2.	Telecommunications Consultants India Ltd.	7,50,00,000	30.00	7,50,00,000	30.00
3.	Puneet Tandon*	1	0.00	1	0.00
4.	Suman Singh*	1	0.00	1	0.00
5.	Mukesh Bhavnani*	1	0.00	1	0.00
6.	Devendra Khanna*	1	0.00	1	0.00
7.	Rohit Puri*	1	0.00	1	0.00
	TOTAL	**25,00,00,000**	**100.00**	**25,00,00,000**	**100.00**

*Beneficial interest held by Bharti Airtel Limited.

Redeemable, Non-participating, Non-cumulative Preference Shares of Rs.100/- each

S.No	Shareholder's Name	Pre-Demerger (Shareholding Pattern)		Post-Demerger (Shareholding Pattern)	
		Total	% of Total Shares	Total	% of Total Shares
-	*	-	-	520	100%
	TOTAL	-	-	**520**	**100%**

*Name of Preference Shareholders (Post-Scheme) to whom Preference Shares will be allotted pursuant to the Scheme are presently not identified.

For and on behalf of
Bharti Hexacom Limited

Swati Batra
Company Secretary

SPA

www.spacapital.com

To,

The Board of Directors,
Bharti Airtel Limited
Bharti Crescent 1, Nelson Mandela Road,
VasantKunj, Phase II,
New Delhi -110070

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Tata Teleservices Limited in relation to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2") and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Dear Sirs,

We, SPA Capital Advisors Limited, refer to our engagement letter dated July 21, 2018 whereby Bharti Airtel Limited (hereinafter referred to as "BAL" or the "Transferee Company 1") has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to Tata Teleservices Limited (hereinafter referred to as "TTSL" or the "Transferor Company") pursuant to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

Regulatory Requirement
SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular) prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part D of schedule VIII of SEBI(ICDR) Regulations,2009.

Disclaimer and Limitation:

- This Certificate is a specific purpose certificate issued in terms of and in compliance with SEBI circular and hence it should not be used for any other purpose or transaction.
- This certificate contains statement on disclosure of information pertaining to the unlisted entity viz., TTSL and is not an opinion on the Scheme of Arrangement or its success.
- This Certificate is issued on the basis of examination of Information and documents provided by TTSL and information which is available in the public domain.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.

SPA Capital Advisors Limited New Delhi

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- Our opinions is not nor should it be constructed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

Certification:

- We have examined various documents and other materials in connection with finalization of disclosure of information dated July 19, 2018, pertaining to TTSL ("Abridged Prospectus") which will be circulated to the members of BAL at the time of seeking their consent to the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as a part of explanatory statement to the notice.
- On the basis of such examination and the discussion with the officials of TTSL and on verification of contents of Abridged Prospectus and other paper furnished to us, we state that:
  - The information contained in the Abridged Prospectus is in accordance with the relevant documents, materials and other papers related to TTSL.
  - The Abridged Prospectus contains applicable information pertaining to TTSL as required in terms of SEBI Circular which, in our view are fair, adequate and accurate to enable the members to make a well informed decision on the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2").

For SPA Capital Advisors Limited

SPA Capital Advisors Limited New Delhi

Vivek Gautam
Associate Director

Date: July 19, 2018
Place: Delhi

ABRIDGED PROSPECTUS

Abridged Prospectus/ Memorandum containing information pertaining to **Tata Teleservices Limited** which is a party to the Composite Scheme of Arrangement proposed to be made amongst Tata Teleservices Limited ("**TTSL**" or the "**Transferor Company**") and Bharti Airtel Limited ("**BAL**" or the "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or the "**Transferee Company 2**"), collectively known as "**Transferee Companies**" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013(hereinafter referred to as the "**Scheme**").

This document is prepared pursuant to paragraph I.A.3 (a) of Annexure I of the Securities and Exchange Board of India ("**SEBI**") Circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") and Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 ("**LODR**") read with the said SEBI Circular and contains the applicable information in the format for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR**"). You are also encouraged to read the other details in the Scheme and other documents available on the website of Bharti Airtel Limited (www.airtel.com).

THIS ABRIDGED PROSPECTUS CONSISTS OF 9 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This document is prepared to comply with the requirements of Regulation 37 of LODR read with SEBI Circular and in accordance with disclosures in abridged prospectus as provided in Part D of Schedule VIII of ICDR, to the extent available. Bharti Airtel Limited is listed with the BSE Limited (BSE) and National Stock Exchange of India (NSE) Limited.

In terms of the Scheme, fully paid up, Redeemable non-participating, non-cumulative preference shares are to be issued under the Scheme by the Transferee Companies to the shareholders of the Transferor Company that will not be listed and/or admitted to trading on the Stock Exchanges. As there is no issue of equity shares to the public at large, the requirements with respect to GID (General Information Document) are not applicable and this abridged prospectus should be read accordingly.

You may also download the Abridged Prospectus along with the Scheme as approved by the Board of Directors of Tata Teleservices Limited (Transferor Company) and Bharti Airtel Limited (Transferee Company 1) dated December 19, 2017 respectively and Bharti Hexacom Limited (Transferee Company 2) dated December 26, 2017, the Report of Audit & Risk Management Committee of Bharti Airtel Limited dated December 19, 2017, the copy of the Valuation Report jointly issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co. LLP dated December 19, 2017, and the Fairness Opinion Report issued by RBSA Capital Advisors LLP dated December 19, 2017 from the websites of BSE and NSE where the equity shares of Bharti Airtel Limited are listed.

TATA TELESERVICES LIMITED

Registered Office: 10thFloor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi - 110001
Phone No.: +91-11-23327072
Email: pravin.jogani@tatatel.co.in: **Website:**www.tatateleservices.com
Corporate Identity Number: U74899DL1995PLC066685
Contact Person: Mr. Pravin Jogani, Assistant Company Secretary
Email ID: Pravin.jogani@tatatel.co.in
Phone No.: +91-22-66671414

PROMOTERS OF TATA TELESERVICES LIMITED

Tata Sons Limited

ISSUE DETAILS, LISTING AND PROCEDURE

The Composite Scheme of Arrangement is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors.

The Scheme is divided into the five parts namely, Part-A (deals with background of the Parties and the rationale and



benefits of the Scheme), Part-B (deals with the Definitions, Interpretation and Share Capital), Part-C (deals with demerger of the Demerged Undertaking 1 as a going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income-tax Act, 1961), Part-D (deals with demerger of the Demerged Undertaking 2 as a going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income-tax Act, 1961) and Part-E (deals with the General Terms and Conditions applicable to the Scheme).

Upon the Scheme becoming effective, the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Companies Act, 2013, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 1 and Transferee Company 2 respectively, as a going concern.

In consideration of vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company in the Transferee Company 1 and Transferee Company 2 respectively, in terms of the Scheme, the Transferee Company 1 and Transferee Company 2 shall, without any further application, act or deed, issue and allot BAL RPS (fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1) and BHL RPS (fully paid-up redeemable, non-participating, non-cumulative preference share of face value INR 100 (Rupees hundred only) in the share capital of Transferee Company 2) respectively, to the shareholders of the Transferor Company, in the following manner:

(A) 500 (Five Hundred) BAL RPS and 500 (Five Hundred) BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant Record Date;

(B) 10 (Ten) BAL RPS and 10 (Ten) BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant Record Date; and

(C) 10 (Ten) BAL RPS and 10 (Ten) BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant Record Date.

The BAL RPS and BHL RPS to be issued by Transferee Company 1 and Transferee Company 2 respectively will not be listed and/ or admitted to trading on the Stock Exchanges.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable as the Composite Scheme of Arrangement does not involve issue of any equity shares to public at large. Hence, the procedure with respect to GID is not applicable.

ELIGIBILITY FOR THE ISSUE – Regulation 26(1) / 26(2) of SEBI (ICDR) Regulations, 2009

- Whether the company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: **Not Applicable.**

INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires various approval such as shareholders, NCLT and Department of Telecommunications, the time frame cannot be established with absolute certainty.

GENERAL RISK

Investments in securities including preference shares involve a degree of risk. Investors should not invest any funds unless they can afford to take the risk of losing their investment. Further, low liquidity in the preference shares could also result in difficulties to dispose of the preference shares at a certain time or price level. Investors are advised to read the risk factors carefully, before taking an investment decision in relation to this composite scheme of arrangement. For taking an investment decision, investors must rely on their own examination of the composite scheme of arrangement, including the risks involved. Securities and Exchange Board of India ("SEBI") has not recommended or approved the issuance of the preference shares, nor SEBI, guarantees the accuracy or adequacy of the contents of the information given herein. Specific attention of the investors is invited to the section titled "Risk Factors" at page 7 of this document.

PRICE INFORMATION OF LEAD MANAGER
Not Applicable since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company pursuant to the Scheme.

Merchant Banker: SPA Capital Advisors Limited **Contact person:** Manish Sharma **Telephone:** +91-11-45675500 **Email ID:** manishsharma@spagroupindia.com	**Statutory Auditors of Tata Teleservices Limited** Price Waterhouse Chartered Accountants LLP, Chartered Accountants **Address:** 252, Veer Savarkar Marg, Shivaji Park,Dadar (West), Mumbai – 400028. **Telephone:** +91-22-66691500; **Fax:** +91-22-66547804/07 **Registration No.:**012754N/N500016
Syndicate Members: Not Applicable **Credit Rating Agencies:** Not Applicable **Debenture Trustee:** Not Applicable **Self-Certified Syndicated Banks:** Not Applicable	**Registrar:** Not Applicable **Non-Syndicate Registered Brokers:** Not Applicable

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DETAILS OF PROMOTER OF TATA TELESERVICES LIMITEDAND TOP GROUP COMPANIES

Tata Sons Limited("Tata Sons") is a public limited company incorporated on November 08, 1917 under the provisions of the Indian Companies Act, 1913.Its registered office is situated at Bombay House, 24, Homi Mody Street, Mumbai-400001. The Corporate Identification Number of the Company is U99999MH1917PLC000478.

Tata Sons principal activity to hold investments in operating companies in various sectors. Tata Sons is the owner of 'Tata' trademarks registered in India and around the world. These are used by various Tata companies under a licence from Tata Sons as part of their corporate name and/or in relation to their products and services.

Name of the Top 5 (five) largest listed group company of TTSL: Tata Consultancy Services Limited, Tata Motors Limited, Tata Steel Limited, Titan Company Limited, The Tata Power Company Limited

BUSINESS MODEL/OVERVIEW AND STRATEGY

Tata Teleservices Limited (TTSL), is a public limited company incorporated on March 23, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1995PLC066685. Its registered office is situated at 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi - 110001. TTSL is a subsidiary of Tata Sons Limited.

TTSL became a pan-India telecom operator in January 2005. It has Unified Access (Basic and Cellular) Service License to operate in 16 circles, Unified License for Andhra Pradesh and National Long Distance ("NLD") license to provide NLD services across India (collectively, referred to as the "Telecom Licenses"). TTSL is engaged in businesses in the telecom sector including, inter alia, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) Wi-Fi business, which are all provided under the same Telecom License.

The consumer mobile telephony business as carried out by TTSL as a part of the Demerged Undertakings (means Demerged Undertaking 1 and Demerged Undertaking 2) and the enterprise business and other businesses carried on as part of the Residual Undertaking are separate and different business of TTSL.

BOARD OF DIRECTORS				
S.No.	**Name**	**DIN**	**Designation (Independent/ Whole Time / Executive/ Nominee**	**Qualification and Experience**
1.	Srinath Narasimhan	00058133	Managing Director	Mr. Srinath Narasimhan is the Managing Director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited. Mr. Srinath has held positions in project management, sales and marketing, and other corporate areas in different Tata companies over the last 26 years. Mr. Srinath holds a degree in mechanical engineering from IIT (Madras) and a management degree from IIM (Calcutta).
2.	Bharati Rao	01892516	Independent Director	Former Deputy Managing director of the State Bank of India (SBI) with over 40 years of experience in banking and financial sector. Ms. Rao currently serves on the boards of many companies. She has a post graduate degree in Economics from Madras University.
3.	Saurabh Agrawal	02144558	Director	Mr. Saurabh Agrawal is the Group Chief Financial Officer of Tata Sons Limited. He joined from the Aditya Birla Group where he was the Head of Strategy. In a career spanning over two decades, Mr. Agrawal has been the Head of Investment Banking in India for Bank of America Merrill Lynch and also Head of Corporate Finance business in India and South Asia for Standard Chartered bank. He completed his undergraduate degree in Chemical Engineering from IIT Roorkee and has a postgraduate management degree from IIM Kolkata.
4.	Narendra Damodar Jadhav	02435444	Independent Director	He is a renowned author, economist, educationist, social scientist and public speaker and member Rajya Sabha. In over four decades of public service, Dr. Jadhav has served in key positions including as Member of the Planning Commission and the National Advisory Council. He has also held the position of Vice- Chancellor, University of Pune and Principal Adviser and Chief Economist, Reserve Bank of India (RBI). He holds a PhD in Economics from Indiana University, USA
5.	Gopichand Katragadda	02475721	Director	Dr. Gopichand Katragadda is the Group Chief Technology Officer for Tata Sons. In this role, he drives technology and innovation for the Tata conglomerate leveraging cross-company synergies. He is a director on the boards of select Tata Companies. He holds MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.

6.	Vibha Paul Rishi	05180796	Independent Director	She is an accomplished marketing evangelist with international experience in spearheading global marketing campaigns for high-visibility consumer products. Ms. Rishi has been on board of various companies. Ms. Rishi holds an honors degree in Economics and a management degree with specialisation in Marketing.
7.	Ankur Verma	07972892	Director	He is B.E. in Mechanical Engineering and PGDM from IIM, Calcutta has around 15 years of experience in Investment Banking, Capital Markets and Corporate Strategy. At present, Mr. Verma is the Senior Vice President, Chairman's Office at Tata Sons Limited. Previously, Mr. Verma was Managing Director (Investment Banking Division) in Bank of America Merrill Lynch.

OBJECTS PURSUANT TO THE SCHEME

The Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of TTSL to BAL and BHL, respectively, results in the following benefits:

(a) expanding the business of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;

(b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;

(c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;

(d) the combination of the Demerged Undertakings and the Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;

(f) increase in customer base and also acquisition of new customers;

(g) provision of state of the art services to the customers using the spectrum and other assets; and

(h) enhanced generation of revenues and therefore enhanced license fee to the Government.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable.

Name of monitoring agency, if any: Not Applicable.

Terms of issuance of convertible security, if any: Not applicable.

Shareholding Pattern of Tata Teleservices Limited as on June 30, 2018 and indicative Post Scheme Shareholding is as follows:

Equity Shares of Rs. 10/- each

S. No.	Shareholders name	Pre- Scheme No. of Equity Shares	% Holding Pre- Scheme	Post- Scheme No. of Equity Shares	% Holding Post-Scheme
1.	Promoter - Tata Sons Limited	4,06,53,87,349	70.40	4,06,53,87,349	70.40
2.	Foreign Investors	38,80,43,561	6.72	38,80,43,561	6.72
3.	Other Bodies Corporate/Companies	1,29,87,00,798	22.49	1,29,87,00,798	22.49
4.	Individuals	2,29,01,526	0.40	2,29,01,526	0.40
	TOTAL	**5,77,50,33,234**	**100.00**	**5,77,50,33,234**	**100.00**

Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- Each

S. No.	Shareholders name	CCPS Series	Pre- Scheme No. of Compulsorily, Convertible Preference Shares	% Holding Pre-Scheme	Post- Scheme No. of Compulsorily, Convertible Preference Shares	% Holding Post-Scheme
1.	Tata Sons Limited	Series II/ Tranche 1	10,24,43,292	100	10,24,43,292	100
2.	Tata Sons Limited	Series II/ Tranche 2	9,95,43,545	100	9,95,43,545	100
3.	Tata Sons Limited	Series III / Tranche 1	22,00,68,680	100	22,00,68,680	100
4.	Tata Sons Limited	Series IV / Tranche 1	20,03,93,653	100	20,03,93,653	100
	TOTAL		62,24,49,170	100.00	62,24,49,170	100.00

Optionally Convertible Preference Shares (OCPS) of Rs. 100/- Each

S. No.	Shareholders name	OCPS series	Pre- Scheme No. of Optionally Convertible Preference Shares	% Holding Pre-Scheme	Post- Scheme No. of Optionally Convertible Preference Shares	% Holding Post-Scheme
1.	Tata Sons Limited	Series I Tranche 1	23,00,00,000	100	23,00,00,000	100
	TOTAL		23,00,00,000	100.00	23,00,00,000	100.00

AUDITED FINANCIALS

TATA TELESERVICES LIMITED - STANDALONE *(Rs. in Crores)*

Particulars	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
Total income from operations (net)	5,324.56	9,666.60	10,708.43	10,965.70	10,483.69
Net Profit/ (Loss) before tax and extraordinary items	(4,870.53)	(2,839.46)	(3,000.29)	(3,846.16)	(6,166.49)
Net Profit/ (Loss) after tax and extraordinary items	(17,629.79)	(4,617.04)	(3,386.02)	(3,846.16)	(6,166.49)
Equity Share Capital	5,775.03	5,775.03	4,712.39	4,712.39	4,712.39
Reserves & Surplus	(35,821.73)	(18,198.07)	(19,973.99)	(16,587.97)	(12,741.78)
Net Worth	(30,046.70)	(12,423.04)	(15,261.60)	(11,875.58)	(8,029.39)
Basic Earnings Per Share (In Rs)	(30.53)	(9.46)	(7.19)	(8.16)	(13.09)
Diluted Earnings Per Share (In Rs)	(30.53)	(9.46)	(7.19)	(8.16)	(13.09)
Return on Net-worth (%)	Refer note 2				
Net Asset Value per share (Rs)	(52.03)	(21.51)	(32.39)	(25.20)	(17.04)

TATA TELESERVICES LIMITED - CONSOLIDATED *(Rs. in Crores)*

Particulars	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
Total income from operations (net)	5,323.48	9,681.84	14,405.10	14,126.24	-
Net Profit/ (Loss) before tax and extraordinary items	(4,861.72)	(2,843.71)	(2,906.67)	(3,851.03)	-
Net Profit/ (Loss) after tax and extraordinary items	(17,136.86)	2,123.37	(2,997.93)	(4,073.30)	-
Equity Share Capital	5,775.03	5,775.03	4,712.39	4,712.39	-
Reserves & Surplus	(34,976.62)	(18,794.17)	(21,258.22)	(18,256.48)	-
Net Worth	(29,201.59)	(13,019.14)	(16,545.83)	(13,544.09)	-
Basic Earnings Per Share (In Rs)	(29.67)	4.35	(6.37)	(8.65)	-
Diluted Earnings Per Share (In Rs)	(29.67)	4.35	(6.37)	(8.65)	-
Return on Net-worth (%)	Refer note 2				-
Net Asset Value per share (Rs)	(50.57)	(22.54)	(35.11)	(28.74)	-

Note:

1. Financial details given above are as per the audited financials for the respective financial years. Financials for 2013-14, 2014-15 and 2015-16 are as per Indian GAAP and financials for 2016-17 and 2017-18 are as per IND AS. Consolidation was not applicable prior to FY 2014-15, hence consolidated financial details are not available for FY 2013-14.
2. Since the Company's net worth was negative for all the years given above, return on net worth has not been computed.

INTERNAL RISK FACTORS RELATED TO TATA TELESERVICES LIMITED

1. Tata Teleservices Limited (The Company) operates in an industry where growth in business was majorly on account of voice services, recent offerings on 4G have shifted the growth path towards data usage and voice over data. The consolidation of several telecom companies and the huge investments made by few competitors in the data space has left the Company on a weak comparable footing in terms of network investment. The industry is undergoing a consolidation phase with mergers happening between several players including the top 2 & 3 operators merging their operations. The Company would not be able to make those levels of investments given its current position or provide competitive offerings and consequently would be weaker than many other players in the market which is witnessing growth fuelled with data services.
2. The technological outlook in the telecom industry has seen swift changes in the recent past. If we are unable to keep pace with technological developments and changing customer preferences, we may experience a decline in demand for our services or face challenges in implementing our business strategy.
3. There are various litigation proceedings pending against the Company. There are significant financial penalties under challenge, which may have an adverse effect on our business, financial conditions, results of operations, and prospects in case the court judgments are not favorable to the Company.
4. The business of company depends heavily upon Key Managerial Personnel's and loss of service of such KMP's shall affect the performance of the company.
5. The company is presently an unlisted Company and its equity shares are presently not available for trading on any stock exchange.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

TATA TELESERVICES LIMITED:

A. **Total number of outstanding litigations against the company and amount involved** - Total 692 (Six Hundred and Ninety Two) litigations are pending against Tata Teleservices Limited as on the date of the Abridged Prospectus, out of which 410 (Four Hundred and Ten) are civil matters, 193 (One Hundred and Ninety Three) are consumer cases, 51 (Fifty One) are criminal matters. Total amount involved in the proceedings, wherever quantifiable is INR 2,575 crores (Approx.).

B. **Brief details of top 5 material outstanding litigations against the company and amount involved-**

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved in INR
1.	Demand note from The Department of Telecommunications (DoT) towards One Time Spectrum Charges (OTSC)	TTSL filed a writ petition before the Calcutta High Court challenging the demand.	Pending before Hon'ble High Court, Calcutta	863 Crores (Approx.)
2.	The Cellular Operators Association of India (COAI) challenged the DoT Press Release dated October 19, 2007 allowing the existing licencees to use dual technology before Telecom Disputes Settlement and Appellate Tribunal (TDSAT), which upheld the Dual-Tech Policy. COAI challenged the TDSAT order before the Supreme Court.	The Cellular Operators Association of India (COAI)	Pending before Hon'ble Supreme Court	TTSL GSM admin spectrum may be cancelled or they may be asked to pay difference between admin price paid and market determined price.
3.	The Department of Telecommunication (DoT) issued various demand notices to TTSL towards shortfall in license fees for financial years (FYs) 1999-2000 to 2005-2006 contesting that the components of the Adjusted Gross Revenue ("AGR"). The	TTSL	Pending before Hon'ble Supreme Court	TTSL will have to pay as per the revised demand of DoT. TTSL has paid Rs. 885 Crores under protest.

	AGR demand on account of spectrum usage charges for Special Audit for FY 2006-08 for Rs. 74.84 Crores has been quashed by TDSAT and an appeal has been filed in the Supreme Court.			
4.	Bharti Airtel Limited filed a petition against TTSL before TDSAT seeking a payment of SMS TC on net basis for the period June, 2009 to September, 2011 @ 10 paise/SMS. TRAI SMS TC Regulations 2013 fixed SMS TC @ 2 paise/SMS w.e.f. 01.06.2013.	Bharti Airtel Limited	TTSL has been directed to make the payments pending final disposal by Hon'ble Supreme Court	380 Cr (Approx.)
5.	BSNL raised demand notices on TTSL to pay ADC of Rs. 651 Cr, including interest (Rs. 295 Cr) for the period 14.11.2004 to 28.02.2006 (date after which ADC is payable on revenue share basis) on calls originating from Walky (as Wireless calls) and in some cases at highest rate slab applicable. TDSAT upheld that ADC was payable on calls originating from Walky. Further, Supreme Court also confirmed that ADC was payable on Walky (treating it as WLL-M) post appeal by TTSL, without dealing with the quantification of the demand. TTSL then filed a petition before the TDSAT for quantification of demand, however, TDSAT refused to entertain the request. Post TDSAT's refusal to entertain the request for quantification of demand, an application is filed before the Supreme Court by TTSL for expediting hearing in main appeal and also for the refund of the excess ADC amount paid by TTSL to BSNL along with interest.	TTSL	Pending before Hon'ble Supreme Court	Company has paid Rs. 570 crores under protest

C. **Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any -**
Tata Sons Limited, the promoter of TTSL, has not, in the last 5 financial years, been subjected to disciplinary action by SEBI or stock exchanges, other than pursuant to the interim order of SEBI dated June 4, 2013 ("**SEBI Interim Order**") in relation to non-compliance by Tata Teleservices (Maharashtra) Limited (TTML), of which Tata Sons Limited is a promoter, with Minimum Public Shareholding ("**MPS**") norms under Rules 19 (2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 within the stipulated time period. Pursuant to the SEBI Interim Order, TTML, its directors and promoters were prohibited from dealing in securities of TTML except for the purpose of complying with the MPS requirement until TTML had complied with MPS norms. On achieving the MPS norms, SEBI vide its order dated September 4, 2013 revoked the aforesaid directions issued vide the SEBI Interim Order.

**Note: As there are no equity shares of Bharti Airtel Limited being issued as part of the Scheme, the above disclosures have been limited to those of the Promoter of TTSL.*

D. **Brief details of outstanding criminal proceedings against Promoter**- None

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER/ TATA TELESERVICES LIMITED
Nil

DECLARATION
We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the abridged prospectus forming part of Explanatory Statement of Notice being sent by Bharti Airtel Limited to its shareholders, is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the abridged prospectus are true and correct.

Date: July 19, 2018
Place: New Delhi



SPA
THE FINANCIAL ADVISORS
www.spacapital.com

SPA Capital Advisors Ltd.
CIN: U99999DL1999PLC102526

25, C-Block Community Centre
Janak Puri, New Delhi-110 058
Tel. : 011-25517371, 25515086
Fax : 011-25532644
Email : info@spacapital.com

To,

The Board of Directors,
Bharti Airtel Limited
Bharti Crescent 1, Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi -110070

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Bharti Hexacom Limited in relation to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2") and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Dear Sirs,

We, SPA Capital Advisors Limited, refer to our engagement letter dated July 7, 2018 whereby Bharti Airtel Limited (hereinafter referred to as "BAL" or the "Transferee Company 1") has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to Bharti Hexacom Limited (hereinafter referred to as "BHL" or the "Transferee Company 2") pursuant to proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

Regulatory Requirement

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular) prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part D of schedule VIII of SEBI(ICDR) Regulations,2009.

Disclaimer and Limitation:

- This Certificate is a specific purpose certificate issued in terms of and in compliance with SEBI circular and hence it should not be used for any other purpose or transaction.
- This certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity viz., BHL and is not an opinion on the Scheme of Arrangement or its success.
- This Certificate is issued on the basis of examination of Information and documents provided by BHL and information which is available in the public domain and wherever required, the appropriate representation from BHL has also been obtained.

SPA Capital Advisors Limited New Delhi

SPA
THE FINANCIAL ADVISORS

- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.
- Our opinions is not nor should it be constructed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

Certification:

We state and certify follows:

- We have examined various documents and other materials in connection with finalization of disclosure of information dated July 23, 2018, pertaining to BHL ("Abridged Prospectus") which will be circulated to the members of BAL at the time of seeking their consent to the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as a part of explanatory statement to the notice.
- On the basis of such examination and the discussion with the management of BHL, its directors, others officers and on independent verification of contents of Abridged Prospectus and other paper furnished to us, we state that:
  - The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to BHL.
  - The Abridged Prospectus contains applicable information pertaining to BHL as required in terms of SEBI Circular which, in our view are fair, adequate and accurate to enable the members to make a well informed decision on the proposed Composite Scheme of Arrangement amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2").

For SPA Capital Advisors Limited

SPA Capital Advisors Limited New Delhi

Vivek Gautam
Associate Director

Date: July 23, 2018
Place: Delhi

ABRIDGED PROSPECTUS

Abridged Prospectus/ Memorandum containing information pertaining to **Bharti Hexacom Limited** which is a party to the Composite Scheme of Arrangement proposed to be made amongst Tata Teleservices Limited ("**TTSL**" or the "**Transferor Company**") and Bharti Airtel Limited ("**BAL**" or the "**Transferee Company 1**") and Bharti Hexacom Limited ("**BHL**" or the "**Transferee Company 2**"), collectively known as "**Transferee Companies**" and their respective shareholders and creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013(hereinafter referred to as the "**Scheme**").

This document is prepared pursuant to paragraph I.A.3 (a) of Annexure I of the Securities and Exchange Board of India ("**SEBI**") circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") and Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 (**"LODR"**) read with the said SEBI Circular and contains the applicable information in the format for abridged prospectus as provided in Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR**"). You are also encouraged to read the other details in the Scheme and other documents available on the website of Bharti Airtel Limited (www.airtel.com).

THIS ABRIDGED PROSPECTUS CONSISTS OF 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This document is prepared to comply with the requirements of Regulation 37 of LODR read with SEBI Circular and in accordance with disclosures in abridged prospectus as provided in Part D of Schedule VIII of ICDR, to the extent available. Bharti Airtel Limited is listed with the BSE Limited (BSE) and National Stock Exchange of India (NSE) Limited.

In terms of the Scheme, fully paid up, redeemable non-participating, non-cumulative preference shares are to be issued under the Scheme by the Transferee Companies to the shareholders of the Transferor Company that will not be listed and/or admitted to trading on the Stock Exchanges. As there is no issue of equity shares to the public at large, the requirements with respect to GID (General Information Document) are not applicable and this abridged prospectus should be read accordingly.

You may also download the Abridged Prospectus along with the Scheme as approved by the board of directors of Tata Teleservices Limited (Transferor Company) and Bharti Airtel Limited (Transferee Company 1) dated december 19, 2017 respectively and Bharti Hexacom Limited (Transferee Company 2) dated december 26, 2017, the report of Audit & Risk Management Committee of Bharti Airtel Limited dated december 19, 2017, the copy of the Valuation Report jointly issued by Ernst & Young Merchant Banking Services Private Limited and Walker Chandiok & Co. LLP dated december 19, 2017, and the Fairness Opinion Report issued by RBSA Capital Advisors LLP dated December 19, 2017 from the websites of BSE and NSE where the equity shares of Bharti Airtel Limited are listed.

BHARTI HEXACOM LIMITED

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
Phone No.: +91-11-46666100
Email: corporate.secretarial@bharti.in; **Website:** Not available
Corporate Identity Number: U74899DL1995PLC067527
Contact Person: Swati Batra
Email ID: corporate.secretarial@bharti.in
Phone No.:011-46666227

PROMOTERS OF BHARTI HEXACOM LIMITED

Bharti Airtel Limited

ISSUE DETAILS, LISTING AND PROCEDURE

The Composite Scheme of Arrangement is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, amongst Tata Teleservices Limited ("TTSL" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company 1") and Bharti Hexacom Limited ("BHL" or the "Transferee Company 2"), collectively known as "Transferee Companies" and their respective shareholders and creditors.

The Scheme is divided into the five parts namely, Part-A (deals with background of the Parties and the rationale and benefits of the Scheme), Part-B (deals with the definitions, interpretation and Share Capital), Part-C (deals with demerger of the Demerged Undertaking 1 as a going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income-tax Act, 1961), Part-D (deals with demerger of the Demerged Undertaking 2 as a going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income-tax Act, 1961) and Part-E (deals with the General Terms and Conditions applicable to the Scheme).

Upon the Scheme becoming effective, the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 of the Companies Act, 2013, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company 1 and Transferee Company 2 respectively, as a going concern.

In consideration of vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company in the Transferee Company 1 and Transferee Company 2 respectively, in terms of the Scheme, the Transferee Company 1 and Transferee Company 2 shall, without any further application, act or deed, issue and allot BAL RPS (fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1) and BHL RPS (fully paid-up redeemable, non-participating, non-cumulative preference share of face value INR 100 (Rupees hundred only) in the share capital of Transferee Company 2) respectively, to the shareholders of the Transferor Company, in the following manner:

(A) 500 (Five Hundred) BAL RPS/ BHL RPS to all (and not each) TTSL Equity Holders in proportion to their holding of TTSL Equity Shares on the relevant record date;

(B) 10 (Ten) BAL RPS/ BHL RPS to all (and not each) TTSL CCPS Holders in proportion to their holding of TTSL CCPS on the relevant record date; and

(C) 10 (Ten) BAL RPS/ BHL RPS to all (and not each) TTSL OCPS Holders in proportion to their holding of TTSL OCPS on the relevant record date.

The BAL RPS and BHL RPS to be issued by Transferee Company 1 and Transferee Company 2 respectively will not be listed and/ or admitted to trading on the Stock Exchanges.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable, as the composite scheme of arrangement does not involve issue of any equity shares to public at large. Hence, the procedure with respect to GID is not applicable.

ELIGIBILITY FOR THE ISSUE – Regulation 26(1) / 26(2) of SEBI (ICDR) Regulations, 2009

- Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: **Not Applicable.**

INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty. However, it is reasonably expected to come into effect in the financial year 2018-19.

GENERAL RISK

Investments in securities including preference shares involve a degree of risk. Investors should not invest any funds unless they can afford to take the risk of losing their investment. Further, low liquidity in the preference shares could also result in difficulties to dispose of the preference shares at a certain time or price level. Investors are advised to read the risk factors carefully, before taking an investment decision in relation to this composite scheme of arrangement. For taking an investment decision, investors must rely on their own examination of the composite scheme of arrangement, including the risks involved. Securities and Exchange Board of India ("SEBI") has not recommended or approved the issuance of the preference shares, nor SEBI, guarantees the accuracy or adequacy of the contents of the information given herein.

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The telecom industry has undergone drastic changes, wherein, the industry is experiencing a major consolidation amongst large mobile operators. Many mobile operators are either shutting down their operations or selling out to larger operators. Bharti Hexacom Limited is also facing the brunt of reduced pricing and decrease in revenue growth. Specific attention of the investors is invited to the section titled "Risk Factors" at page 7 of this document.

PRICE INFORMATION OF LEAD MANAGER

Not Applicable since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company pursuant to the Scheme.

Merchant Banker: SPA Capital Advisors Limited **Contact person**: Manish Sharma **Telephone:** +91-11-45675500 **Email ID:** manishsharma@spagroupindia.com	**Statutory Auditors** **BHARTI HEXACOM LIMITED** Deloitte Haskins & Sells LLP Chartered Accountants **Address:** 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurugram -122002 **Telephone:**+91-124-6792000; **Fax:**+91-124-6792012; **Email Id:**agrawalaj@deloitte.com **Registration No.:**117366W/W-100018
Syndicate Members: Not Applicable **Credit Rating Agencies:** Not Applicable **Debenture Trustee:** Not Applicable **Self-Certified Syndicated Banks:** Not Applicable	**Registrar:** Not Applicable **Non-Syndicate Registered Brokers:** Not Applicable

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DETAILS OF PROMOTER OF BHARTI HEXACOM LIMITED AND TOP GROUP COMPANIES

Bharti Airtel Limited, promoter of Bharti Hexacom Limited is a leading global telecommunications company with operations in 16 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the Company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 413 million customers across its operations at the end of March 2018. To know more please visit, www.airtel.com

Name of the Top 5 (five) largest listed group company: In addition to Bharti Airtel Limited, Bharti Infratel Limited, a subsidiary of Bharti Airtel Limited, is the only company listed on Indian stock exchanges which is a provider of tower and related infrastructure sharing services.

BUSINESS MODEL/OVERVIEW AND STRATEGY

Bharti Hexacom Limited (BHL), was incorporated on April 20, 1995. The Company is an unlisted public limited company, having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070. BHL is a subsidiary of Bharti Airtel Limited (BAL). BAL holds 70% of the equity share capital of BHL and Government of India, through Telecommunications Consultants India Limited, holds 30% of the equity share capital of BHL.

The company's principle shareholders are Bharti Airtel Limited and Telecommunication Consultants India Limited. BHL

was providing Cellular Mobile Telephony Services ("CMTS") in the telecom circle of North-east and Unified Access Service("UAS") in the telecom circle of Rajasthan in terms of license granted by Department of Telecommunications ("DoT"), Government of India ("GoI"). Pursuant to the expiry of the CMTS license of the north-east circle on december 11,2015 and UAS license of Rajasthan circle on April 20, 2016 the Company has migrated to Unified License ("UL") on July 24,2015 with service authorizationfor Access Services in North East Service Area from December 12, 2015 and Rajasthan service area from April 22, 2016.

The Company is the largest mobile telephony services in Rajasthan and North Eastern regions of India. The Company is also the provider of fixed line and broadband services in Rajasthan region. The Company is committed to provide best in class customer experience through brilliant network experience. The Company continues to invest in technology and network to lead the market with highest customer base and revenue.

BOARD OF DIRECTORS				
S.No.	**Name**	**DIN**	**Designation (Independent/ Whole Time / Executive/ Nominee**	**Qualification and Experience**
1.	Devendra Khanna	01996768	Director	A Chartered Accountant by qualification, Devendra Khanna hasan experience of more than 32 years in finance & accounts, budget and budgetary controls, risk management, management of foreign exchange, taxation etc.
2.	Sunil Kumar Goyal	02312181	Independent Director	Sunil Kumar Goyal is anICWA, Cost Accountant, CFA and financial analyst by profession, and holds more than 25 years of experience.
3.	Nilanjan Roy	02703775	Director	A commerce graduate and a Chartered Accountant, Nilanjan Roy has an overall 27years of experience in finance.
4.	Ravi Kumar Kaushal	02814471	Independent Director	A Chartered Accountant by qualification, Ravi Kumar Kaushal has an approx. 31years of experience in financial planning, direct taxes, and liquidity management.
5.	Mukesh Hassanand Bhavnani	03595080	Director	A graduate in Law and Commerce from Bombay University and a qualified Company Secretary, Mukesh Hassanand Bhavnanihas over 40years of varied experience across multiple industries including insurance, mining, oil & gas, infrastructure, media, consumer goods and pharmaceuticals.
6.	Sheshagiri Rao Annangi	06364174	Director	Sheshagiri Rao Annangihas done Electronics and Communication Engineering from J.N.T.U., Kakinada and has experience of over 36 years in construction and commissioning many signaling projects.
7.	Shefali Malhotra	07143784	Director	A Chartered Accountant by qualification, Shefali Malhotra has an overall 26 years of experience in finance.
8.	Narendra Jain	06942419	Director	Narendra Jain is a Cost and Management Accountant and a Company Secretary with an experience of approx. 30 years in finance such as financialmanagement, budgetary costing, corporate and project accounts, taxation, secretarial and legal fields.

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OBJECTS PURSUANT TO THE SCHEME

The Scheme for the demerger and vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of TTSL to BAL and BHL, respectively, results in the following benefits:

(a) expanding the business of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;
(b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Companies, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Companies;
(c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;
(d) the combination of the Demerged Undertakings and the Transferee Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;
(e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Companies and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;
(f) increase in customer base and also acquisition of new customers;
(g) provision of state of the art services to the customers using the spectrum and other assets; and
(h) enhanced generation of revenues and therefore enhanced license fee to the Government.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable.

Name of monitoring agency, if any: Since there is no issue of equity shares to the public at large in proposed Composite Scheme of Arrangement, the appointment of a monitoring agency is not required.

Terms of issuance of convertible security, if any: Not applicable.

Shareholding pattern of Bharti Hexacom Limited as on June 30, 2018 and indicative post scheme shareholding is as follows:

Equity Shares of Rs. 10/- each

S. No.	Shareholders name	Pre- Scheme No. of Equity Shares	% Holding Pre- Scheme	Post- Scheme No. of Equity Shares	% Holding Post-Scheme
1.	Bharti Airtel Limited	17,49,99,995	70.00	17,49,99,995	70.00
2.	Telecommunications Consultants India Limited	7,50,00,000	30.00	7,50,00,000	30.00
3.	Puneet Tandon*	1	0.00	1	0.00
4.	Suman Singh*	1	0.00	1	0.00
5.	Mukesh Bhavnani*	1	0.00	1	0.00
6.	Devendra Khanna*	1	0.00	1	0.00
7.	Rohit Puri*	1	0.00	1	0.00
	TOTAL	**25,00,00,000**	**100.00**	**25,00,00,000**	**100.00**

*Beneficial interest held by Bharti Airtel Limited.

Redeemable, Non-participating, Non-cumulative Preference Shares of Rs. 100/- each

S. No.	Shareholders name	Pre- Scheme No. of Redeemable, Non-Participating, Non-Cumulative Preference Shares	% Holding Pre- Scheme	Post- Scheme No. of Redeemable, Non-Participating, Non-Cumulative Preference Shares	% Holding Post-Scheme
-	*	Nil	-	520	100%
	TOTAL	**Nil**	**-**	**520**	**100%**

*Name of Preference Shareholders (Post-Scheme) to whom Preference Shares will be allotted pursuant to the Scheme are presently not identified.

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Shareholding pattern of Bharti Airtel Limited as on June 30, 2018 and indicative post scheme shareholding is as follows:

Equity Shares of Rs. 5/- each

S. No.	Shareholders name	Pre-Scheme No. of Equity Shares	% Holding Pre- Scheme	Post-Scheme No. of Equity Shares	% Holding of Post-Scheme
(A)	**Promoter & Promoter Group**				
1.	Bharti Telecom Limited	2,00,28,18,452	50.10	2,00,28,18,452	50.09
2.	Indian Continent Investment Limited	8,11,50,803	2.03	8,11,50,803	2.03
3.	Virdian Limited	84,93,000	0.21	84,93,000	0.21
4.	Pastel Limited	59,13,19,300	14.79	59,13,19,300	14.78
(B)	**Non-Promoter**				
1.	Public	1,31,18,56,852	32.82	1,31,28,27,726	32.84
2.	Non Promoter-Non Public	17,61,700	0.04	17,61,700	0.04
	Total	**3,99,74,00,107**	**100.00**	**3,99,83,70,981**	**100.00**

Notes:

1. Bharti Telecom Limited is a promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
2. Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the regulations.
3. Indian Continent Investment Limited is person acting in concert with promoter (Bharti Telecom Limited).
4. Viridian Limited is person acting in concert with Pastel Limited.
5. The Board of Bharti Airtel Limited approved the scheme of merger with Tata Teleservices (Maharashtra) Limited on december 19, 2017 post approval of the same from NCLT the paid up share capital of the Company will undergo change. The above shareholding is inclusive of the said consideration.

Redeemable, Non-participating, Non-cumulative Preference Shares of Rs. 100/- each

S. No.	Shareholders name	Pre- Scheme No. of Redeemable, Non-participating, Non-cumulative Preference Shares	% Holding Pre- Scheme	Post- Scheme No. of Redeemable, Non-participating, Non-cumulative Preference Shares	% Holding Post-Scheme
-	*	Nil	-	530	100%
	TOTAL	**Nil**	**-**	**530**	**100%**

*Name of Preference Shareholders (Post-Scheme) to whom Preference Shares will be allotted pursuant to the Scheme are presently not identified.

AUDITED FINANCIALS

BHARTI HEXACOM LIMITED - STANDALONE *(Rs. in millions)*

Particulars	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
Total income from operations (net)	44181	51313	51956	50818	41,364
Net Profit/ (Loss) before tax and extraordinary items	(1684)	10171	15716	16132	8,342
Net Profit/ (Loss) after tax and extraordinary items	(1119)	6601	10278	10792	6,036
Equity Share Capital	2500	2500	2500	2500	2500
Reserves & Surplus	62393	64328	57748	49787	40078
Net Worth	64893	66828	60248	52287	42578
Basic Earnings Per Share (In Rs)	(4.48)	26.40	41.11	43.17	24.14
Diluted Earnings Per Share (In Rs)	(4.48)	26.40	41.11	43.17	24.14
Return on Net-worth (%)	(1.72)	9.88	17.06	20.64	14.18
Net Asset Value per share (Rs)	259.57	267.31	240.99	209.15	170.31

INTERNAL RISK FACTORS RELATED TO BHARTI HEXACOM LIMITED

1. Bharti Hexacom Limited, forming part of Telecommunication industry, faces a series of burgeoning challenges, in the form of new waves of disruptive innovation and shifting of regulatory demands.
2. The Company faces intense competition and the entry of new telecom operator is forcing major consolidation in the telecom industry. The competitors are offering discount packages with free voice and cheap 4G services, consequent to which there has been a decline in the revenue of the industry. Bharti Hexacom Limited has also faced the brunt of the new competition as is visible from the financials as stated above, wherein the business continue to decline in each financial year.
3. The technological outlook in the telecom industry has seen swift changes in the recent past. If Bharti Hexacom Limited is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in demand for our services or face challenges in implementing the business strategy.
4. The business of Company depends heavily upon Key Managerial Personnel's and loss of service of such KMP's can affect the performance of the Company.
5. The Company is presently an unlisted Company and its securities are presently not available for trading on any stock exchange.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

BHARTI HEXACOM LIMITED:

A. Total number of outstanding litigations against the company and amount involved -

Total 149 (One Hundred and Forty Nine) litigations are pending against Bharti Hexacom Limited as on the date of the Abridged Prospectus, out of which 31 (Thirty One) are civil matters, 1 (One) is a matter under criminal laws, 7 (Seven) are tax matters and 4 (four) fall under are labour and industrial disputes. The total amount involved in the proceedings, wherever quantifiable is INR 2,79,06,68,437/-.

There are total of 67 (Sixty Seven) litigations filed by Bharti Hexacom Limited as on the date of Abridged Prospectus, out of which 12 (Twelve) are civil matters, 1 (One) is a matter under criminal laws, 34 (Thirty Four) are tax matters and 1 (One) is an appeal against the order of Deputy Director, Employee State Insurance Act, 1948 before the ESI Court, Jaipur. The potential exposure in these proceedings for Bharti Hexacom Limited, wherever quantifiable is estimated to be, approximately INR 5,47,01,63,097/-.

B. Brief details of top 5 material outstanding litigations against the company and amount involved-

The brief of the material outstanding litigations are as under:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved in INR
1.	Appeal filed by Bharti Hexacom Limited ondisallowance distributor margin, roaming charges and subscriber verification penalty under Income Tax Act.	Bharti Hexacom Limited	Pending before Income Tax Appellate Tribunal (ITAT)	311.99 Crores (Approx.)
2.	Appeal filed by revenue department ondisallowance of variable license fee under Income Tax Act.	Revenue Department	Pending before Income Tax Appellate Tribunal (ITAT)	271.01 Crores (Approx.)
3.	Petition filed by Bharti Hexacom Limited challenging demands in respect of purported non-compliances on account of self-certification in respect of EMF compliances of Cell Sites not being in TEC Format.	Bharti Hexacom Limited	Pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT)	247.46 Crores (Approx)
4.	Petition filed by Bharti Hexacom Limited challenging the imposition of Entry Tax.	Bharti Hexacom Limited	Pending before High Court Rajasthan at Jaipur Bench	85.05 Crores (Approx.)
5.	Appeal filed by Bharti Hexacom	Bharti Hexacom	Pending before	66.54 Crores (Approx.)

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	Limited challenging denial of cenvat credit on towers, for the period from 2004 to 2012.	Limited	the Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any -

There is no regulatory action, disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action except for below mentioned notice by SEBI:

- Indian Continental Investment Limited (ICIL), the person acting in concert with promoter of the Company (Bharti Telecom Limited), submitted the application for settlement to SEBI in June, 2016 under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for settlement of the adjudication proceedings as set out in the Show Cause Notice (SCN) bearing EAD-2/DSR/RG/13857/1/2016 dated May 12, 2016 issued by SEBI calling ICIL to show as to why an enquiry should not be held against it and penalty be not imposed under Section 15A(b) of SEBI Act, 1992 for non - disclosure under SEBI (Prohibition of Insider Trading) Regulations, 1992.
- SEBI passed the Settlement Order dated April 5, 2017 under Regulation 15 & 17 of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and disposed of the said adjudication proceedings initiated against ICIL vide SCN dated May 12, 2016.

D. Brief details of outstanding criminal proceedings against Promoters-

Total 34 (Thirty Four) criminal cases are pending against the promoters in various courts in India which includes 2 (Two) cases filed by Delhi Development Authority (DDA) and 1 (One) by New Delhi Municipal Corporation (NDMC) for misuse of a property, 1 (One) case filed by Labour inspector, Gwalior alleging non-compliance of MP Shramkalyan Nidhi Act, 1982 and 1 (One) case filed by Labour superintendent, Bhagalpur alleging violation of the provisions of Shop and Establishment Act, 1953 and rest of the cases are filed by customers of the Company for deficiency of services or other matters. In most of the cases filed by customers, the matter has been stayed by the Hon'ble High Court of corresponding states.

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER/ BHARTI HEXACOM LIMITED

Nil

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus/Memorandum are true and correct.

Date: July 23, 2018
Place: New Delhi



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/10/531)

Dated: 16.11.2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Bharti Airtel Limited

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Legal Representatives of the parties: M/s AZB & Partners

Order under Section 31 (1) of the Competition Act, 2002

1. On 16.10.2017, the Competition Commission of India ("**Commission**") received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 ("**Act**"), given by Bharti Airtel Limited ("**Airtel**").

2. The proposed combination envisages acquisition of 100 percent of the consumer mobile business currently run by Tata Teleservices Limited ("**TTSL**") and Tata Teleservices (Maharashtra) Limited ("**TTML**") ("**Tata CMB**") by Airtel ("**Proposed Combination**"). The Notice was filed with the Commission pursuant to execution of a binding term sheet, by and between Airtel, TTSL, TTML and Tata Sons Limited on 12.10.2017 ("**Acquisition Agreement**"). Airtel submitted certain additional information/clarification(s) vide emails dated 26.10.2017, 03.11.2017 and 07.11.2017 and 10.11.2017.

3. Airtel, a part of Bharti Enterprises group ("**Bharti Group**"), is a publicly traded global telecommunications corporation with operations in 17 countries across Asia and Africa. It is engaged in provision of various B2C and B2B telecommunication services. B2C services include, *inter-alia*, retail mobile telephony services, wireline services etc. and B2B services include, *inter-alia*, National Long Distance Services ("**NLD**"), International Long Distance Services ("**ILD**") etc. Airtel provides mobile telephony services in all telecom circles in India.

4. TTSL, a part of Tata Group, is engaged in the business of wired telephone service, wireless telephone service and Internet and broadband services in a number of telecom circles in India. TTML is an associate company of TTSL and is a telecom service provider in Maharashtra.

5. The Commission observed that the Proposed Combination envisaged acquisition of consumer mobile business or retail mobile telephony business of Tata companies by Airtel.

6. The Commission observed that retail mobile telephony services can be classified on the basis of various criteria such as type of service, type of customer and type of access equipment. However, considering the fact that the Proposed Combination is not likely to result in appreciable adverse effect on competition, for the reasons contained in the ensuing paragraphs, exact delineation of the relevant product market is left open.

7. As regards relevant geographic market, the Commission decided that the same may be defined in terms of each overlapping circle, i.e., Karnataka, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, UP (East), UP (West), Punjab, Haryana, Gujarat, Delhi, Kolkata, Kerala, Odisha, Bihar, Rajasthan, West Bengal, Himachal Pradesh, Mumbai and Maharashtra.

Assessment in terms of factors contained in Section 20(4) of the Act

Concentration analysis

8. The Commission noted that the issue of market shares and concentration is also dealt in the guidelines for transfer/merger of service licences on compromises, arrangement and

amalgamation of companies, issued by Ministry of Communications and Information Technology, Government of India in 2014 ("**DoT Merger Guidelines**"). As per the DoT Merger Guidelines, in case of merger or acquisition or amalgamation proposals that result in market share in any service area exceeding 50 percent, the resultant entity should reduce its market shares to 50 percent within a period of one year from the date of approval of merger or acquisition or amalgamation ("**Market Share Caps**"). As regards holding of spectrum by a TSP, the Commission noted that the spectrum holding in a licensed service area is subject to cap of 25 percent of the total spectrum assigned and 50 percent of the spectrum assigned in a specific band. ("**Spectrum Caps**"). The Parties have submitted that they will comply with the Spectrum Caps and the Market Share Caps. However, in this regard, the Commission observed that assessment of a proposed combination would need to be based, independently of such guidelines, on factors as contained in Section 20(4) of the Act.

9. The Commission, considering revenue market shares[1], observed that market is highly concentrated with pre-combination HHIs exceeding 2000 in all telecom circles (except Haryana, Mumbai and Punjab where HHIs are more than 1800). The position of the Parties in various telecom circles can be tabulated as under:

Table 1: Revenue based market share of the Parties in overlapping circles

Combined Market Share	**Number and name of Circles**
Less than 20%	1 [Kerala]
20% < 30%	1 [Gujarat]
30%<40%	9 [Tamil Nadu; Haryana; UP (East); UP (West); Madhya Pradesh; Maharashtra; Mumbai; West Bengal; Kolkata]
40% < 50%	3 [Delhi; Punjab; Rajasthan]
More than 50%	5 [Himachal Pradesh; Karnataka; Andhra Pradesh; Bihar; Odisha]

10. As a next step in competition assessment, the Commission examined the impact of the Proposed Combination on the level of concentration as reflected in incremental HHI. Such

[1] The market shares, incremental market shares, HHIs and incremental HHIs are calculated on the basis of market shares in terms of gross revenue of the Parties and other operators in overall retail mobile telephony services market for the quarter ending 30.06.2017.

examination was undertaken for 17 telecom circles wherein the combined market share is estimated to be more than 30 percent. The Commission observed that the change in HHI is significant in respect of all the telecom circles (except West Bengal and Himachal Pradesh), ranging from around 168 in Rajasthan to around 958 in Karnataka.

11. The Commission noted that the spectrum holding of the Acquirer may exceed Spectrum Caps in terms of total spectrum assigned in Bihar telecom circle. However, based on examination of spectrum holding of different TSPs in all overlapping telecom circles, the Commission noted that the spectrum seems to be fairly distributed between the various TSPs. Further, the Commission also noted that there is a significant quantity of unsold spectrum in each telecom circle which may also obviate any access issues.

Likelihood that the combination would result in the removal of a vigorous and effective competitor or competitors in the market

12. The Commission assessed as to how Tata CMB is placed in terms of closeness of competition to Airtel and its overall effectiveness as a competitor. In this regard, the Commission noted the following:

i. Tata CMB has a limited product offering. It is engaged in providing 2G and 3G services. Tata CMB does not include 4G services and as submitted, it does not intend to invest in spectrum and network for introducing 4G services;

ii. The Diversion Ratio from Airtel to Tata CMB is negligible. As regards diversion from Tata CMB to Airtel, it is noted that though there is significant diversion, Airtel is not the only preferred operator and there is equally significant diversion to Vodafone and Idea; and

iii. The market share of Tata CMB has been steadily declining in almost all the overlapping telecom circles. The same is also reflected in the revenue and EBIDTA of Tata CMB. […]

The aforesaid analysis reveal that Tata CMB neither seems to be a close competitor of Airtel nor an effective competitor going forward.

Buyer Power

13. The Commission in its earlier decision in combination of Idea and Vodafone's telecommunication business[2] had observed that that there is significant constraint on the TSPs from the buyer side in the mobile retail telephony services market. The observation was based on factors such as multi-SIMing, ease of substitution due to option of mobile number portability and significant churn rates. The Commission noted that the same assessment also applies in the instant case.

Extent of competition likely to be maintained after the Proposed Combination

14. The retail mobile telephony services market, post the Proposed Combination would have four private TSPs including the Aircel, RJio, Vodafone-Idea and the Acquirer and one state owned TSP *i.e.,* BSNL/MTNL in all telecom circles.

15. The Commission examined the size and resources of the competitors and is of the opinion that they are in a position to exercise adequate competitive constraints on the Acquirer and to eliminate any likelihood of appreciable adverse effect on competition, if any resulting from the Proposed Combination.

Level of combination in the market

16. The Commission observed that telecom sector is witnessing a stage of consolidation and therefore, it become important to also assess the impact of reduction in number of competitors on the competition. In this regard, the Commission is of the opinion that keeping in view its observations on the effectiveness of Tata CMB as a competitor going forward, the Proposed Combination is not likely to cause a significant change in competition dynamics.

17. Considering the aforesaid factors in totality, the Commission is of the opinion that the Proposed Combination is not likely to result in substantial change in competition dynamics

[2] Combination Registration No. C-2017/04/502 filed by Vodafone and Idea.

in retail mobile telephony services in any of the overlapping telecom circles and accordingly does not raise unilateral or coordinated effects concerns.

18. Considering the facts on record, details provided in the Notice given under Section 6(2) of the Act and assessment of the Proposed Combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have an appreciable adverse effect on competition in India and therefore, hereby approves the same under Section 31(1) of the Act. This order is, however, issued without prejudice to the proceedings under Section 43A of the Act.

19. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.

20. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.

21. The Secretary is directed to communicate to the Acquirer accordingly.

Bharti Airtel Limited

CIN: L74899DL1995PLC070609
Registered & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070
Phone: +91-11-4666 6100 **Fax:** +91-11-4666 6137
Email: compliance.officer@bharti.in **Website:** www.airtel.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO. CA (CAA)- 98(PB) OF 2018
(under Sections 230-232 of the Companies Act, 2013)
IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN TATA TELESERVICES LIMITED, BHARTI AIRTEL LIMITED AND BHARTI HEXACOM LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

Tata Teleservices Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 10th Floor, Tower I, Jeevan Bharati, 124 Connaught Circus, New Delhi – 110001

…Applicant Company 1/ Transferor Company

AND

Bharti Airtel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 2 / Transferee Company 1

AND

Bharti Hexacom Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

…Applicant Company 3 / Transferee Company 2

FORM OF PROXY

CIN: L74899DL1995PLC070609

Name of the Company: Bharti Airtel Limited

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

Name of the Equity Shareholder(s):……

Registered Address:……

Email ID:……

DP ID and Client ID/ Folio No.:…….. ……

I/We, being the holders of ……equity shares of Bharti Airtel Limited **("Transferee Company 1")**, hereby appoint:

i. Name:.....
Address:.....
Email ID:…… or failing him/her

ii. Name:.....
Address:.....
Email ID:…… or failing him/her

iii. Name:.....
Address:.....
Email ID:……

as my/ our proxy, to act for me/ us at the meeting of the equity shareholders of the Transferee Company 1 to be held at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034 on Tuesday, the 28th day of August, 2018 at 10:30 A.M., for the purpose of considering and, if thought fit, approving, with or without modification(s), the composite scheme of arrangement between Tata Teleservices Limited, the Transferee Company 1 and Bharti Hexacom Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**") and at such meeting and at an adjournment or adjournments thereof, to vote, for me/ us and in my/ our name(s) _____ *[here, 'if for', insert '**FOR**'; 'if against' insert '**AGAINST**', and in the latter case, strike out the words below after 'the said Scheme']* the said Scheme as my/our proxy.

Dated this _____ day of _____, 2018

Affix Re. 1/- Revenue Stamp

_____
Signature of Equity Shareholder

_____ _____ _____
Signature of first Proxy Holder | Signature of second Proxy Holder | Signature of third Proxy Holder

Notes:

1. The Form of Proxy in order to be effective should be in the prescribed form, duly completed and signed or authenticated by the concerned person and deposited at the registered office of the Transferee Company 1 at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070, **not later than 48 hours** before the scheduled time of the meeting.

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

3. Please affix a revenue stamp of Re. 1/- before signing across the same.

4. All alterations made in the Form of Proxy should be initialed.

5. Only an equity shareholder of the Transferee Company 1 is entitled to vote in person, by proxy, through postal ballot or through electronic means.

6. An equity shareholder is entitled to attend and vote at the tribunal convened meeting of the equity shareholders ("**Meeting**"), either in person or by proxy or through an authorized representative, as the case may be. where a body corporate which is an equity shareholder authorises any person to act as its representative at the meeting, a copy of the resolution of the board of directors or other governing body of such body corporate authorising 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 other authorised officer of such body corporate shall be lodged with the Transferee Company 1 at its registered office **not later than 48 hours before the scheduled time of the Meeting**.

7. Such equity shareholder is entitled to appoint a proxy to attend and vote at the Meeting instead and on behalf of such equity shareholder and such proxy need not be an equity shareholder. Proxies to be valid and effective should be in the prescribed Form of Proxy, duly completed, stamped and signed or authenticated by the concerned person and should be deposited at the registered office of the Transferee Company 1 **not later than 48 hours before the scheduled time of the Meeting**.

8. Pursuant to Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of the equity shareholders not exceeding 50 and holding in the aggregate not more than 10% of the total equity share capital of the Transferee Company 1 carrying voting rights. An equity shareholder holding more than 10% of the total equity share capital of the Transferee Company 1 carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.

9. An equity shareholder/ its proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed along with a copy of the deposited Form of Proxy (in case of a proxy). Equity shareholders holding shares in dematerialized form are requested to bring their Client Master List/ Depository Participant Statement/ Delivery Instruction Slip reflecting their Client ID and DP ID Number for easier identification of attendance at the Meeting.

Bharti Airtel Limited

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Registered & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070
Phone: +91-11-4666 6100 **Fax:** +91-11-4666 6137
Email: compliance.officer@bharti.in **Website:** www.airtel.com

MEETING OF THE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED ON TUESDAY, AUGUST 28, 2018 AT 10:30 A.M.

ATTENDANCE SLIP

DP ID & Client ID/ Regd. Folio No.*		**No. of Equity Shares**	

**applicable for shareholders holding shares in physical form.*

I hereby record my presence at the meeting of the equity shareholders of Bharti Airtel Limited, convened pursuant to the order dated June 14, 2018 passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi in Company Application No. CA (CAA)-98(PB)/2018, at Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034 on Tuesday, the 28th day of August, 2018 at 10:30 A.M.

Name of the Equity Shareholder : …….....

Address of the Equity Shareholder : *(complete details in block letters)*

Signature of the Equity Shareholder : …….....

OR

Name of the Proxy Holder : …….....

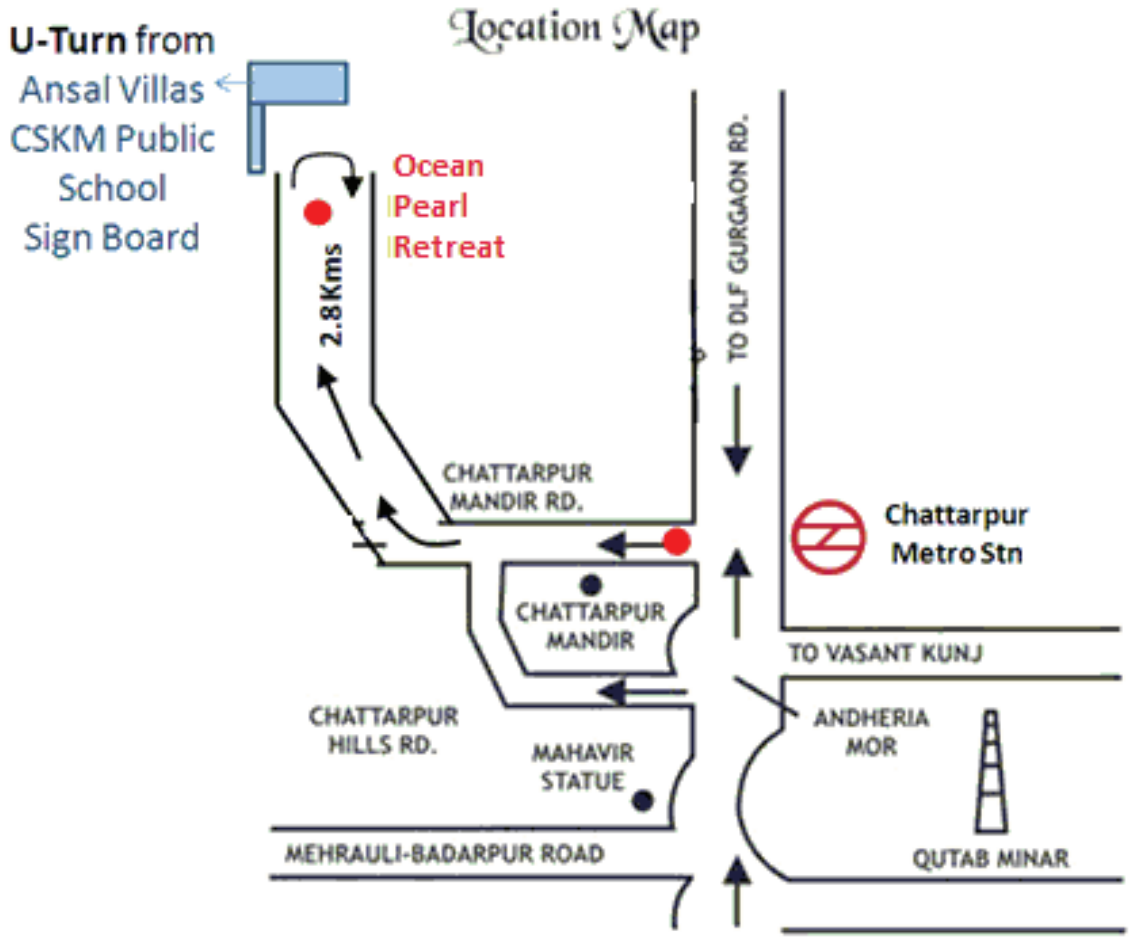
Address of the Proxy Holder *(complete details in block letters)*

Signature of the Proxy Holder : …….....

NOTES:

1. Equity shareholders/ authorized representatives or their proxies attending the meeting must bring this Attendance Slip to the meeting and hand over the same at the entrance of the meeting venue after completing and signing the same.
2. Equity shareholders/ authorized representatives or their proxies desiring to attend the meeting should bring his/ her copy of the notice for reference at the meeting.

ROUTE MAP FOR THE VENUE OF THE MEETING



Venue:

Ocean Pearl Retreat, Chattarpur Mandir Road, Satbari I, New Delhi – 110034