



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 pursuant to the order dated April 24, 2018 read with the order dated May 11, 2018, both passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi)

DETAILS OF THE MEETING:

| | |
|--------------|---|
| Day | Monday |
| Date | July 30, 2018 |
| Time | 1:30 P.M. to 2:30 P.M. (Indian Standard Time) |
| Venue | Airforce Auditorium, Near R&R Hospital, NH 48, Subroto Park, New Delhi - 110010 |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO. CA (CAA)-37(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 SCHEME OF ARRANGEMENT BETWEEN BHARTI AIRTEL LIMITED AND TELESONIC NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

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 1/ Transferor Company

AND

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

...Applicant Company 2/ Transferee Company

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

Notice is hereby given that by an order dated the 24th day of April, 2018 read with an order dated the 11th day of May, 2018 (collectively, the “**Orders**”), 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 (“**Transferor Company**”) for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed scheme of arrangement between the Transferor Company and Telesonic Networks Limited (“**Transferee Company**”) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 (“**Scheme**”).

In pursuance of the said Orders and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of the Transferor Company will be held at Airforce Auditorium, Near R&R Hospital, NH 48, Subroto Park, New Delhi - 110010 on Monday, the 30th day of July, 2018 from 1:30 P.M. to 2:30 P.M. (“**Meeting**”), at which place, day, date and time, the said unsecured creditors of the Transferor Company 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 (Compromise, 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 Transferor Company 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 Transferor Company 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 Transferor Company and/ or from the office of its advocates as mentioned above.

The Hon’ble Tribunal has appointed Mr. P. Nagesh, Advocate, as the Chairperson of the Meeting, including for any adjournment(s) thereof and failing him, Ms. Ranjana R. Gowai, Advocate, as the Alternate Chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Parmod Kumar Jain, 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 resolutions are 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 ("**Transferor Company**"), for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed scheme of arrangement between the Transferor Company and Telesonic Networks Limited ("**Transferee Company**") 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 letters, both dated February 9, 2018, issued by the BSE Limited and the National Stock Exchange of India Limited, and subject to the provisions of the memorandum of association and the articles of association of Bharti Airtel Limited ("**Transferor Company**") and subject to the approval of the Hon'ble National Company Law Tribunal, Bench at New Delhi ("**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 Transferor Company ("**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 scheme of arrangement between the Transferor Company and Telesonic Networks Limited (i.e. the Transferee Company) 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 Transferor Company 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 Transferor Company 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 June, 2018.

For Bharti Airtel Limited
Sd/-
Mr. 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 TRANSFEROR COMPANY (HEREINAFTER REFERRED TO AS "UNSECURED CREDITOR(S)") IS ENTITLED TO ATTEND AND VOTE AT THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS ("MEETING"), EITHER IN PERSON OR BY PROXY OR THROUGH AN AUTHORIZED REPRESENTATIVE, 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 TRANSFEROR COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. **AN UNSECURED CREDITOR IS ENTITLED TO ATTEND AND VOTE AT THE 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. 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 TRANSFEROR COMPANY 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 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 concern) or the proxy should carry a valid and legible document evidencing the individual claiming to be the proprietor of the sole proprietor concern as the proprietor of the sole proprietorship concern.
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 December 31, 2017 as had been filed with the Hon'ble Tribunal. 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 Transferor Company (www.airtel.com), besides being communicated to the stock exchanges where the equity shares of the Transferor Company are listed, namely, the National Stock Exchange of India and BSE Limited ("**Stock Exchanges**").
6. In terms of the directions contained in the Orders, the quorum for the Meeting shall be 1,000 unsecured creditors in number. 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 approved by the Unsecured Creditors of the Transferor Company if the resolutions mentioned above in the notice have been approved at the Meeting by a majority of persons representing three-fourths in value of the unsecured debt of the Unsecured Creditors of the Transferor Company, voting in person or by proxy.
8. In terms of the directions contained in the Order, the advertisement of the Meeting will be / has been 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 Transferor Company 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 Transferor Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 and its website (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 Transferor Company 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 Transferor Company through e-mail (compliance.officer@bharti.in). The company secretary of the Transferor Company 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 explaining 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 April 24, 2018 read with the order dated May 11, 2018, both passed by the Hon’ble Principal Bench of the National Company Law Tribunal in New Delhi (“**Tribunal**”) in Company Application No. CA (CAA)-37(PB)/2018 and Company Application No. 382(PB)/2018 in CA (CAA)-37/PB/2018, respectively (collectively, the (“**Orders**”), a meeting of the unsecured creditors of Bharti Airtel Limited (“**Transferor Company**”) is being convened at Airforce Auditorium, Near R&R Hospital, NH 48, Subroto Park, New Delhi - 110010 on Monday, the 30th day of July, 2018 from 1:30 P.M. to 2:30 P.M. (“**Meeting**”) for the purpose of considering and, if thought fit, approving with or without modification(s), the scheme of arrangement between the Transferor Company and Telesonic Networks Limited (“**Transferee Company**”, which together with the Transferor Company are hereinafter collectively referred to as the “**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 36 to 38 of this Explanatory Statement for the rationale and salient and features of the Scheme.
3. The Audit & Risk Management Committee of the Transferor Company (“**Audit Committee**”) *vide* resolution dated October 31, 2017, had recommended the Scheme to the board of directors (“**Board**”) of the Transferor Company, after having taken into consideration, *inter alia*, the valuation report dated October 31, 2017 issued by BSR & Associates LLP, Chartered Accountants and the fairness opinion dated October 31, 2017 issued by RB SA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India (“**SEBI**”). All the members (including the chairman) of the Audit Committee unanimously had approved the resolution recommending the Scheme to the Board of the Transferor Company, namely, (i) Craig Ehrlich (member); (ii) D.K. Mittal (member); (iii) Tan Yong Choo (member); and (iv) V.K Viswanathan (Chairman).
4. The Board of the Transferor Company, based on the recommendation of the Audit Committee, approved the

Scheme *vide* resolution dated October 31, 2017. All the directors on the Board of the Transferor Company who were present at the meeting voted unanimously in favour of the said resolution, for approving the Scheme and the filing thereof with the Tribunal, namely, (i) Mr. Sunil Bharti Mittal; (ii) Mr. Ben Verwaayen; (iii) Mr. Craig Ehrlich; (iv) Mr. Dinesh Kumar Mittal; (v) Mr. Gopal Vittal; (vi) Mr. Manish Kejriwal; (vii) Mr. Rakesh Bharti Mittal; (viii) Mr. Shishir Priyadarshi; (ix) Ms. Tan Yong Choo; and (x) Mr. V.K. Viswanathan.

5. The Board of the Transferee Company approved the Scheme *vide* resolution dated October 31, 2017. All the directors on the Board of the Transferee Company who were present at the meeting voted unanimously in favour of the said resolution, for approving the Scheme and the filing thereof with the Tribunal, namely, (i) Mr. Srikanth Balachandran; (ii) Mr. Badal Bagri; and (iii) Ms. Kiran Sharma.
6. The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, as may be applicable, for the transfer of the OFC Undertaking (*defined under Clause 1.14 of Part A of the Scheme*) of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis by way of Slump Sale (*defined under Clause 1.20 of Part A of the Scheme*) in accordance with Section 2(42C) of the Income Tax Act. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
7. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the unsecured creditors of the Transferor Company if the resolutions mentioned in the notice have 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 Transferor Company, voting in person or by proxy.

Details of the Transferor Company as per Rule 6(3) of the Rules

8. Details of the Transferor Company:

| Bharti Airtel Limited (Transferor Company) | |
|---|--|
| 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 Transferor Company are listed | (i) BSE Limited; and (ii) National Stock Exchange of India Limited |

9. 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 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, videotext, 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, refurbish, 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, condensers, 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.”
10. Main business carried on by the Transferor Company:

The Transferor Company is presently engaged in the business of providing global telecommunications with operations in 16 (sixteen) countries across Asia and Africa. In India, the Transferor Company product offerings include consumer mobile services (2G, 3G and 4G), mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services

including national & international long-distance services to carriers. It has Unified Licenses to operate in Punjab, Himachal Pradesh, Karnataka, Andhra Pradesh, Delhi 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.

11. Details of change of name, registered office and objects of the Transferor Company during the last five years:

Change of Name: The Transferor Company 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 Transferor Company was changed to its present name i.e. "*Bharti Airtel Limited*". Accordingly, there has been no change in the name of the Transferor Company during the last five years.

Change of Registered Office: There has been no change in the registered office of the Transferor Company during the last five years.

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

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

| Particulars | Amount (in Rs.) |
|--|--------------------------|
| Authorized Share Capital as on June 1, 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 1, 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 |

13. Names of the Promoters of the Transferor Company 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, Alexander 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 at Level 3, Alexander House, 36 Cybercity, Ebene, Mauritius |
|----|------------------|--|

Notes:

- (i) Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 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.

14. Names of the directors of the Transferor Company as on June 1, 2018 along with their addresses:

| S. No. | Name of the Director and Designation | Address |
|--------|--|---|
| 1. | Mr. Sunil Bharti Mittal (Chairman) | 19, Amrita Shergill Marg, New Delhi –110003, India |
| 2. | Mr. Ben Verwaayen (Independent Director) | Prince's Gate 1, Flat 7, London SW7 1QJ, United Kingdom |
| 3. | Ms. Chua Sock Koong (Non-Executive Director) | 15A, Oei Tiong Ham Park, Singapore – 268302 |
| 4. | Mr. Craig Ehrlich (Independent Director) | Block - B, 6/F, Best View Court, 66, Mac Donnell Road, Hong Kong |
| 5. | Mr. Dinesh Kumar Mittal (Independent Director) | B-71, Sector 44, Noida – 201301, Uttar Pradesh, India |
| 6. | Mr. Gopal Vittal (Managing Director & CEO (India & South Asia)) | A2/1202, World Spa East, Sector 30 & 41, Gurgaon – 122001, Haryana, India |
| 7. | Mr. Manish Kejriwal (Independent Director) | Prabhat Building, 3 rd 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 |
|-----|---|--|

15. 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 Scheme was unanimously approved by the Board of the Transferor Company on October 31, 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. Ben Verwaayen (Independent Director) | In Favour |
| 3. | Ms. Chua Sock Koong (Non-Executive Director) | Leave of Absence |
| 4. | Mr. Craig Ehrlich (Independent Director) | In Favour |
| 5. | Mr. Dinesh Kumar Mittal (Independent Director) | In Favour |
| 6. | Mr. Gopal Vittal (Managing Director & CEO (India & South Asia)) | In Favour |
| 7. | Mr. Manish Kejriwal (Independent Director) | In Favour |
| 8. | Mr. Rakesh Bharti Mittal (Non-Executive Director) | In Favour |
| 9. | Mr. Shishir Priyadarshi (Independent Director) | In Favour |
| 10. | Ms. Tan Yong Choo (Non-Executive Director) | In Favour |
| 11. | Mr. V.K. Viswanathan (Independent Director) | In Favour |
| 12. | Rashed Fahad O J Al- Noaimi (Non-Executive Director) | Leave of Absence |

16. As on December 31, 2017, the Transferor Company has a total of 10,376 unsecured creditors representing a total outstanding unsecured debt of Rs. 2,44,25,40,00,000/-.
17. Disclosure about the effect of the Scheme on the material interests of directors, key managerial personnel and debenture trustee of the Transferor Company:

None of the directors nor the key managerial personnel of the Transferor Company have any material interest in the Scheme, save to the extent of shares / directorships / managerial positions held by the directors / key managerial personnel in the Transferor Company, if any. Further, to the knowledge of the Transferor Company, neither does the security / bond trustee appointed in connection with the overseas bonds issued by the Transferor Company nor does the debenture trustee appointed in connection with the debentures issued by the Transferor Company have any material interest in the Scheme.

18. Disclosure about the effect of the Scheme on the following persons of the Transferor Company:

| S. No. | Persons | Effect of the Scheme |
|--------|--|---|
| 1. | Key Managerial Personnel / Employees of the Transferor Company | Upon the Scheme becoming effective (" Effective Date "), the employees of the OFC Undertaking as on the Effective Date, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Effective Date. |
| 2. | Directors | Upon the Effective Date, the existing directors shall continue on the Board of the Transferor Company. |
| 3. | Promoter Shareholders | The Scheme does not envisage any issuance and / or cancellation of shares. In this regard, it may be noted that upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000/- to the Transferor Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000/-. |
| 4. | Non-Promoter Shareholders | The Transferor Company has only a single class of shareholders i.e., the equity shareholders of the Transferor Company. |
| 5. | Depositors | Not Applicable |

| | | |
|----|---------------------------------------|---|
| 6. | Creditors / Debenture Holders | <p>Subject to Clause 6.1 of Part B of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities (defined under Clause 1.11 of Part A of the Scheme) shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is however clarified that any liabilities in relation to the OFC Undertaking that may arise or crystalize subsequent to the Appointed Date but relate to a period prior to the Appointed Date shall be solely borne by and discharged by the Transferor Company.</p> <p>In terms of Clause 6.1 of Part B of the Scheme, upon the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which may be instituted after the Effective Date and which relate to a period after the Effective Date and in each case relating to the OFC Undertaking would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company. However, it is clarified that all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date and / or which may be instituted after the Effective Date but which relate to a period on or prior to the Effective Date and in each case relating to the OFC Undertaking would be to the sole account of the Transferor Company and shall solely be continued and enforced by or against the Transferor Company.</p> |
| 7. | Deposit Trustee and Debenture Trustee | <p>The Scheme has no effect on the material interests of the security / bond trustee appointed in connection with the overseas bonds issued by the Transferor Company as well as the debenture trustee appointed in connection with the debentures issued by the Transferor Company.</p> |

19. Sub-clauses 3 and 6 of Clause III(B) of the memorandum of association of the Transferor Company contain enabling provisions for undertaking an arrangement as envisaged in the Scheme and the same are extracted below:

“3. To acquire and take over either the whole or any part of the business, goodwill, trade, patents and property, assets and liabilities of any person or persons, firm

or corporation, carrying on any business, which the Company is authorized to carry on.

6. To amalgamate with any other Company having objects altogether or in part, similar to those of this Company”

Details of the Transferee Company as per Rule 6(3) of the Rules

20. Details of the Transferee Company:

| Telesonic Networks Limited (Transferee Company) | |
|---|--|
| Corporate Identification No. (CIN) | U64200DL2009PLC325406 |
| Permanent Account No. (PAN) | AAHCA8010G |
| Incorporation Date | June 26, 2009 |
| Type of Company | Public Limited Company |
| Registered 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 are listed | Not applicable as the shares of the Transferee Company are not listed. |

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

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

“1. To acquire, develop, install, manage, maintain, provide, import, export and run all types of services in the telecommunication sector, which are required for the purposes of operation, management and maintenance of all types of telecommunication infrastructure networks inside and outside India and to engage in any activity, which may for technical, industrial or commercial reasons be directly or indirectly appurtenant to the foregoing or contribute in achieving the aforesaid object.

2. To perform all types of services (including but not limiting to technical, mechanical and advisory) for the purposes of operation, expansion, management and maintenance of telecommunication networks (including but not limited to network based upon CDMA, GSM, NGN and other technologies) for telecom operators and/or any other entity/company inside and outside India.

3. To carry on all or any of the business of telecommunication consultants, specialists, advisers and engineers, writers, designers, devisers,

organizers, programmers and marketers of telecom network systems and to render consultancy and technical services in areas of telecommunications, electronics, multimedia etc.

4. To develop, promote, purchase, sell, market, distribute, import, export, research, maintain, customize, install, modify, conceptualize, conceive, organize, manage, undertake projects, operate and conduct in India and/or abroad all types of telecommunication networks, its applications and other related products necessary.
5. To carry on the business of and to engage in general research and development in the field of telecommunication products and equipments and related items, telecommunication networks, data processing, electronical, mechanical, transmission, terminal and equipment, microwave radio wave and satellite products or systems and related software development and to carry development and commercialization of patents, copyrights and other intellectual property, office, industry and domestic automation equipments, development of new product lines and to use the technologies so developed for industrial and commercial purposes in India and abroad.
6. To manufacture, develop, produce, acquire, import, export, distribute, service, buy, sell, assemble, install, modify and deal in any manner in any product and equipment relating to telecommunication, electronics and information technology and also to manufacture, develop, acquire, apply, install all types of programmes and accessories, components, inputs, software whether application or system, assemblies and sub-assemblies, data processing supplies, appliances, micros processors, accessories and components of different capacities, specifications, applications, descriptions and models of every kind and description in India and hardware used in various offices, institutions, industries including electronic telecom multimedia and information technology and to own, work, erect, install, develop, maintain, equip, repair, add to, extend, purchase, sell, exchange or otherwise deal in plants and machinery used for manufacture of all types and kinds of telecommunications equipment which the Company manufactures and all components, equipment and stores used for manufacture of such telecommunications equipment.”

22. Main business carried on by the Transferee Company:

The Transferee Company is presently engaged in the business of designing, planning, deploying, optimizing

and managing broadband and fixed telephone networks across India.

23. Details of change of name, registered office and objects of the Transferee Company during the last five years:

Change of Name: The Transferee Company was incorporated on June 26, 2009 under the provisions of the Companies Act, 1956 under the name “VRRM Network Management Services India Limited”. Thereafter, on July 9, 2009, the name of the Transferee Company was changed to “Alcatel-Lucent Network Management Services India Limited” and again, on February 25, 2013, the name of the Transferee Company was changed to its present name i.e. “Telesonic Networks Limited”.

Change of Registered Office: The details of the change in the registered office of the Transferee Company during the last five years are as under:

- (i) the registered office of the Transferee Company prior to February 5, 2013 was at Second Floor, Sigma Tower, -27, Info City, Sector-34, Gurgaon, Haryana – 122001. Thereafter, the registered office of the Transferee Company was changed to Fourth Floor, “C” Wing, Airtel Center Plot No. 16, Udyog Vihar, Phase - IV, Gurgaon, Haryana – 122015 with effect from February 5, 2013; and
- (ii) the registered office of the Transferee Company prior to October 18, 2017 was at Fourth Floor, “C” Wing, Airtel Center Plot No. 16, Udyog Vihar, Phase - IV, Gurgaon, Haryana – 122015. Thereafter, the registered office of the Transferee Company was changed to its present registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, New Delhi – 110070 with effect from October 18, 2017.

Change of Objects: There has been no change in the objects of the Transferee Company during the last five years.

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

| Particulars | Amount (in Rs.) |
|--|---------------------|
| Authorized Share Capital as on June 1, 2018 | |
| 9,50,00,000 equity shares of Rs. 10/- each | 95,00,00,000 |
| Total | 95,00,00,000 |
| Issued, Subscribed and Fully Paid-up Share Capital as on June 1, 2018 | |
| 9,39,27,154 equity shares of Rs. 10/- each | 93,92,71,540 |
| Total | 93,92,71,540 |

25. Names of the Promoters of the Transferee Company 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 |

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

| S. No. | Name of the Director and Designation | Address |
|--------|---|---|
| 1. | Mr. Pankaj Tewari (Director) | H. No. P2A 106, Princeton Estate, Near Golf Course DLF Phase - 5, Sikanderpur, Ghosi(68), DLF QE Gurgaon – 122002, Haryana, India |
| 2. | Mr. Badal Bagri (Director) | Ma - 1/2- Flat No 4D Garden Estate, Phase III Qutab Enclave Gurgaon –122002, Haryana, India |
| 3. | Mr. Srikanth Balachandran (Director) | A5/801, World Spa East Sector 30, Gurgaon – 122001, Haryana, India |

27. The date of the board meeting at which the Scheme was approved by the Board of the Transferee 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 Scheme was unanimously approved by the Board of the Transferee Company on October 31, 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. | Ms. Kiran Sharma (Director) | In Favour |
| 2. | Mr. Badal Bagri (Director) | In Favour |
| 3. | Mr. Srikanth Balachandran (Director) | In Favour |

28. As on December 31, 2017, the Transferee Company has a total of 1,003 unsecured creditors representing a total outstanding unsecured debt of Rs. 32,60,00,000/-.

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

None of the directors nor the key managerial personnel

of the Transferee Company have any material interest in the Scheme, save to the extent of directorships / managerial positions held by the directors / key managerial personnel in the Transferee Company, if any.

30. Disclosure about the effect of the Scheme on the following persons of the Transferee Company:

| S. No. | Persons | Effect of the Scheme |
|--------|--|---|
| 1. | Key Managerial Personnel / Employees of the Transferee Company | Upon the Scheme becoming effective (“ Effective Date ”), the employees of the OFC Undertaking as on the Effective Date, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Effective Date. |
| 2. | Directors | Upon the Effective Date, the existing directors shall continue on the Board of the Transferee Company. |
| 3. | Promoter Shareholders | The Scheme does not envisage any issuance and / or cancellation of shares. In this regard, it may be noted that upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000/- to the Transferor Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000/-. |
| 4. | Non-Promoter Shareholders | The Transferee Company has only a single class of shareholders i.e., the equity shareholders of the Transferee Company. |
| 5. | Depositors | Not Applicable |

| | | |
|----|---------------------------------------|--|
| 6. | Creditors / Debenture Holders | <p>Subject to Clause 6.1 of Part B of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities (defined under Clause 1.11 of Part A of the Scheme) shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is however clarified that any liabilities in relation to the OFC Undertaking that may arise or crystallize subsequent to the Appointed Date but relate to a period prior to the Appointed Date shall be solely borne by and discharged by the Transferor Company.</p> <p>In terms of Clause 6.1 of Part B of the Scheme, upon the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which may be instituted after the Effective Date and which relate to a period after the Effective Date and in each case relating to the OFC Undertaking would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company. However, it is clarified that all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date and / or which may be instituted after the Effective Date but which relate to a period on or prior to the Effective Date and in each case relating to the OFC Undertaking would be to the sole account of the Transferor Company and shall solely be continued and enforced by or against the Transferor Company.</p> |
| 7. | Deposit Trustee and Debenture Trustee | Not Applicable |

32. Sub-clause 43 of Clause III(B) of the memorandum of association of the Transferee Company contains enabling provisions for undertaking an arrangement as

envisaged in the Scheme and the same is extracted below:

“43. To amalgamate, consolidate or merge, with a view to effective a union of interests either in whole or in part with or into any other companies, associations, firms or persons carrying on any trade or business of a similar nature to that which this Company is authorized to carry on.”

33. Relationship between the Transferor Company and the Transferee Company:

The Transferee Company is an “indirect” wholly owned subsidiary of the Transferor Company. In other words, the entire issued, subscribed and fully paid-up equity share capital of the Transferee Company is held by the Transferor Company along with its nominees and Bharti Airtel Services Limited, which itself is a wholly owned subsidiary of the Transferor Company.

34. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

35. Rationale of the Scheme and the benefits of the Scheme as perceived by the Board of Directors of the Transferor Company and the Transferee Company

Part (B) of the Preamble to the Scheme (i.e. Rationale and benefits of the Scheme) states as under:

“The Transferor Company is a multi-business corporate inter alia engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. These activities and businesses have been nurtured from a nascent stage and are currently at different stages of maturity and have different capital, operating and regulatory requirements. Since the Transferor Company and the Transferee Company are companies within the same group, the Transferor Company believes that it would be beneficial to restructure its business interests as it will result in sharper and dedicated focus on the optical fibre cable business and operational efficiencies and therefore the proposed arrangement will, inter-alia, allow for efficient integration of the fibre roll-out and maintenance resources on an inter-city and intra-city level.”

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

Clause 1.4 of Part A of the Scheme defines the Appointed Date as “means the Effective Date,”.

Clause 1.8 of Part A of the Scheme defines Effective

Date as “means the date on which the certified copy of the NCLT’s order sanctioning this Scheme is filed by the Companies with the Registrar of Companies, National Capital Territory of Delhi & Haryana; Any reference in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” shall be a reference to the Effective Date;”.

Clause 1.20 of Part A of the Scheme defines Slump Sale as “means the sale of an undertaking on a going concern basis as defined under section 2(42C) of the IT Act, for a lump sum consideration without values being assigned to the individual assets and liabilities”;

Clause 1.14 of Part A of the Scheme defines the OFC Undertaking as “means the optical fiber cable business undertaking of the Transferor Company comprising of and including, undergrounds and over ground cables, on a going concern basis. Without prejudice and limitation to the generality of the above, the OFC Undertaking means and includes without limitation, the following items:

- (i) All assets of the OFC Undertaking wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company relating to the OFC Undertaking;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and / or rules or whether granted by any municipal body / authority, panchayat body / authority or any other authority including a development authority, all rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries / associate/joint venture companies and other shareholders of such subsidiary / associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and / or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the OFC Undertaking, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the OFC Undertaking;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the OFC Undertaking;
- (iv) any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to the OFC Undertaking;
- (v) employees of the Transferor Company that are determined by its Board of Directors and / or the Transferor Company to be engaged in or in relation to the OFC Undertaking;
- (vi) all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on or arising after the Effective Date but which relate to periods after the Effective Date of whatsoever nature by or against the Transferor Company relating to the OFC Undertaking;
- (vii) all Liabilities as defined in clause 1.11 of Part A of this Scheme; and
- (viii) any other Asset specifically allocated by the Board of Directors of the Transferor Company as relating to or belonging to the OFC Undertaking.”

The Scheme neither provides for a share exchange ratio nor a record date since the Scheme does not envisage any issuance of shares. Further, in terms of Clause 9 of Part B of the Scheme, upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000/- to the Transferor Company in the form of cash through normal banking channels.

37. Salient Features of the Scheme:

- a) The Scheme is divided into the following parts:
 - Part A - Definitions and Share Capital;
 - Part B - Transfer of the OFC Undertaking (defined in Clause 1.14 of Part A of the Scheme) to the Transferee Company on a going concern basis by way of a Slump Sale; and
 - Part C - General Terms and Conditions.
- b) The Scheme provides that upon the Effective Date and with effect from the Appointed Date, the OFC Undertaking (defined in Clause 1.14 of Part A of the Scheme) of the Transferor Company shall stand

transferred and vest in the Transferee Company on a going concern basis by way of Slump Sale (defined under Clause 1.20 of Part A of the Scheme) so as to become as and from the Appointed Date, the undertaking of the Transferee Company, and to vest in the Transferee Company, all the Assets (defined under Clause 1.5 of Part A of the Scheme), Liabilities defined under Clause 1.11 of Part A of the Scheme, rights, title or obligations of the OFC Undertaking therein, in the manner described in the Scheme.

c) The Scheme provides that upon the Effective Date and with effect from the Appointed Date:

(i) all Assets relating to the OFC Undertaking, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to Clause 2.1 of Part B of the Scheme shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

(ii) all movable Assets of the Transferor Company relating to the OFC Undertaking, other than those specified in para 36(c)(i) of this Explanatory Statement, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company;

(iii) all Intellectual Property (*defined under Clause 1.9 of Part A of the Scheme*) of the Transferor Company relating to the OFC Undertaking shall without any requirement of any further act or deed stand transferred and vested in the Transferee Company. The Scheme shall serve as a requisite consent for use and transfer of Intellectual Property without requiring the execution of any further deed or document so as to transfer of the said Intellectual Property in favour of the Transferee Company;

(iv) subject to Clause 6.1 of Part B of the Scheme, all Liabilities shall stand transferred, or be

deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is however clarified that any liabilities in relation to the OFC Undertaking that may arise or crystallize subsequent to the Appointed Date but relate to a period prior to the Appointed Date shall be solely borne by and discharged by the Transferor Company;

(v) In relation to para 36(c)(iv) of this Explanatory Statement, Clause 6.1 of Part B of the Scheme states that *“Upon this Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which may be instituted after the Effective Date and which relate to a period after the Effective Date and in each case relating to the OFC Undertaking would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company. However, it is clarified that all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date and / or which may be instituted after the Effective Date but which relate to a period on or prior to the Effective Date and in each case relating to the OFC Undertaking would be to the sole account of the Transferor Company and shall solely be continued and enforced by or against the Transferor Company.”*; and

(vi) subject to the provisions of the Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries / associate / joint venture companies and other shareholders of such subsidiaries / associate / joint venture companies, arrangements and other instruments of whatsoever nature in relation to the OFC Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company

had been a party or beneficiary or obligee thereto or thereunder.

d) Upon the Effective Date, the employees of the OFC Undertaking as on the Effective Date, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Effective Date. The services of such employees, if any, with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the employees, if any, may be eligible under Applicable Law (defined under Clause 1.3 of Part A of the Scheme).

e) In terms of Clause 9 of Part B of the Scheme, upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000/- to the Transferor Company in the form of cash through normal banking channels. The capital gains tax, if any, that may arise on account of payment of the consideration shall be the sole responsibility of the Transferor Company. Further, the aforesaid lump sum consideration shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000/-.

f) In terms of Clause 6 of Part C of the Scheme, the transfer of the OFC Undertaking to the Transferee Company as contemplated by the Scheme is conditional upon and subject to the Transferee Company having duly discharged the lump sum consideration to the Transferor Company as provided for under Clause 9 of Part B of the Scheme.

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.

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

The Scheme does not envisage any issuance and / or cancellation of shares and accordingly, the valuation

report does not set out a share exchange / entitlement ratio.

In terms of Clause 9 of Part B of the Scheme, upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000 to the Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000.

The above mentioned valuation report states that the basis of transfer of the “Target operations” (defined in the valuation report as the dark fibre business of the Company) have to be determined after taking into consideration all the factors and methodologies mentioned in the valuation report and that 100% weight has been assigned to the value arrived at using the replacement cost method to arrive at the valuation for the Target operations. The valuation report further states that based on the factors discussed and outlined in the valuation report, the valuation of the Target operations for the purpose of transfer is as follows:

“Valuation Summary:

| Net Equity Valuation Conclusion (INR Million) | | |
|--|------------------|---------------|
| Method | Weightage | Value |
| <i>Replacement cost method</i> | 100% | 45,647 |
| Concluded Net Equity Value | | 45,647 |

Note: Income approach and market approach are not applicable for the reasons mentioned under headers “Discounted Cash Flows (“DCF”) Method, “Comparable Companies’ Multiple (CCM) / Comparable Transactions Multiple method” and “Market Price Method” above.“

Further, the fairness opinion has been issued in respect of the valuation report and no special valuation difficulties were reported by the valuers.

Please refer to the valuation report and the fairness opinion that are enclosed as **ANNEXURE 4** and **ANNEXURE 5**, respectively.

39. The details of the capital structure of the Transferor Company as on June 1, 2018 is provided at paragraph 12 of this Explanatory Statement. Further, the details of the capital structure of the Transferee Company as on June 1, 2018 is provided at paragraph 24 of this Explanatory Statement. Moreover, the Scheme does not contemplate any debt restructuring nor are either of the Companies undergoing any debt restructuring.

40. No investigation proceedings have been instituted and are pending in relation to either of the Companies under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
41. To the knowledge of each of the Companies, no winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and / or insolvency proceedings have been filed / instituted and are pending against either of the Companies.
42. **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 Transferor Company 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 Transferor Company 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 Transferor Company has received observation letters, both dated February 9, 2018, from the Stock Exchanges wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Tribunal. The said observation letters are enclosed as **ANNEXURE 7** and **ANNEXURE 8**, respectively.
- b) As required by the SEBI Circular, the Transferor Company has filed its Complaint Report with BSE and NSE, respectively, on December 6, 2017. The Complaint Report filed by the Transferor Company indicates that it has received ‘nil’ complaints. A copy of the Complaint Report is enclosed as **ANNEXURE-6**.
- c) The proposed transfer of the OFC Undertaking from the Transferor Company to the Transferee Company pursuant to the Scheme does not envisage the transfer of any telecom license. Accordingly, 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, Government of India (“**DoT**”) are not applicable in the instant case and consequently, there is no legal requirement to notify / obtain prior approval of the DoT in relation to the Scheme in terms of para 3(a) of the DoT Merger Guidelines.
- d) The Scheme was jointly filed by the Companies with the Tribunal, on March 13, 2018. Consequently, the Hon’ble Principal Bench of the Tribunal *vide* order dated April 24, 2018 read with order dated May 11, 2018, has directed, *inter alia*, the convening of the Meeting.
43. It is confirmed that a copy of the Scheme has been filed by each of the Companies, with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.
44. **Inspection of Documents:** The following documents will be open for inspection to the unsecured creditors of the Transferor Company at its registered office situated 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) Copies of the orders dated April 24, 2018 and May 11, 2018, both passed by the Hon’ble Principal Bench of the Tribunal in Company Application No. CA (CAA)-37(PB)/2018 and Company Application No. 382(PB)/2018 in CA (CAA)-37/PB/2018, respectively, directing *inter alia*, the convening of the Meeting;
- b) Copy of the Scheme, as filed before the Hon’ble Tribunal;
- c) Copy of the valuation report dated October 31, 2017 issued by BSR & Associates LLP, Chartered Accountants;
- d) Copy of the fairness opinion dated October 31, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with SEBI;
- e) Copy of the independent auditor’s certificate dated October 31, 2017, certifying non-applicability of paragraph I(A)(9)(a) and I(A)(9)(b) of Annexure I to the SEBI Circular;
- f) Copy of the Complaint Report submitted by the Transferor Company to the Stock Exchanges on December 6, 2017;
- g) Copies of the observation letters, both dated February 9, 2018, issued by the Stock Exchanges to the Transferor Company;
- h) Copies of the 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 Transferor Company;

- i) Copies of the Certificate of Incorporation dated June 26, 2009, the Certificate for Commencement of Business dated July 20, 2009 and the Fresh Certificates of Incorporation consequent upon change of name dated July 9, 2009 and February 25, 2013, respectively along with copies of the memorandum of association and articles of association of the Transferee Company;
- j) Certificate dated October 31, 2017 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Transferor Company, in terms of the proviso to Section 230 (7) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
- k) Certificate dated October 31, 2017 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of the Transferee Company in terms of the proviso to section 230(7) 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;
- l) Copies of the annual reports of each of the Companies for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016;
- m) Copies of the audited financial statements for the period ended March 31, 2018 of each of the Companies;

- n) Copies of the extract of the resolutions dated October 31, 2017 passed by the respective Boards' of the Companies, *inter alia*, approving the Scheme and the filing thereof with the Tribunal;
- o) Report of the Audit Committee of the Transferor Company dated October 31, 2017 recommended the Scheme to the Board of the Transferor Company;
- p) Reports adopted by the respective Boards of the Companies pursuant to Section 232(2)(c) of the Act;
- q) Other documents displayed on the websites of the Stock Exchanges and the Transferor Company in terms of the SEBI Circular; and
- r) Copies of the paper books filed in Company Application No. CA (CAA)-37(PB)/2018 and Company Application No. 382(PB)/2018 in CA (CAA)-37/PB/2018, respectively.

Dated this 20th day of June, 2018

For Bharti Airtel Limited
Sd/-
Mr. 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

SCHEME OF ARRANGEMENT

BETWEEN

**BHARTI AIRTEL LIMITED
(TRANSFEROR COMPANY)**

AND

**TELESONIC NETWORKS LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)

PREAMBLE

(A) BACKGROUND AND DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THIS SCHEME

1. This Scheme is presented pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, for the transfer of the OFC Undertaking of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis by way of a Slump Sale in accordance with section 2(42C) of the IT Act.

Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

2. **Bharti Airtel Limited**, the Transferor Company, is a public limited company incorporated on July 7, 1995 under the the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as L74899DL1995PLC070609 and having its registered office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070. The equity shares of the Transferor Company are listed on the Stock Exchanges.
3. The Transferor Company is engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. In India, the Transferor 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 and international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce.
4. **Telesonic Networks Limited**, the Transferee Company, is a public limited company incorporated on June 26, 2009 under the the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as U64200DL2009PLC325406 and having its registered office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070.
5. The Transferee Company is engaged in the business of designing, planning, deploying, optimizing and managing broadband and fixed telephone networks across India.

(B) RATIONALE AND BENEFITS OF THIS SCHEME

The Transferor Company is a multi-business corporate inter alia engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. These activities and businesses have been nurtured from a nascent stage and are currently at different stages of maturity and have different capital, operating and regulatory requirements. Since the Transferor Company and the Transferee Company are companies within the same group, the Transferor Company believes that it would be beneficial to restructure its business interests as it will result in sharper and dedicated focus on the optical fibre cable business and operational efficiencies and therefore the proposed arrangement will, inter-alia, allow for efficient integration of the fibre roll-out and maintenance resources on an inter-city and intra-city level.

(C) **PARTS OF THIS SCHEME**

This Scheme is divided into the following parts:

- PART A** - Definitions and Share Capital;
- PART B** - Transfer of the OFC Undertaking of the Transferor Company to the Transferee Company on a going concern basis by way of a Slump Sale; and
- PART C** - General Terms and Conditions.

PART A

1. DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 1.1 “**Accounting Standards**” means the Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- 1.2 “**Act**” means the Companies Act, 1956 and/ or the Companies Act, 2013 (as the case may be and to the extent applicable);
- 1.3 “**Applicable Law(s)**” means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, 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 governmental authority; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4 “**Appointed Date**” means the Effective Date;
- 1.5 “**Asset(s)**” mean and includes all fixed, movable, intangible, financial, non-financial, rights, Intellectual Property assets of every kind, nature, character and description, whether owned or leased, or otherwise acquired by, or in the possession of the Transferor Company, of whatsoever nature and wheresoever situated, whether or not required to be reflected on a balance sheet of the Transferor Company in accordance with the Accounting Standards and pertaining to the OFC Undertaking, including but not limited to optical fibre cables, high density polyethylene duct, inside spiral ribbed duct, joint closure, end plug, simple plug, push fit coupler, double wall corrugated duct coupler, contractor service charges (trenching), loans and security deposits, capital work in progress, easmentary rights, rights of way associated with laying and operationalising such infrastructure (including those arising pursuant to licenses issued under the Indian Telegraph Right of Way Rules, 2016) and every associated intangible right;
- 1.6 “**Board**” or “**Board of Directors**” means the respective board of directors of the Companies and shall, unless repugnant to the context, include a committee of directors or any person authorized by the Board or such committee of directors;
- 1.7 “**Companies**” means the Transferor Company and the Transferee Company, respectively;
- 1.8 “**Effective Date**” means the date on which the certified copy of the NCLT’s order sanctioning this Scheme is filed by the Companies with the Registrar of Companies, National Capital Territory of Delhi & Haryana;

Any reference in this Scheme to “**upon this Scheme becoming effective**” or “**effectiveness of this Scheme**” shall be a reference to the Effective Date;

- 1.9 “**Intellectual Property**” means and includes 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) pertaining to the OFC Undertaking of the Transferor Company, in each case whether registered or unregistered and including applications for the registration or grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world;
- 1.10 “**IT Act**” means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.11 “**Liability(ies)**” means liabilities of every kind, nature and description of the Transferor Company attributable to and/ or arising out of the activities or operations of the OFC Undertaking, as on the Appointed Date, whether or not required to be reflected on a balance sheet in accordance with the Accounting Standards and includes all current and non-current liabilities, contractual liabilities, duties, obligations, guarantees;
- 1.12 “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.13 “**NCLT**” means the bench of the National Company Law Tribunal at New Delhi and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Act;
- 1.14 “**OFC Undertaking**” means the optical fiber cable business undertaking of the Transferor Company comprising of and including, underground and over ground cables, on a going concern basis. Without prejudice and limitation to the generality of the above, the OFC Undertaking means and includes without limitation, the following items:
- (i) all Assets of the OFC Undertaking wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company relating to the OFC Undertaking;
 - (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/ or rules or whether granted by any municipal body/ authority, panchayat body/ authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals,

regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the OFC Undertaking, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the OFC Undertaking;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the OFC Undertaking;
 - (iv) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the OFC Undertaking;
 - (v) employees of the Transferor Company that are determined by its Board of Directors and/ or the Transferor Company to be engaged in or in relation to the OFC Undertaking;
 - (vi) all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on or arising after the Effective Date but which relate to periods after the Effective Date of whatsoever nature by or against the Transferor Company relating to the OFC Undertaking;
 - (vii) all Liabilities as defined in clause 1.11 of **Part A** of this Scheme; and
 - (viii) any other Asset specifically allocated by the Board of Directors of the Transferor Company as relating to or belonging to the OFC Undertaking.
- 1.15 "**Residual Undertaking**" means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company subsequent to the transfer of the OFC Undertaking to the Transferee Company in terms of and upon the effectiveness of this Scheme;
- 1.16 "**Rs.**" means Rupees being the lawful currency of the Republic of India;
- 1.17 "**Scheme**" means this scheme of arrangement in its present form, or with any modification(s), as may be approved or directed by the NCLT;
- 1.18 "**SEBI**" means the Securities and Exchange Board of India;
- 1.19 "**SEBI Circular**" mean the SEBI Circular on 'Schemes of Arrangement' by Listed Companies and relaxation under sub-rule (7) of rule 19 of the Securities Contracts Regulation Rules, 1957' dated March 10, 2017, including any amendments or modifications thereto;
- 1.20 "**Slump Sale**" means the sale of an undertaking on a going concern basis as defined under section 2(42C) of the IT Act, for a lump sum consideration without values being assigned to the individual assets and liabilities;

- 1.21 “**Stock Exchanges**” means the National Stock Exchange of India Limited and the BSE Limited;
- 1.22 “**Transferee Company**” means Telesonic Networks Limited, a public limited company incorporated on June 26, 2009 under the the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as U64200DL2009PLC325406 and having its registered office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070; and
- 1.23 “**Transferor Company**” means Bharti Airtel Limited, a public limited company incorporated on July 7, 1995 under the the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as L74899DL1995PLC070609 and having its registered office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070. The equity shares of the Transferor Company are listed on the Stock Exchanges.

The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the IT Act and other Applicable Laws.

2. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

2.1 Transferor Company

- 2.1.1 The Transferor Company is a listed company and its authorized, issued, subscribed and fully paid-up share capital as on October 31, 2017 is as under:

| Authorized share capital | Amount (in Rs.) |
|---|------------------------|
| 5,50,00,00,000 equity shares of Rs. 5/- each | 27,50,00,00,000 |
| Total | 27,50,00,00,000 |
| | |
| Issued, subscribed and paid up share capital | Amount in (Rs.) |
| 3,99,74,00,102 equity shares of Rs. 5/- each | 19,98,70,00,510 |
| Total | 19,98,70,00,510 |

2.2 Transferee Company

- 2.2.1 The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company, as on October 31, 2017 is as under:

| Authorized share capital | Amount (in Rs.) |
|---|------------------------|
| 9,50,00,000 equity shares of Rs. 10/- each | 95,00,00,000 |
| Total | 95,00,00,000 |
| | |
| Issued, subscribed and paid up share capital | Amount (in Rs.) |
| 9,39,27,154 equity shares of Rs. 10/- each | 93,92,71,540 |
| Total | 93,92,71,540 |

- 2.2.2 The entire issued, subscribed and fully paid up equity share capital of the

Transferee Company, as on October 31, 2017, is held as under:

| S. No. | Equity Shareholder | No. of Equity Shares | Percentage of Total Equity Shareholding |
|---------------|--------------------------------|-----------------------------|--|
| 1. | Bharti Airtel Limited | 8,92,30,796 | 95.00% |
| 2. | Bharti Airtel Services Limited | 46,96,358 | 5.00% |
| Total | | 9,39,27,154 | 100.00% |

PART B

TRANSFER OF THE OFC UNDERTAKING OF THE TRANSFEROR COMPANY TO THE TRANSFEREE COMPANY ON A GOING CONCERN BASIS BY WAY OF A SLUMP SALE

1. Transfer and vesting of the OFC Undertaking

- 1.1. Upon this Scheme becoming effective and with effect from the Appointed Date, the OFC Undertaking of the Transferor Company shall stand transferred and vest in the Transferee Company on a going concern basis by way of a Slump Sale without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company, and to vest in the Transferee Company, all the Assets, Liabilities, rights, title or obligations of the OFC Undertaking therein, in the manner described hereunder.

2. Transfer of Assets

- 2.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all Assets relating to the OFC Undertaking, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this clause 2.1 shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- 2.2. Upon this Scheme becoming effective and with effect from the Appointed Date, all movable Assets of the Transferor Company relating to the OFC Undertaking, other than those specified in clause 2.1 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.
- 2.3. Upon this Scheme becoming effective and with effect from the Appointed Date, all Intellectual Property of the Transferor Company relating to the OFC Undertaking shall without any requirement of any further act or deed stand transferred and vested in the Transferee Company. This Scheme shall serve as a requisite consent for use and transfer of Intellectual Property without requiring the execution of any further deed or document so as to transfer of the said Intellectual Property in favour of the Transferee Company.
- 2.4. Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor Company agrees to execute and deliver at the request of the Transferee Company, all papers and instruments required in respect of all Intellectual Property, to vest such rights, title and interest in the name of the

Transferee Company and in order to update the records of the respective registries to reflect the name and address of the Transferee Company as the current owner of the Intellectual Property.

- 2.5. Upon this Scheme becoming effective and with effect from the Appointed Date, in relation to Assets, if any, belonging to the OFC Undertaking, which require separate documents for vesting in the Transferee Company, or which the Transferor Company and/ or the Transferee Company otherwise desire to be vested separately, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 2.6. It is hereby clarified that if any Assets (including but not limited to any estate, rights, title, interest in or authorities relating to such Assets) in relation to the OFC Undertaking which the Transferor Company owns, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such Asset in trust for the benefit of the Transferee Company.

3. Transfer of Liabilities

- 3.1. Subject to clause 6.1 below, upon this Scheme becoming effective and with effect from the Appointed Date, all Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is however clarified that any liabilities in relation to the OFC Undertaking that may arise or crystalize subsequent to the Appointed Date but relate to a period prior to the Appointed Date shall be solely borne by and discharged by the Transferor Company.
- 3.2. The vesting of the OFC Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the OFC Undertaking, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party, wherein the Assets of the OFC Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Assets pertaining to the OFC Undertaking as are vested in the Transferee Company as per this Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other Assets of the Transferor Company or any of the Assets of the Transferee Company. Provided further, that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the Assets or any part thereof of the Transferee Company shall continue with respect to such Assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages.
- 3.3. The provisions of clause 3 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions. For avoidance of doubt the provisions of clause 3 shall not be construed as limiting the operation of **Part C** of this Scheme.

4. Contracts, Deeds, Bonds and Other Instruments

- 4.1. Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the OFC Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 4.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the OFC Undertaking with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3. Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the OFC Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company in relation to the OFC Undertaking are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.
- 4.4. It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the OFC Undertaking to which the Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever, the

Transferor Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company.

5. Employees

- 5.1. Upon this Scheme becoming effective, the employees of the OFC Undertaking as on the Effective Date, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Effective Date. The services of such employees, if any, with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the employees, if any, may be eligible under Applicable Law.
- 5.2. Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the employees of the OFC Undertaking, if any, shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.
- 5.3. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for the employees of the OFC Undertaking, if any, shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/approval. In relation to the employees of the OFC Undertaking, if any, for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, if any.

6. Continuation of Legal Proceedings

- 6.1. Upon this Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which may be instituted after the Effective Date and which relate to a period after the Effective Date and in each case relating to the OFC Undertaking would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company. However, it is clarified that all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date and/ or which may be instituted after the Effective Date but which relate to a period on or prior to the Effective Date and in each case relating to the OFC Undertaking would be to the sole account of the Transferor Company and shall solely be continued and enforced by or against the Transferor Company.

- 6.2. Any difference or difficulty as to whether any specific legal or other proceedings relates to the OFC Undertaking, shall be mutually decided between the Board of Directors of the Transferor Company and the Transferee Company and such mutual decision shall be conclusive and binding on the Companies.

7. Treatment of taxes

- 7.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the OFC Undertaking, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Effective Date and which relate to a period after the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company. However, it is clarified that, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the OFC Undertaking, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company.
- 7.2. Upon this Scheme becoming effective, all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the OFC Undertaking to which the Transferor Company is entitled to, which may arise after the Effective Date and which relate to a period after the Effective Date shall be available to and vest in the Transferee Company, without any further act or deed. However, it is clarified that all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the OFC Undertaking to which Transferor Company is entitled to, existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall be available to and remain with the Transferor Company, without any further act or deed.
- 7.3. The Board of Directors of the Transferor Company and the Transferee Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the OFC Undertaking and whether the same would be transferred to the Transferee Company.
- 7.4. Any refund under the tax laws due to the Transferor Company pertaining to

the OFC Undertaking consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities.

- 7.5. The Transferor Company may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the OFC Undertaking shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the optical fiber cable network business, to the extent statutorily available, shall be claimed by the Transferee Company.

8. Conduct of Business

- 8.1. Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company, and up to and including the Effective Date, the Transferor Company shall carry on the business of the OFC Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 8.2. The Transferee Company shall also be entitled, pending the effectiveness of this Scheme, to apply to the central government, state government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for carrying on business.

9. Consideration

- 9.1. Upon this Scheme coming into effect, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000 (Rupees Forty five thousand six hundred and forty seven million only) to the Transferor Company in the form of cash through normal banking channels. It clarified that capital gains tax, if any, that may arise on account of payment of the consideration shall be the sole responsibility of the Transferor Company.
- 9.2. The lump sum consideration as stated in clause 9.1 above, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under this Scheme shall in no event be in excess of Rs. 56,500,000,000 (Rupees Fifty six thousand five hundred million only).

10. Residual Undertaking of the Transferor Company

- 10.1. 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 shall have no right, claim or obligation in relation to the Residual Undertaking.

- 10.2. 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 shall be continued and enforced by or against the Transferor Company after the Effective Date. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.
- 10.3. 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.

11. Accounting treatment in the books of the Transferor Company

- 11.1. On this Scheme becoming effective, with effect from the Appointed Date, the Transferor Company shall account for the transfer of the OFC Undertaking to the Transferee Company in its books as given below:
- (i) The Assets and Liabilities of the Transferor Company relating to the OFC Undertaking transferred to the Transferee Company shall be derecognized at their carrying amount from the Appointed Date and no gain or loss will be recognized in the 'Statement of Profit and Loss'. The difference between the carrying value of net assets transferred and consideration received would be transferred to the capital reserve.

12. Accounting treatment in the books of the Transferee Company

- 12.1. On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company shall account for the transfer of the OFC Undertaking of the Transferor Company in its books as given below:
- (i) The Transferee Company shall account for the transfer in accordance with the 'Pooling of Interest Method' laid down by Appendix C 'Business combinations of entities under common control' of Ind AS - 103 'Business Combinations' notified under the provisions of the Companies Act, 2013;
 - (ii) The Transferee Company shall, on this Scheme becoming effective, record all Assets and Liabilities of the OFC Undertaking of the Transferor Company vested in it pursuant to this Scheme, at the respective carrying values thereof and in the same form as appearing in the books of the Transferor Company;

- (iii) The Transferee Company shall credit the cash consideration to be paid to the Transferor Company pursuant to clause 9 of this Scheme;
 - (iv) The difference between the carrying value of net assets acquired and consideration paid pursuant to this Scheme shall be accounted based on the accounting principles prescribed under Ind AS - 103, i.e. shall be transferred to the capital reserve; and
 - (v) To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company with respect to the OFC Undertaking, the obligations in respect thereof shall stand cancelled. Intercompany transactions, if any, between the Transferor Company and the Transferee Company with respect to the OFC Undertaking shall be eliminated in the Transferee Company's financial statements.
- 12.2. On this Scheme becoming effective, the financial statements of the Transferee Company (including comparative period presented in the financial statements of the Transferee Company) shall be restated for the accounting impact of this Scheme, as stated above, as if this Scheme had occurred from the beginning of the preceding period in the financial statements in accordance with Para 9 (iii) of Appendix C 'Business combinations of entities under Common Control' of Ind AS - 103 'Business Combinations'.

PART C

GENERAL TERMS AND CONDITIONS

1. Application to the NCLT

- 1.1. Each of the Companies shall jointly make the requisite company applications/ petitions under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the NCLT for seeking sanction of this Scheme.

2. Modification or Amendment to this Scheme

- 2.1. Each of the Companies (acting through their respective Board) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, in part or in whole, which the NCLT and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out this Scheme, including any individual part thereof, or if the Board are of the view that the coming into effect of this Scheme, in part or in whole, in terms of the provisions of this Scheme, could have an adverse implication on all or any of the Companies. Each of the Companies (acting through their respective Board) be and are hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to this Scheme, in part or in whole and to resolve any doubts, difficulties or questions whether by reason of the order of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme, or any individual part thereof, at any stage prior to the Effective Date.
- 2.2. If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

3. Revocation, Withdrawal of this Scheme

- 3.1. The Transferor Company and/ or the Transferee Company acting through their respective Board shall each be at liberty to withdraw this Scheme.
- 3.2. In the event of revocation under clause 3.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Companies or their

respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with Applicable Law.

- 3.3. In the event of revocation under clause 3.1 above, the Companies shall take all necessary steps to withdraw this Scheme from the NCLT and any other authority and to make all necessary filings/ application as may be required to withdraw this Scheme.

4. Effect of non-receipt of approvals

- 4.1. In case this Scheme is not sanctioned by the NCLT or is not approved by SEBI or the Stock Exchanges, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied or for any other reason, if this Scheme cannot be implemented, then, this Scheme shall become null and void, and the Transferor Company shall bear the entire cost, charges and expenses in connection with this Scheme unless otherwise mutually agreed.

5. Costs, charges, expenses

- 5.1. Each of the Companies shall bear its own costs in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme.
- 5.2. Costs and expenses relating to the transfer of the OFC Undertaking shall be borne solely by the Transferee Company.

6. Conditionality of this Scheme

- 6.1. The transfer of the OFC Undertaking to the Transferee Company as contemplated by this Scheme is conditional upon and subject to the Transferee Company having duly discharged the lump sum consideration to the Transferor Company as provided for under clause 9 of **Part B** of this Scheme.

7. Permission to raise capital

- 7.1. Notwithstanding anything contained in this Scheme and subject to Applicable Law, until this Scheme becomes effective, the Transferor Company shall have the right to raise capital for the efficient functioning of the business of the Transferor Company or for any other purpose including for purposes of refinancing, repayment, conversion or prepayment of any loans.

8. Compliance with Applicable Laws

- 8.1. The Companies undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of any statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme or which by law may be required in relation to any matters connected with this Scheme.

- 8.2. Since the Transferor Company is a listed company, this Scheme is subject to the compliances of the applicable requirements under the Listing Regulations, SEBI Circular and all other statutory directives of SEBI, as applicable.

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI

Company Application No.CA (CAA)37/PB/2018

Judgment dated: 24.04.2018

Coram:

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

HON'BLE PRESIDENT

&

DR. DEEPTI MUKESH,

MEMBER (JUDICIAL)

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 AMALGAMATION

BETWEEN

BHARTI AIRTEL LIMITED

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

AND

TELESONIC NETWORKS LIMITED



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

AND

Their respective Shareholders and Creditors

MEMO OF PARTIES

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. 1 / Transferor Company

TELESONIC NETWORKS 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. 2 /Transferee Company

For the Applicants: KAMAL SHANKAR, BHARAT APTE, PRADYUMNA

SHARMA, ADVOCATES



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 "20"]. 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 order/directions for holding and convening the meeting of the 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 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 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 orders/directions for dispensing with the requirement of 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, in view of the consent given by the only secured creditor of the Transferor Company;

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the secured creditors 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 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,



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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 orders/directions for dispensing with the requirement of holding and convening the meeting of the shareholders of the Transferee Company, to consider and, if thought fit, approve, with or without modification, the scheme, in view of the consent affidavits given by all the shareholders of the Transferee Company;

alternatively, in the event this Hon'ble Tribunal holds that the meeting of the shareholders of the Transferee Company 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, 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 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 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 to consider and if thought fit, approve, with or without modification(s), th scheme, in view of the Transferee Company having no secured creditors as on December 31,2017;

(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, 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 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 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

(h) 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. An Affidavit in support of the application sworn for and on behalf of the Transferor Company has been filed by Mr. Rohit Krishan Puri and on behalf

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of the Transferee Company has been filed by Ms. 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- "1", it has been represented that company has 1,78,402 Equity Shareholders. We are further apprised that the Transferor / Applicant Company No.1 has one Secured Creditor who has already accorded his consent to the Scheme and 10,376 Unsecured Creditors. In relation to the Equity Shareholders and Unsecured Creditors Transferor / Applicant Company No. 1 seeks a direction for holding of meetings for the purpose of obtaining their approval to the proposed Scheme.

(17)



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5. In relation to the Transferee/ Applicant Company No. 2 in the Scheme marked as Annexure- "1", it has been represented that company has eight Shareholders from whom consent -affidavits have been obtained and are placed on record. We are further apprised that the Transferor / Applicant Company No.1 has no Secured and 1,003 Unsecured Creditors. Therefore, in relation to the Unsecured Creditors Transferee / Applicant Company No. 2 seeks directions for holding of meeting for the purpose of obtaining their approval to the proposed Scheme.
6. The above application has been placed before us and this Tribunal proceeds to entertain the same. The registered offices of both 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.
7. We have perused the application and the connected documents filed along with the Scheme of Amalgamation contemplated between the Applicant Companies.
8. Applicant Company No. 1 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 07.07.1995 under the name "*Bharti-Tele-Ventures Limited*". Thereafter on 24.04.2006, the name of the Transferor Company was changed to the present name i.e. "*Bharti Airtel Limited*". The authorised share capital of the Transferor Company is Rs 27,50,00,00,000



divided into 5,50,00,00,000 equity shares having face value of Rs. Five each. The issued, subscribed and paid-up share capital of the Company is Rs. 19,98,70,00,510 only divided into 3,99,74,00,102 equity shares having face value of Rs. five each. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited and BSE Limited.

9. Applicant Company No. 2 was incorporated in the state of Delhi under the provisions of Companies Act, 1956 on 26.06.2009 under the name "*VRRM Network Management Services India Limited*". Thereafter on 09.07.2009, the name of the Company was changed to "*Alcatel-Lucent Network Management Services India Limited*" and again on 25.02.2013, the name of the Transferee Company was changed to its present name i.e. "*Telesonic Networks Limited*". The authorised share capital of the Transferor Company is Rs 95,00,00,000 Only, divided into 9,50,00,000 equity shares of Rs. Ten each. The issued, subscribed and paid-up share capital of the Company is Rs. 93,92,71,540 only divided into 9,39,27,154 equity shares of Rs 10/- each.

The equity shares of Transferee company are not listed on any stock exchange.

10. The Board of Directors of the Companies, vide separate meetings held on 31.10.2017 have unanimously passed resolutions and approved the proposed Scheme of Amalgamation as contemplated above and copies of resolutions have also been placed on record by the Company



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11. 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:

It is represented by the Applicant No. 1 that there are 1,78,402 Shareholders in the Company. Meeting of Shareholders be convened on 30.07.2018; at 10.30 A.M.- 11.30 A.M. at Airforce Auditorium, Near R& R Hospital, NH 48, Subroto Park, New Delhi 110010. The Quorum of the meeting shall be 10,000.

ii. With respect to Secured Creditors:

Since it is represented by the Applicant No. 1 that there are is only one Secured Creditor in the Company, who has accorded his consent in the form of an affidavit, the meeting of Secured Creditors is dispensed with.

iii. With respect to Unsecured Creditors:



It is represented by the Applicant No. 1 that there are 10,376 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be convened on be convened on 30.07.2018; at 01.30 P.M.- 02.30 P.M. at Airforce Auditorium, Near R& R Hospital, NH 48, Subroto Park, New Delhi 110010. The Quorum of the meeting shall be 1000.

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

i. With respect to shareholders:

Since it is represented by the Applicant No. 2 that there are only 8 Equity Shareholders in the Company whose consent-affidavits have been obtained and are placed on record, therefore the necessity of convening and holding a meeting to consider and if thought fit, the approval of the scheme is dispensed with.

ii. With respect to secured creditors:

Since it is represented by the Applicant No. 2 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. 1 that there are 1,003 Unsecured Creditors in the Company. Meeting of Unsecured Creditors be





convened on be convened on 30.07.2018; at 04.00 P.M.- 05.00 P.M. at Airforce Auditorium, Near R& R Hospital, NH 48, Subroto Park, New Delhi 110010. The Quorum of the meeting shall be 100.

C. 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.

D. Mr. P. Nagesh (9811156460) is appointed as the Chairperson and Ms. Ranjana R. Gowai (9811415871) is appointed as Alternative Chairperson for the meetings of Unsecured Creditors of Applicant Nos. 1 & 2 as has been directed to be convened by this Tribunal.

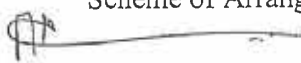




E. The fee for the Chairperson for the aforesaid meetings shall be Rs. Two lacs and the fee for the Alternate Chairperson shall be Rs. One lac, in addition to meeting their incidental expenses. Mr. Parmod Kumar Jain (Mobile No. 9810018055) is appointed as a Scrutinizer and would be entitled to fee of 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.

F. 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.

G. 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



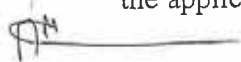


pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies.

H. 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.

I. 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.

J. 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.

24.04.2018



Sd/-
(M.M. KUMAR)

PRESIDENT

Sd/-

(DEEPTI MUKESH)

MEMBER (JUDICIAL)

Vidya

FREE OF COST COPY

Sd/-
24.4.2018
Registrar
National Company Law Tribunal
New Delhi

FREE OF COST COPY



IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI

PRINCIPAL BENCH

**CA(CAA)-37(PB)/2018
With CA-382(PB)/2018**

IN THE MATTER OF:

Bharti Airtel Ltd. and
Telesonic Networks Ltd.

.... Applicant/petitioner

Order under Section 230-232 of the Companies Act

Order delivered on 11.05.2018

Coram:

**CHIEF JUSTICE (Retd.) M.M.KUMAR
Hon'ble President**

**Dr. Deepti Mukesh
Hon'ble Member(Judicial)**

For the Applicant / Petitioner : Mr. Atul N. Adv.

Order

This is an application with a prayer for incorporating the corrections in para D of the order dated 24.04.2018. We accept the request and add amend para D. After amendment, Para D would reads as under:-

“Mr. P. Nagesh(9811156460) is appointed as the Chairperson and Ms. Ranjana R. Gowai (9811415871) is appointed as Alternative Chairperson for the meetings of Applicant Nos. 1 & 2 as has been directed to be convened by this Tribunal.”

Let an order incorporating corrected para ‘D’ be issued.

Application stands disposed of.

FREE OF COST COPY



Sdl

**(M.M.KUMAR)
PRESIDENT**

Sdl

**(DR. DEEPTI MUKESH)
MEMBER (JUDICIAL)**

11.5.2018

Registrar
National Company Law Tribunal
New Delhi

Aarti

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300

Fax +91 (22) 4345 5399

The Board of Directors

Bharti Airtel Limited

Bharti Crescent 1,

Nelson Mandela Road, Vasant Kunj Phase – II,

New Delhi, 110070

India

31 October 2017

Sub: Valuation by B S R & Associates LLP, Chartered Accountants for the proposed transfer of dark fibre business of Bharti Airtel Limited under a court scheme

Dear Sir,

We refer to the engagement letter dated 4 October 2017 with B S R & Associates LLP, Chartered Accountants (hereinafter referred to as “B S R” or “us” or “we”) wherein Bharti Airtel Limited (“BAL”, the “Client”, “Company”, or “You”) has requested B S R to carry out valuation of dark fibre business of BAL (“Target operations” or “Target business”) proposed to be transferred to a wholly owned subsidiary of BAL, specifically, Telesonic Network Limited (“TNL”) under a court scheme (“Proposed Transfer”). Management of BAL does not envisage any further transaction in TNL in the foreseeable future post the aforementioned transaction.

SCOPE AND PURPOSE OF THE VALUATION REPORT

BAL, together with its subsidiaries, provides telecommunication systems and services worldwide. Its mobile services india segment offers voice and data telecom services through 2G/3G/4G wireless technologies; and intra city fiber networks and mobile commerce services in India. As part of operations, BAL owns and operates fiber network – both dark and lit, spanning over 200,000 (owned +IRU) km.

We understand that BAL wants to consolidate its dark fibre business in TNL and transfer the Target operations to TNL within a court scheme.

The transfer is proposed to be achieved by way of a scheme of arrangement under Section 230 – 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for transfer and vesting of the Target operations to TNL as a going concern, on slump sale basis (“Scheme”). Under the Scheme of Proposed Transfer, lump sum cash consideration shall be paid by TNL to BAL, in accordance with Section 2(42C) of the IT Act.

B S R has been requested by the management of BAL (“Management”) to carry out valuation of the Target operations and submit a Valuation Report (“Valuation Report”) in connection with the Proposed Transfer.



B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

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

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 service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report. Further, based on the carved out balance sheet of the Target operations as on 30 September 2017 ("Period end Balance Sheet").

A valuation of this nature is necessarily based on (a) representations from the Management, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

This Valuation Report only represent our recommendation based upon information received from the Company till 28 October 2017 and other sources and the said recommendation shall be considered to be in the nature of non-binding advice. Further, Valuation 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 indisputable single value. While we have provided our recommendation of the Valuation of the Target operations based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Valuation. You acknowledge and agree that you have the final responsibility for the determination of the valuation at which the Proposed Transfer shall take place and factors other than our Valuation Report will need to be taken into account in determining the Valuation.

In the course of the Valuation, we were provided with both written and verbal information/guidance, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Company. We have not carried out a due diligence or audit of the Target operations for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Transfer. We do not express any form of assurance that the financial information or other information as prepared and provided by the Company is accurate. Also, with respect to explanations and information sought from the Company, we have been given to understand by the Company 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. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.



Our conclusions are based on these assumptions and information given by/ on behalf of the Company. The Management has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Company and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Company. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation 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.

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 Company, their directors, employees or agents. In no circumstances shall the liability of a B S R, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to B S R in respect of the fees charged by it for these services.

The Valuation Report assumes that the Company and Target operations comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Target operations 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 Period end Balance Sheets of the Target operations. Our conclusion of value assumes that the assets and liabilities of the Target operations, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

This Valuation Report does not address the relative merits of the Proposed Transfer as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Company's claim to title of assets has been made for the purpose of this Valuation Report and the Company's 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 of the Valuation Report.

We owe responsibility to the Company which has retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Proposed Transfer, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which Proposed Transfer



will take place and we express no opinion or recommendation as to how the shareholders of Company should vote at any shareholders meeting(s) to be held in connection with the Proposed Transfer.

SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the Management:

- Unaudited carved out financials pertaining to the Target operations for FY 2017 and six month period ending 30 September 2017;
- Projected cash flows for the Target operations from 1 October 2017 to 31 March 2027 (Management Business Plan);
- Interviews and discussions with the Management to augment our knowledge of the Target operations;
- Certificate for replacement value of dark fibre dated 06 October 2017 issued by Protocol Valuers Private Limited provided to us by the Management;
- Other information, explanations and representations that were required and provided by the Management;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by Management. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquires, as we considered necessary.

OVERVIEW OF TARGET OPERATIONS

As part of its operations, BAL owns and operates fiber network – both dark and lit, spanning over 200,000 (owned +IRU) km. As per Management, BAL began investing in fiber network in 2002 with majority of laying work happening between 2007 and 2009.

APPROACH - BASIS OF TRANSFER

The Proposed Transfer contemplates the transfer of Target operations to TNL pursuant to the Scheme.

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

1. Replacement Cost method
2. Discounted Cash Flows method
3. Comparable Companies' Multiples and Transaction multiples method
4. Market Price method

It should be understood that the valuation of any business or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company/Target operations. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Target operations, and other factors which generally influence the valuation of 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 Proposed Transfer 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.

Replacement Cost Method

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.

The Replacement cost estimates the value of an asset based on the current cost to purchase or replace that asset. The Replacement cost method reflects the idea that the fair value of an asset should not exceed the cost to obtain a substitute asset of comparable features and functionality. This method is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or re-create an asset with similar utility.

Given that the Target operations are asset intensive, we have considered replacement cost method as primary method for our analysis. The estimate of replacement cost of the dark fibre based on optical fibre type, ducting cost, laying cost and right of way cost and technical life is as per the technical report by Protocol Valuers Private Limited, dated 6 October 2017. The details on total length and remaining useful is as provided by the Management.

Based on the information provide, net asset value of Target operations is computed as follows:

| Computation of NAV (INR Million) | |
|--|------------|
| Net equity value (book value) as at 30th Sept 2017 | 45,407 |
| Net equity value (replacement cost) as at 30th Sept 2017 | 45,647 |
| Difference | 240 |

Note: 1) The estimate of current cost for laying of dark fibre and technical life is as per the technical report provided by Protocol Valuers Private Limited, dated 6 October 2017. The difference in book value and replacement value is on account of fair valuation of dark fibre assets.

2) We have not carried out any separate fair valuation of the individual assets and liabilities of Target operations

3) Details on total length of dark fibre and remaining useful life has been provided by Management

Source: Management information; Technical valuation of dark fibre assets by Protocol Valuers Private Limited; B S R analysis

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 lenders), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.



Management has provided us with the forecast free cash flow of Target operations. We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

After analysing the historical financial information and forecast business business, we concluded to assign nil weight to DCF method for the following reasons:

- Telecom sector in India is currently undergoing consolidation and hence, there could be potential loss of customers which may impact revenue assumptions considered in the Business Plan
- Contracts with customers carry indefeasible right to use and hence assessing renewal rates at the end of the contract period is also challenging.
- Further, the Target operations are asset intensive and its value is primarily from the underlying asset than its operations.
- In addition to above points, target operations is in a way B2B business with few customers, therefore, accurate forecasting of revenue over long term period may not be easy.

Given the above, we have we have not given any weightage to DCF method for our analysis.

Comparable Companies' Multiple (CCM) / Comparable Transactions Multiple method

Under this method, value of the Target operations is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed 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.

There are no public listed comparable company in India in similar business as the Target operations. We also referred to international companies to benchmark the Business with its international peers. However, based on discussion with Management, we understand that these companies are not comparable due to several reasons including difference in accounting policies relating to revenue recognition, depreciation and amortisation policy, different realisation, utilisation levels, size of operations, useful life of assets and business mix amongst others. Hence, we have not considered comparable companies multiples of our analysis.

Market Price 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. Though BAL is a listed entity, the market price cannot be specifically attributed to the Target operations. Hence this method has not been considered for valuation of Target operations.



BASIS OF TRANSFER

The basis of transfer of the Target operations have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. We have assigned 100 per cent weight to the value arrived using the Replacement Cost method to arrive at the valuation for the Target operations.

Based on the factors discussed and outlined above, the valuation of the Target operations for the purpose of transfer is as follows:

Valuation Summary:

| Net Equity Valuation Conclusion (INR Million) | | |
|---|-----------|---------------|
| Method | Weightage | Value |
| Replacement cost method | 100% | 45,647 |
| Concluded Net Equity Value | | 45,647 |

Note: Income approach and market approach are not applicable for the reasons mentioned under headers "Discounted Cash Flows ("DCF") Method", "Comparable Companies' Multiple (CCM) / Comparable Transactions Multiple method" and "Market Price Method" above.

Respectfully submitted.

**For B S R & Associates LLP,
Chartered Accountants**

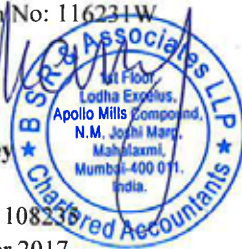
Firm Registration No: 116231W



**Mahek Vikamsey
Partner**

Membership No: 108235

Dated: 31 October 2017





RBSA Capital Advisors LLP

*SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724*

Report Ref No: RCA/FAS/2017-18/AMD/1003

October 31, 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 report of B S R & Associates LLP, Chartered Accountants with respect to the proposed demerger of “Dark Fiber Undertaking” of Bharti Airtel Limited into Telesonic Network Limited

Dear Sirs,

We refer to our engagement letter dated September 25, 2017, wherein Bharti Airtel Limited (“BAL” or the “Company”) has requested us to provide fairness opinion on the report by B S R & Associates LLP, Chartered Accountants (the “Valuer”), with respect to the proposed demerger of “Dark Fiber Undertaking” (“Undertaking”) of BAL Limited into Telesonic Network Limited (“TNL”).

1. 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. In the rest of the geographies, it offers 2G, 3G/4G wireless services and mobile commerce.
- BAL owns and operates fibre network – both dark and lit spanning over 200,000 km (owned and IRU km). The Undertaking, a part of Access Network group (ANG) and Transport Network group (TNG), is proposed to be carved out of the existing business and transferred to wholly owned subsidiary of BAL i.e. Telesonic Network Limited.
- TNL is a public company incorporated on June 26, 2009. The company is engaged in providing end to end wire line network management and transformation to next generation wire line and wireless technologies with innovative cost effective solutions.
- We understand that the Board of Directors of Company are proposing to demerge “Dark Fiber Undertaking” of BAL into TNL on a slump sale basis, through a scheme of arrangement under the provision of Section 230 - 232 and other applicable provisions of the Companies Act, 2013.

Page 1 of 4

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



RBSA Capital Advisors LLP

- In order to comply with the requirements of the regulator, the Company has appointed a Valuer to determine the value of the Undertaking. In this connection, the Management has engaged RBSA Capital Advisors LLP ("RBSA Advisors") to submit a report on the fairness of the report provided by the Valuer with respect to the value determined for the Undertaking. Our scope of work includes commenting only on the fairness of the value recommended in the report by the Valuer and not on the fairness or economic rationale of the demerger per se.
- 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 the purpose of facilitating the demerger and should not be used for any other purpose.

2. 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) Valuation report by B S R & Associates LLP dated October 31, 2017;
 - b) Provisional carved out financials of the Undertaking for the year ended March 31, 2017
 - c) Provisional carved out financials of the Undertaking for the six months period ended September 30, 2017
 - d) Draft scheme of arrangement
 - e) Financial projections of the Undertaking for the six months ending March 31, 2018 and FY2019 to FY2027.
- In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. Further we have also relied on the representation given to us by the management of the Company.

3. Exclusions and Limitations

- For the purpose of this fairness opinion, we have not carried out any due diligence or independent verification or validation of information provided to establish its accuracy or sufficiency. We have not conducted any independent appraisal of any assets or liabilities of BAL. We have essentially relied on the valuation report of Valuer dated October 31, 2017.
- Our work does not constitute an audit or certification of the financial statements of the Company/Business, and accordingly, we do not express any opinion on the accuracy of any financial information referred to in the report. Valuation analysis and its results are specific to the purpose of valuation. It may not be valid for any other purpose or as at any other date. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This fairness opinion report is issued on the understanding that the Company has drawn our attention to all the material information, which they are aware of concerning the financial position of the Company and Undertaking and any other matter that may have an impact on our opinion on the fair value of the Undertaking, including any significant changes that have taken place or are likely to take place



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in the financial position of the Company / Undertaking. We have no responsibility to update this report for events and circumstances occurring after date of this report.

- This opinion is based on business, economic, market and other conditions as they existed as of October 28, 2017. Internally prepared financial statements including management accounts, financial projections and other pertinent information were provided by the Management and have been accepted without further verification as correctly reflecting the results of operations, financial and business conditions of Undertaking. These assumptions require exercise of judgement and are subject to uncertainties. While we have reviewed the assumptions for reasonableness and discussed the same with management of Company, there can be no assurance that the assumptions are accurate. Subsequent events or circumstances that could affect the conclusions set forth in the report include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Company. RBSA Advisors is under no obligation to update, revise or reaffirm the Opinion. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 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 Company.
- 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 results 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.

4. Valuer's Recommendation

- In arriving at the value of the Undertaking, the Valuer has considered the following methods,
 - Replacement Cost Method
 - Discounted Cash-flows Method
 - Comparable Companies Method
- The Valuer has concluded the valuation on Replacement cost of assets method considering the current underutilization of capacity that the operations of the Undertaking are asset intensive. The discounted cash flow method was not considered due to dynamic changes being witnessed in



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telecom sector and considering difficulty in assessing revenue forecast for longer term period. Further, considering that the Undertaking operates in the different dynamics and there being are no close comparable listed company in India, the value arrived under the comparable companies method was not considered.

- Basis above, the Valuer has concluded that the value of Undertaking is INR 45,647 Mn as per Replacement Cost Method.

5. Our Comment on the Valuer's Report

In the circumstance, having regards to the relevant factors and on the basis of information and explanations provided to us, explanation brought out in the Valuer report, in our view, the value of Undertaking as worked out by the Valuer, which forms the basis for the proposed demerger, is fair in our opinion.

Yours Truly,

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


Gautam Mirchandani
Authorised Signatory




Samir Shah
Vice President



December 06, 2017

National Stock Exchange of India Limited

Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

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 of Telesonic Networks Limited with Bharti Airtel Limited and their respective Shareholders and Creditors

Dear Sir / Madam,

In furtherance to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) dated November 07, 2017 w.r.t. draft Scheme of arrangement of Telesonic Networks Limited with Bharti Airtel Limited and their respective Shareholders and Creditors, please find enclosed the Complaint Report of the Company.

Kindly take the above on record and issue us the 'No Objection certificate' at the earliest.

Thanking you,

Yours faithfully,

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
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CIN: L74899DL1995PLC070609

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



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February 09, 2018

DCS/AMAL/SD/R37/1042/2017-18

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 Bharti Airtel Ltd and Telesonic Networks Ltd.

We are in receipt of Draft Scheme of Arrangement between Bharti Airtel Ltd and Telesonic Networks Ltd and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 08, 2017, 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.

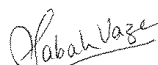
Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

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,


 Nith Pujari
 Sr. Manager


 Sabah Vaze
 Assoc. Manager





Ref: NSE/LIST/36547

February 09, 2018

The Company Secretary
Bharti Airtel Limited
Bharti Crescent, 1,
Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi 110070

Kind Attn.: Mr. Pankaj Tewari

Dear Sir,

Sub: Observation letter for Scheme of Arrangement between Bharti Airtel Limited (Transferor Company) and Telesonic Networks Limited (Transferee Company) and their respective shareholders and creditors

We are in receipt of the Scheme of Arrangement between Bharti Airtel Limited (Transferor Company) and Telesonic Networks Limited (Transferee Company) and their respective shareholders and creditors vide application dated November 08, 2017.

Based on our letter reference no Ref: NSE/LIST/30884 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated February 08, 2018, has given following comments:

- a. *The Company shall ensure that applicable information pertaining to unlisted company, Telesonic Networks Limited, is included in the abridged prospectus as per the format specified in the Circular.*
- b. *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.*
- c. *The Company shall duly comply with various provisions of the Circulars.*
- d. *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.*
- e. *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.

The validity of this "Observation Letter" shall be six months from February 09, 2018, within which the scheme shall be submitted to NCLT. Further pursuant to the above SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a. Copy of Scheme as approved by NCLT;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For **National Stock Exchange of India Limited**

Divya Poojari
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



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 scheme of arrangement between Bharti Airtel Limited ("**Company**") and Telesonic Networks Limited ("**Transferee Company**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 of the Companies Act, 2013 ("**Act**") was approved by the board of directors of the Company ("**Board**") *vide* resolution dated October 31, 2017.
- 1.2 The provisions of Section 232(2)(c) of the Act requires 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. In terms of the Section 232(2) (c) of the Act, the said report as adopted by the directors of the Company is required to be circulated along with the notices convening the meetings of the equity shareholders and unsecured creditors of the Company.
- 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:
- The Scheme as approved by the Board *vide* resolution dated October 31, 2017;
 - The valuation report dated October 31, 2017 issued by B S R & Associates LLP, Chartered Accountants ("**Valuation Report**");
 - The fairness opinion dated October 31, 2017 issued by RBSA Capital Advisors LLP, a merchant banker registered with the Securities and Exchange Board of India ("**Fairness Opinion**"); and
 - The report of the Audit & Risk Management Committee of the Company dated October 31, 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 | Upon the Scheme becoming effective (" Effective Date "), the employees of the OFC Undertaking as on the Effective Date, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the |

Bharti Airtel Limited
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| | | |
|----|--|---|
| | | same terms and conditions as those applicable to them with reference to the Company on the Effective Date. |
| 2. | Equity shareholders: Promoters of the Company | The Scheme does not envisage any issuance and/ or cancellation of shares. In this regard, it may be noted that upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000 (Rupees Forty five thousand six hundred and forty seven million only) to the Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000 (Rupees Fifty six thousand five hundred million only). The Company has only a single class of shareholders i.e., the equity shareholders of the Company. |
| 3. | Equity shareholders: Non promoter shareholders of the Company | |

3. Valuation

- 3.1 The Scheme does not envisage any issuance and/ or cancellation of shares and accordingly, the Valuation Report does not set out a share exchange/ entitlement ratio.
- 3.2 In terms of Clause 9 of Part B of the Scheme, upon the Effective Date, the Transferee Company shall discharge the lump sum consideration of Rs. 45,647,000,000 (Rupees Forty five thousand six hundred and forty seven million only) to the Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000 (Rupees Fifty six thousand five hundred million only).
- 3.3 The above mentioned Valuation Report states that the basis of transfer of the "Target operations" (defined in the Valuation Report as the dark fibre business of the Company)

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(a Bharti Enterprise)

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have to be determined after taking into consideration all the factors and methodologies mentioned in the Valuation Report and that 100% weight has been assigned to the value arrived at using the replacement cost method to arrive at the valuation for the Target operations. The Valuation Report further states that based on the factors discussed and outlined in the Valuation Report, the valuation of the Target operations for the purpose of transfer is as follows:

Valuation Summary:

| Net Equity Valuation Conclusion (INR Million) | | |
|---|-----------|---------------|
| Method | Weightage | Value |
| Replacement cost method | 100% | 45,647 |
| Concluded Net Equity Value | | 45,647 |

Note: Income approach and market approach are not applicable for the reasons mentioned under headers "Discounted Cash Flows ("DCF") Method, "Comparable Companies' Multiple (CCM) / Comparable Transactions Multiple method" and "Market Price Method" above.

3.4 Further, the above mentioned Fairness Opinion has been issued in respect of the Valuation Report.

3.5 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.

Certified True Copy

For and on behalf of the Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

Bharti Airtel Limited
(a Bharti Enterprise)

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Telesonic Networks Ltd.
4th floor, C-Wing, Airtel
Centre Plot no. 16, Udyog
Vihar IV, Gurgaon - 122015
(Haryana)

Call +91 124 4222222
Fax +91 124 4248063



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TELESONIC NETWORKS LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

- 1.1 The proposed scheme of arrangement between Bharti Airtel Limited (“**Transferor Company**”) and Telesonic Networks Limited (“**Company**”) and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 of the Companies Act, 2013 (“**Act**”) was approved by the board of directors of the Company (“**Board**”) *vide* resolution dated October 31, 2017.
- 1.2 The provisions of Section 232(2)(c) of the Act requires 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. In terms of the Section 232(2)(c) of the Act, the said report as adopted by the directors of the Company is required to be circulated along with the notice convening the meeting of the unsecured creditors of the Company.
- 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 October 31, 2017; and
- (b) The valuation report dated October 31, 2017 issued by B S R & Associates LLP, Chartered Accountants (“**Valuation 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 | Upon the Scheme becoming effective (“ Effective Date ”), the employees of the OFC Undertaking as on the Effective Date, if any, shall be deemed to have become employees of the Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Effective Date. |

| | | |
|----|--|--|
| 2. | Equity shareholders: Promoters of the Company | The Scheme does not envisage any issuance and/ or cancellation of shares. In this regard, it may be noted that upon the Effective Date, the Company shall discharge the lump sum consideration of Rs. 45,647,000,000 (Rupees Forty five thousand six hundred and forty seven million only) to the Transferor Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000 (Rupees Fifty six thousand five hundred million only). The Company has only a single class of shareholders i.e., the equity shareholders of the Company. |
| 3. | Equity shareholders: Non promoter shareholders of the Company | |

3. Valuation

- 3.1 The Scheme does not envisage any issuance and/ or cancellation of shares and accordingly, the Valuation Report does not set out a share exchange/ entitlement ratio.
- 3.2 In terms of Clause 9 of Part B of the Scheme, upon the Effective Date, the Company shall discharge the lump sum consideration of Rs. 45,647,000,000 (Rupees Forty five thousand six hundred and forty seven million only) to the Transferor Company in the form of cash through normal banking channels. Further, the aforementioned lump sum consideration, shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under the Scheme shall in no event be in excess of Rs. 56,500,000,000 (Rupees Fifty six thousand five hundred million only).
- 3.3 The above mentioned Valuation Report states that the basis of transfer of the “Target operations” (defined in the Valuation Report as the dark fibre business of the Transferor Company) have to be determined after taking into consideration all the factors and

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methodologies mentioned in the Valuation Report and that 100% weight has been assigned to the value arrived at using the replacement cost method to arrive at the valuation for the Target operations. The Valuation Report further states that based on the factors discussed and outlined in the Valuation Report, the valuation of the Target operations for the purpose of transfer is as follows:

Valuation Summary:

| Net Equity Valuation Conclusion (INR Million) | | |
|--|------------------|---------------|
| Method | Weightage | Value |
| Replacement cost method | 100% | 45,647 |
| Concluded Net Equity Value | | 45,647 |

Note: Income approach and market approach are not applicable for the reasons mentioned under headers “Discounted Cash Flows (“DCF”) Method, “Comparable Companies’ Multiple (CCM) / Comparable Transactions Multiple method” and “Market Price Method” above.

3.4 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 Board of Directors of Telesonic Networks Limited



Pankaj Tewari

Director

DIN: 08006533

Place: New Delhi

Date: June 18, 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 | 10,250 | 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 |
| | | <u>1,834,414</u> | <u>1,749,546</u> |
| 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 |
| | | <u>214,959</u> | <u>166,830</u> |
| Total assets | | <u>2,049,373</u> | <u>1,916,376</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 16 | 19,987 | 19,987 |
| Other equity | | 1,008,622 | 992,086 |
| | | <u>1,028,609</u> | <u>1,012,073</u> |
| 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 | 2,130 |
| | | <u>584,360</u> | <u>546,139</u> |
| 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 |
| | | <u>436,404</u> | <u>358,164</u> |
| Total liabilities | | <u>1,020,764</u> | <u>904,303</u> |
| Total equity and liabilities | | <u>2,049,373</u> | <u>1,916,376</u> |

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)

For and on behalf of the Board of Directors of Bharti Airtel Limited

Hemant M. Joshi
Partner
Membership No: 38019

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

Place: New Delhi

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)

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

Hemant M. Joshi
Partner
Membership No: 38019

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **April 24, 2018**





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 | | | | Total equity | | | | |
|--|---------------------------|------------------|-------------------------------------|----------------------|--------------------|-----------------------------------|--------------|-------------------------------|----------------------------------|-----------------|-----------|
| | No of shares (in '000) | Amount 19,987 | Securities premium account | Retained earnings | General reserve | Business restructuring reserve | | Debtore redemption reserve | Share - based payment reserve | Capital reserve | Total |
| As of April 1, 2016 | 3,997,400 | 19,987 | 106,650 | 934,735 | 27,030 | 16,313 | - | 3,628 | 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 | (445) | - | - | - | - | - | (85) | (85) |
| 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 | - | - | - | 87 | - | - | - | - | - | 87 | 87 |
| 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 debtore 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 | 1,078,809 |

*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-100016)

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

Hemant M. Joshi
Partner
Membership No: 36019

Nilanjana Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **April 24, 2018**



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 and on behalf of the Board of Directors of Bharti Airtel Limited

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No: 117366W / W-100018)

Sunil Bharti Mittal

Chairman

DIN: 00042491

Gopal Vittal

Managing Director & CEO

(India and South Asia)

DIN: 02291778

Hemant M. Joshi

Partner

Membership No: 38019

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: New Delhi

Date: April 24, 2018



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 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.

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.

Deloitte Haskins & Sells LLP

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~~ 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 associate 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 | 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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| | Notes | As of | |
|--|-------|------------------|------------------|
| | | March 31, 2018 | 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)

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

Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: New Delhi

Date: April 24, 2018



| | Notes | For the year ended | |
|---|-------|--------------------|----------------|
| | | March 31, 2018 | 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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| | Notes | For the year ended | |
|---|-------|--------------------|-----------------|
| | | March 31, 2018 | 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 and on behalf of the Board of Directors of Bharti Airtel Limited

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: New Delhi

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 | | | | | | | | | | Total equity | |
|---|---|--------|----------------------------|-------------------|------------------|-----------------------------|-----------------------------|-------------|----------------------------------|----------|--------------|-------------------|
| | Share capital | | Reserves and surplus | | | | Other equity | | | Total | | Minority interest |
| | No of shares (in 1000) | Amount | Securities premium account | Retained earnings | General reserves | Share-based payment reserve | Share-based payment reserve | NCI reserve | Other components of equity (Net) | | | |
| As of April 1, 2016 | 3,997,400 | 19,587 | 123,456 | 453,279 | 27,030 | 5,169 | 51,165 | (17,393) | 647,706 | 54,981 | 722,674 | |
| Profit for the year | - | - | - | 37,998 | - | - | - | - | 37,998 | 4,416 | 42,414 | |
| Other comprehensive income / (loss) | - | - | - | (62) | - | - | - | (48,593) | (48,655) | (2,213) | (50,868) | |
| Total comprehensive income / (loss) | - | - | - | 37,936 | - | - | - | (48,593) | (10,657) | 2,203 | (8,424) | |
| Transaction with owners of equity | - | - | - | - | - | - | - | - | - | - | - | |
| Employee share-based payment expense | - | - | - | - | - | 328 | - | - | 328 | 10 | 338 | |
| Exercise of share options | - | - | - | - | - | (1,432) | - | - | (1,432) | (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 | 19,587 | 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) | (14,190) | |
| 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 | - | - | - | - | 3,510 | (3,675) | - | (424) | (424) | - | (624) | |
| Exercise of share options | - | - | - | - | - | - | - | 149 | (16) | (13) | (29) | |
| Transaction with NCI | - | - | - | - | - | - | 42,625 | - | 42,625 | 13,812 | 56,437 | |
| Creation of debenture redemption reserve | - | - | - | - | (7,500) | - | - | - | (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 | 19,587 | 123,456 | 475,481 | 23,040 | 782 | 119,841 | (74,743) | 475,357 | 84,139 | 583,493 | |

The accompanying notes form an integral part of these consolidated financial statements.

For and on behalf of the Board of Directors of Bharti Airtel Limited

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sunil Bharti Mittal
 Chairman
 DIN: 00042491

Gopal Vittal
 Managing Director & CEO
 (India and South Asia)
 DIN: 02291778

Hemant M. Joshi
 Partner
 (Membership No: 38019)



Nilanjan Roy
 Global Chief Financial Officer
 Date: April 24, 2018

Pankaj Tewari
 Company Secretary

Place: New Delhi

Bharti Airtel Limited
Consolidated 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 | | |
| 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 | 300,355 | 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) | 17,625 |
| 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)

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

Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer
Date: April 24, 2018

Pankaj Tewari
Company Secretary

Place: New Delhi



Telesonic Networks 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 | 5 | 84 | 104 |
| Capital work-in-progress | 5 | 1 | 7 |
| Intangible assets | 6 | 0 | 4 |
| Financial assets | | | |
| - Others | 7 | 8 | 27 |
| Income tax receivable | 8 | 255 | 235 |
| Deferred tax assets | 8 | 158 | 146 |
| Other non-current assets | 9 | 13 | 1 |
| | | 519 | 524 |
| Current assets | | | |
| Inventories | 10 | 612 | 323 |
| Financial assets | | | |
| - Trade receivables | 11 | 1,084 | 891 |
| - Cash and cash equivalents | 12 | 0 | 98 |
| - Other bank balances | 12 | 1 | - |
| - Unbilled revenue | | 1,884 | 1,552 |
| Other current assets | 9 | 390 | 212 |
| | | 3,971 | 3,076 |
| Total assets | | 4,490 | 3,600 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 13 | 939 | 892 |
| Other equity | | (322) | (544) |
| | | 617 | 348 |
| Non-current liabilities | | | |
| Provisions | 14 | 251 | 202 |
| | | 251 | 202 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 15 | 61 | - |
| - Trade payables | 16 | 2,680 | 2,556 |
| - Others | 17 | 217 | 233 |
| Provisions | 14 | 123 | 135 |
| Current tax liabilities | | 67 | 55 |
| Other current liabilities | 18 | 474 | 71 |
| | | 3,622 | 3,050 |
| Total liabilities | | 3,873 | 3,252 |
| Total equity and liabilities | | 4,490 | 3,600 |

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
Date: June 8, 2018

For and on behalf of the Board of Directors of Telesonic Networks Limited

Badal Bagri
Badal Bagri
Director
DIN:

Jitendra Vyas
Chief Financial Officer

Srikanth Balachandran
Director
DIN:

Nikhil Shah
Company Secretary

Telesonic Networks 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 | 20 | 7,161 | 7,380 |
| Other income | | 8 | 1 |
| | | <u>7,169</u> | <u>7,381</u> |
| Expenses | | | |
| Network operating expenses | 21 | 4,888 | 4,676 |
| Employee benefits expenses | 22 | 1,440 | 1,611 |
| Other expenses | 23 | 444 | 654 |
| | | <u>6,772</u> | <u>6,941</u> |
| Profit from operating activities before depreciation and amortisation | | 397 | 440 |
| Depreciation and amortisation | 24 | 51 | 87 |
| Finance costs | 25 | 2 | - |
| Finance income | 25 | (13) | (22) |
| Profit before tax | | <u>357</u> | <u>375</u> |
| Tax expense | | | |
| Current tax | 8 | 139 | 172 |
| Deferred tax | 8 | (16) | (40) |
| Profit for the year | | <u>234</u> | <u>243</u> |
| Other comprehensive income | | | |
| Items not to be reclassified to profit or loss: | | | |
| Re-measurement losses on defined benefit plans | | (18) | (17) |
| Income tax credit | | 6 | 6 |
| Other comprehensive loss for the year | | <u>(12)</u> | <u>(11)</u> |
| Total comprehensive income for the year | | <u><u>222</u></u> | <u><u>232</u></u> |
| Earnings per share (Face value : Rs 10/- each) (In Rupees) | | | |
| Basic and Diluted | 26 | 2.56 | 2.72 |

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
 Date: Jun 8, 2018

For and on behalf of the Board of Directors of Telesonic Networks Limited

Badal Bagri
 Badal Bagri
 Director
 DIN:

Jitendra Vyas
 Chief Financial Officer

Srikanth Balachandran
 Srikanth Balachandran
 Director
 DIN:
 Nikhil Shah
 Company Secretary

Telesonic Networks Limited
Statement of changes in equity
(All amounts are in millions of Indian Rupees; except per share data)

| | Share capital | | Other equity | Total equity |
|--------------------------------|----------------------------|--------|----------------------|--------------|
| | No. of shares (in '000) | Amount | Retained earnings | |
| As of April 1, 2016 | 89,231 | 892 | (776) | 116 |
| Profit for the year | - | - | 243 | 243 |
| Other comprehensive loss | - | - | (11) | (11) |
| As of March 31, 2017 | 89,231 | 892 | (544) | 348 |
| Issue of equity shares capital | 4,696 | 47 | - | 47 |
| Profit for the year | - | - | 234 | 234 |
| Other comprehensive loss | - | - | (12) | (12) |
| As of March 31, 2018 | 93,927 | 939 | (322) | 617 |

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
 Date: June 8, 2018

For and on behalf of the Board of Directors of Telesonic Networks Limited

Badal Bagri
 Director
 DIN:

Jitendra Vyas
 Chief Financial Officer

Srikanth Balachandran
 Director
 DIN:
Nikhil Shah
 Company Secretary



Pre and Post arrangement shareholding pattern of Bharti Airtel Limited

| Category of Shareholders | No. of shareholders pre-demerger June 08, 2018 | | No. of shareholders post-demerger Effective Date | |
|--|---|-------------------|---|-------------------|
| | Total | % of total Shares | Total | % 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 | 2002818452 | 50.10 | 2002818452 | 50.10 |
| Banks / FI | 0 | 0.00 | 0 | 0.00 |
| Any Other | 0 | 0.00 | 0 | 0.00 |
| Sub-Total (A) (1) | 2002818452 | 50.10 | 2002818452 | 50.10 |
| Foreign | | | | |
| NRIs - Individuals | 0 | 0.00 | 0 | 0.00 |
| Others - Individuals | 0 | 0.00 | 0 | 0.00 |
| Bodies Corporate | 672470103 | 16.82 | 672470103 | 16.82 |
| Banks / Financial Institutions | 0 | 0.00 | 0 | 0.00 |
| Any other (Foreign Institutional Investor) | 8493000 | 0.21 | 8493000 | 0.21 |
| Sub-Total A(2) : | 680963103 | 17.03 | 680963103 | 17.03 |
| Total A=A(1)+A(2) | 2683781555 | 67.14 | 2683781555 | 67.14 |
| B. Public Shareholding | | | | |
| Institutions | | | | |
| Mutual Funds/UTI | 282629418 | 7.08 | 282629418 | 7.08 |
| Banks / FI | 3752480 | 0.09 | 3752480 | 0.09 |
| 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 | 220381750 | 5.51 | 220381750 | 5.51 |
| FIs (including foreign portfolio investors) | 727690339 | 18.20 | 727690339 | 18.20 |
| Foreign Venture | 0 | 0.00 | 0 | 0.00 |
| Capital Funds | 0 | 0.00 | 0 | 0.00 |
| Others : Alternative Investment Fund | 424703 | 0.00 | 424703 | 0.00 |
| Sub-Total B(1) : | 1234878690 | 30.89 | 1234878690 | 30.89 |
| Non institutions | | | | |
| Bodies Corporate | | | | |
| i) Indian | 25018565 | 0.63 | 25018565 | 0.63 |
| ii) Overseas | 0 | 0.00 | 0 | 0.00 |
| Individual shareholders holding nominal share capital upto Rs.2 lakh | 26644174 | 0.67 | 26644174 | 0.67 |
| Individual shareholders holding nominal share capital in excess of Rs.2 lakh | 9907018 | 0.25 | 9907018 | 0.25 |
| Qualified Foreign Investor | | | | |
| Foreign National | 0 | 0.00 | 0 | 0.00 |
| Foreign Companies | 2532715 | 0.06 | 2532715 | 0.06 |
| Non-resident Indians | 1628604 | 0.04 | 1628604 | 0.04 |
| Non-resident Indians (Non - repatriation) | 742068 | 0.02 | 742068 | 0.02 |
| Trusts (ESOP) | 1774669 | 0.04 | 1774669 | 0.04 |
| Clearing Members | 1206143 | 0.03 | 1206143 | 0.03 |
| Any other | 9285906 | 0.23 | 9285906 | 0.23 |
| Trusts | 9230893 | 0.23 | 9230893 | 0.23 |
| Investor Education and Protection Fund | 49273 | 0.00 | 49273 | 0.00 |
| NBFC | 5740 | 0.00 | 5740 | 0.00 |
| Sub-Total B(2) : | 78739862 | 1.97 | 78739862 | 1.97 |
| Total Public shareholding (B) = B(1)+B(2) | 1313618552 | 32.86 | 1313618552 | 32.86 |
| C. Shares held by Custodians for GDR's & ADR's | 0 | 0.00 | 0 | 0.00 |
| Total (A) + (B) + (C) | 3997400107 | 100 | 3997400107 | 100 |

Existing Capital structure of Bharti Airtel Limited

| Particulars | Amount (in Rs.) |
|---|--------------------------|
| Authorized Share Capital | |
| 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 | |
| 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 |

The Scheme does not envisage any issuance and / or cancellation of shares and accordingly, the post-arrangement expected capital structure of Bharti Airtel Limited pursuant to the effectiveness of the Scheme shall be the same as the existing capital structure as set out above.



Pre and post-arrangement shareholding pattern of Telesonic Networks Limited

| S No. | Shareholders name | No. of shareholders pre-Scheme June 18, 2018 | % holding in Pre- Scheme | No. of shareholders post-Scheme Effective Date | % Holding of Post-Scheme |
|-------|--------------------------------|--|--------------------------|--|--------------------------|
| 1 | Bharti Airtel Limited | 8,92,30,790 | 95% | 8,92,30,790 | 95% |
| 2 | Bharti Airtel Services Limited | 46,96,358 | 5% | 46,96,358 | 5% |
| 3 | Suman Singh* | 1 | 0 | 1 | 0 |
| 4 | Mukesh Bhavnani* | 1 | 0 | 1 | 0 |
| 5 | Gopal Vittal* | 1 | 0 | 1 | 0 |
| 6 | Devendra Khanna* | 1 | 0 | 1 | 0 |
| 7 | Puneet Tandon* | 1 | 0 | 1 | 0 |
| 8 | Manish Agarwal* | 1 | 0 | 1 | 0 |
| | Total | 9,39,27,154 | 100 | 9,39,27,154 | 100 |

*Beneficial interest held by Bharti Airtel Limited.



Existing Capital structure of Telesonic Networks Limited

| Particulars | Amount (in Rs.) |
|---|---------------------|
| Authorized Share Capital | |
| 9,50,00,000 equity shares of Rs. 10/- each | 95,00,00,000 |
| Total | 95,00,00,000 |
| Issued, Subscribed and Fully Paid-up Share Capital | |
| 9,39,27,154 equity shares of Rs. 10/- each | 93,92,71,540 |
| Total | 93,92,71,540 |

The Scheme does not envisage any issuance and / or cancellation of shares and accordingly, the post-arrangement expected capital structure of Telesonic Networks Limited pursuant to the effectiveness of the Scheme shall be the same as the existing capital structure as set out above.



**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 I, Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi -110070

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Telesonic Networks Limited in relation to proposed Scheme of Arrangement between Bharti Airtel Limited ("Transferor Company") and Telesonic Networks Limited ("Transferee Company") and their respective shareholders pursuant to Section 230 to 232 of the Companies Act, 2013.

Dear Sirs,

We, SPA Capital Advisors Limited, refer to our engagement letter dated May 22, 2018 whereby Bharti Airtel Limited (hereinafter referred to as "BAL" or "Transferor Company") has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to Telesonic Networks Limited (hereinafter referred to as "TNL" or the "Transferee Company") pursuant to proposed Scheme of Arrangement between Bharti Airtel Limited ("Transferor Company") and Telesonic Networks Limited ("Transferee Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013.

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., TNL 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 TNL and information which is available in the public domain and wherever required, the appropriate representation from TNL has also been obtained.
- 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.





www.spacapital.com

Certification:

We state and certify follows:

- We have examined various documents and other materials in connection with finalization of disclosure of information dated June 19, 2018, pertaining to TNL ("Abridged Prospectus") which will be circulated to the members of BAL at the time of seeking their consent to the proposed Scheme of Arrangement between Bharti Airtel Limited ("Transferor Company") and Telesonic Networks Limited ("Transferee Company") as a part of explanatory statement to the notice.
- On the basis of such examination and the discussion with the management of TNL, 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 TNL.
 - The Abridged Prospectus contains applicable information pertaining to TNL as required in terms of SEBI Circulars which, in our view are fair, adequate and accurate to enable the members to make a well informed decision on the proposed Scheme of Arrangement between Bharti Airtel Limited ("Transferor Company") and Telesonic Networks Limited ("Transferee Company").

For SPA Capital Advisors Limited


Vivek Gautam
Associate Director



Date: June 19, 2018

Place: Delhi

ABRIDGED PROSPECTUS

Abridged Prospectus/ Memorandum containing information pertaining to Telesonic Networks Limited which is a party to the Scheme of Arrangement proposed to be made between Bharti Airtel Limited (hereinafter referred as "**Transferor Company**") and Telesonic Networks Limited (hereinafter referred as "**Transferee Company**") and their respective shareholders pursuant to Section 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the "**Scheme**").

This document is prepared pursuant to paragraph 1.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 6 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, there is no issue of equity shares. Therefore 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 Bharti Airtel Limited (Transferor Company) and Telesonic Networks Limited (Transferee Company) dated October 31, 2017 respectively, the Report of Audit & Risk Management Committee of Bharti Airtel Limited dated October 31, 2017, the copy of Valuation Report issued by B S R & Associates LLP, Chartered Accountants dated October 31, 2017, and the Fairness Opinion Report issued by RBSA Capital Advisors LLP dated October 31, 2017 from the websites of BSE and NSE where the equity shares of Bharti Airtel Limited are listed.

TELESONIC NETWORKS LIMITED

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070.
Phone No.: +91-11-46666100
Email: corporate.secretarial@bharti.in; **Website:** Not available
Corporate Identity Number: U64200DL2009PLC325406
Contact Person: Suman Singh
Email ID: corporate.secretarial@bharti.in
Phone No.: 011-46666227

PROMOTERS OF TELESONIC NETWORKS LIMITED

Bharti Airtel Limited

ISSUE DETAILS, LISTING AND PROCEDURE

The Scheme is presented pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, for the transfer of the Optical Fibre Cable business (hereinafter referred to as "**OFC**") Undertaking of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis by way of a slump sale in accordance with section 2(42C) of the IT Act.

The Scheme is divided into the three parts namely, Part-A (Definitions and Share Capital), Part-B (Transfer of the OFC Undertaking of the Transferor Company to the Transferee Company on a going concern basis by way of a Slump Sale), and Part-C (General Terms and Conditions).

Upon this Scheme coming into effect, the Transferee Company shall discharge the lump sum consideration of Rs 45,647,000,000 (Rupees Forty five thousand six hundred and forty seven million only) to the Transferor Company in the form of cash through normal banking channels. It is clarified that capital gains tax, if any, that may arise on account of



payment of the consideration shall be the sole responsibility of the Transferor Company.

The lump sum consideration as stated above shall be subject to adjustment(s) on account of incremental capital expenditure, working capital and the like incurred by the Transferor Company. However, the overall consideration for transfer of the OFC Undertaking under this Scheme shall in no event be in excess of Rs. 56,500,000,000 (Rupees Fifty six thousand five hundred million only).

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

Further, the Scheme does not involve issue of equity shares.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable as the 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 equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Scheme of Arrangement. For taking an investment decision, investors must rely on their own examination of the Scheme of Arrangement, including the risks involved. The equity shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the information given herein.

The entire telecom industry has undergone massive upheaval, which can also be seen to effect infra companies and associated businesses of telecom sector. Industry has seen major consolidation with large mobile operators either shutting down their operations or selling out to larger operators. And accordingly, similar businesses dependent on Telecom companies are also undergoing into the process of consolidation to maintain their efficiency and sustainability in the business. As such Telesonic Networks Limited may also face 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 5 of this document.

PRICE INFORMATION OF LEAD MANAGER

Not Applicable, since there is no issue of equity shares in proposed Scheme of Arrangement.



Merchant Banker: SPA Capital Advisors Limited
Contact person: Manish Sharma
Telephone: +91-11-45675500
Email ID: manishsharma@spagroupindia.com

Syndicate Members: Not Applicable
Credit Rating Agencies: Not Applicable
Debenture Trustee: Not Applicable
Self-Certified Syndicated Banks: Not Applicable

Statutory Auditors

TELESONIC NETWORKS 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-W100018

Registrar: Not Applicable
Non-Syndicate Registered Brokers: Not Applicable



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DETAILS OF PROMOTER OF TELESONIC NETWORKS LIMITED AND TOP GROUP COMPANIES

Bharti Airtel Limited, promoter of Telesonic Networks 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

Telesonic Networks Limited, was incorporated on June 26, 2009. The company is an unlisted public limited company, having its registered office at Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070. The Company is engaged in services of operation, management and maintenance of telecommunication Networks to telecom operators and also rolling out fiber/Copper cable network for telecom operators since approx. 10 years.

Telesonic Networks Limited comes under telecom industry and there is continuous investment in capex for expansion of existing network and upgrading the network as per new technologies like 3G/4G/5G. In fixed line business also, there is great opportunity for growth in this industry as the new technology for Hi-Speed Data bandwidth and the V-Fiber / FTTH expansion is changing the shape of the industry and customer experience in terms of speed and connectivity. In last 4-5 years fiber network growth has also been significant. Operators are continuously investing in expansion of their network to cover all urban /rural towns.

Telesonic Networks Limited is doing network roll out and maintenance work as managed service partner for largest telecom operator in India and with above mentioned growth opportunities there is good prospectus for this business to reach next level in terms of turnover and presence in more towns.

BOARD OF DIRECTORS

| S.No | Name | DIN | Designation (Independent/ Whole Time / Executive/ Nominee) | Qualification and Experience |
|------|-----------------------|----------|--|--|
| 1 | Badal Bagri | 00367278 | Director | A Commerce Graduate from Calcutta University and a Chartered Accountant. Badal has around 23 years of experience across Telecom, FMCG, Services and Manufacturing. |
| 2 | Srikanth Balachandran | 02815932 | Director | A Chartered Accountant by qualification, Srikanth has around 30 years of experience under several leadership roles across finance, supply chain and HR. |
| 3 | Pankaj Tewari | 08006533 | Director | Pankaj Tewari is a member of Institute of |



| | | | | |
|--|--|--|--|---|
| | | | | Company Secretaries of India and graduate in law with around 16 years of professional experience. He has worked extensively in corporate governance and compliance space. |
|--|--|--|--|---|

OBJECTS PURSUANT TO THE SCHEME

The Transferor Company is a multi-business corporate inter alia engaged in the business of providing global telecommunication services with operations in 16 (sixteen) countries across Asia and Africa. These activities and businesses have been nurtured from a nascent stage and are currently at different stages of maturity and have different capital, operating and regulatory requirements. Since the Transferor Company and the Transferee Company are companies within the same group, the Transferor Company believes that it would be beneficial to restructure its business interests as it will result in sharper and dedicated focus on the optical fibre cable business and operational efficiencies and therefore the proposed arrangement will, inter-alia, allow for efficient integration of the fibre roll-out and maintenance resources on an inter-city and intra-city level.

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 in proposed 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 Telesonic Networks Limited as on March 31, 2018 and indicative Post Scheme Shareholding is as follows:

| S No. | Shareholders name | Pre- Scheme No. of Equity Shares | % holding in Pre- Scheme | Post- Scheme No. of Equity Shares | % Holding of Post-Scheme |
|-------|--------------------------------|----------------------------------|--------------------------|-----------------------------------|--------------------------|
| 1 | Bharti Airtel Limited | 8,92,30,790 | 95% | 8,92,30,790 | 95% |
| 2 | Bharti Airtel Services Limited | 46,96,358 | 5% | 46,96,358 | 5% |
| 3 | Suman Singh* | 1 | 0 | 1 | 0 |
| 4 | Mukesh Bhavnani* | 1 | 0 | 1 | 0 |
| 5 | Gopal Vittal* | 1 | 0 | 1 | 0 |
| 6 | Devenendra Khanna* | 1 | 0 | 1 | 0 |
| 7 | Puneet Tandon* | 1 | 0 | 1 | 0 |
| 8 | Manish Agarwal* | 1 | 0 | 1 | 0 |
| | Total | 9,39,27,154 | 100 | 9,39,27,154 | 100 |

*Beneficial interest held by Bharti Airtel Limited.

Shareholding Pattern of Bharti Airtel Limited as on March 31, 2018 and indicative Post Scheme Shareholding is as follows:

| S. No. | Shareholders name | Pre-Scheme No. of Equity Shares | % holding in 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 | 50.10 |
| 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 | 14.79 |
| (B) | Non-Promoter | | | | |
| 1 | Public | 1,31,18,99,506 | 32.82 | 1,31,18,99,506 | 32.82 |
| 2 | Non Promoter-Non Public | 17,19,041 | 0.04 | 17,19,041 | 0.04 |
| | Total | 3,99,74,00,102 | 100 | 3,99,74,00,102 | 100 |

Notes:

- Bharti Telecom Limited is 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 concert" 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. As mentioned above 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.

AUDITED FINANCIALS

TELESONIC NETWORKS LIMITED – STANDALONE

(Rs. in millions)

| Particulars | FY 17-18 | FY16-17 | FY15-16 | FY14-15 | FY13-14 |
|---|----------|---------|---------|----------|-----------|
| Total income from operations (net) | 7169 | 7381 | 7053 | 6678.81 | 4660.81 |
| Net Profit/ (Loss) before tax and extraordinary items | 357 | 375 | 336 | 299.08 | (50.63) |
| Net Profit/ (Loss) after tax and extraordinary items | 234 | 243 | 323 | 219.31 | (50.63) |
| Equity Share Capital | 939 | 892 | 892 | 892.31 | 892.31 |
| Reserves & Surplus | (322) | (544) | (776) | (1099) | (1318.22) |
| Net Worth | 617 | 348 | 116 | (207) | (425.91) |
| Basic Earnings Per Share (In Rs) | 2.56 | 2.72 | 3.62 | 2.46 | (0.57) |
| Diluted Earnings Per Share (In Rs) | 2.56 | 2.72 | 3.62 | 2.46 | (0.57) |
| Return on Net-worth (%) | 37.93 | 69.83 | 278.45 | (106.15) | 11.89 |
| Net Asset Value per share (Rs) | 6.57 | 3.90 | 1.30 | (2.32) | (4.77) |

INTERNAL RISK FACTORS RELATED TO TELESONIC NETWORKS LIMITED

1. Our growth of the business is dependent on business opportunities, which has its own potential risk associated with it.
2. Telesonic Networks Limited comes under telecom industry and the entire telecom industry has undergone massive upheaval.
3. We may face intense competition, of reduced pricing and decrease in revenue growth and if we are not able to compete effectively, our business, results of operations and financial condition will be adversely affected.
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

TELESONIC NETWORKS LIMITED:

- A. **Total number of outstanding litigations against the company and amount involved -**
Total 22 (Twenty Two) litigations pending against Telesonic Networks Limited as on the date of the Abridged Prospectus, out of which 21 (Twenty One) litigations are filed by Employee/Workmen under the Industrial Disputes Act, 1947 and 1 (One) litigation is filed by Employee under the Code of Civil Procedure 1908. Total amount involved in the proceedings, wherever quantifiable is Rs. 1,47,66,548/-.
- B. **Brief details of top 5 material outstanding litigations against the company and amount involved-**
None of above mentioned cases is material in nature for Telesonic Networks Limited.
- 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/RC/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 one each filed by Delhi Development Authority (DDA) and 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, 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/ TELESONIC NETWORKS 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: June 19, 2018
Place: New Delhi



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO. CA (CAA)-37(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 SCHEME OF ARRANGEMENT BETWEEN BHARTI AIRTEL LIMITED AND TELESONIC NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

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 1/ Transferor Company

AND

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

...Applicant Company 2/ Transferee Company

FORM OF PROXY

Name of Unsecured Creditor:

Address of Unsecured Creditor:

Email ID:

I/ We, the undersigned as an unsecured creditor of Bharti Airtel Limited, hereby appoint:

- i. Name _____, Address _____ having e-mail id _____ or failing him/ her
- ii. Name _____, Address _____ having e-mail id _____ or failing him/ her
- iii. Name _____, Address _____ having e-mail id _____

as my/ our proxy, to act for me/ us at the meeting of the unsecured creditors of Bharti Airtel Limited to be held at Airforce Auditorium, Near R&R Hospital, NH 48, Subroto Park, New Delhi - 110010 on Monday, the 30th day of July, 2018 from 1:30 P.M. to 2:30 P.M., for the purpose of considering and, if thought fit, approving, with or without modification(s), the scheme of arrangement between Bharti Airtel Limited and Telesonic Networks Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the “**Scheme**”) and at such meeting and at an adjournment or adjournments thereof, to vote, for me/ us and in my/ our names(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. (Strike out what is not necessary)

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 Bharti Airtel Limited ("**Transferor Company**") 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 Transferor Company is entitled to attend and vote at the meeting of the unsecured creditors ("**Meeting**"), either in person or by proxy or through an authorized representative, 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 Transferor Company at its registered office not later than 48 hours before the scheduled time of the Meeting.
6. An unsecured creditor of the Transferor Company is entitled to attend and vote at the 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. 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 Transferor Company 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).



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

ATTENDANCE SLIP

FOR THE MEETING OF THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED

Unsecured creditors of Bharti Airtel Limited attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

I hereby record my presence at the meeting of the unsecured creditors of Bharti Airtel Limited, convened pursuant to the order dated April 24, 2018 read with the order dated May 11, 2018, both passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi in Company Application No. CA (CAA)-37(PB)/2018 and Company Application No. 382(PB)/2018 in CA (CAA)-37/PB/2018, respectively, at Airforce Auditorium, Near R&R Hospital, NH 48, Subroto Park, New Delhi - 110010 on Monday, the 30th day of July, 2018 from 1:30 P.M. to 2:30 P.M.

Name of the Unsecured Creditor :

Signature of the Unsecured Creditor :

OR

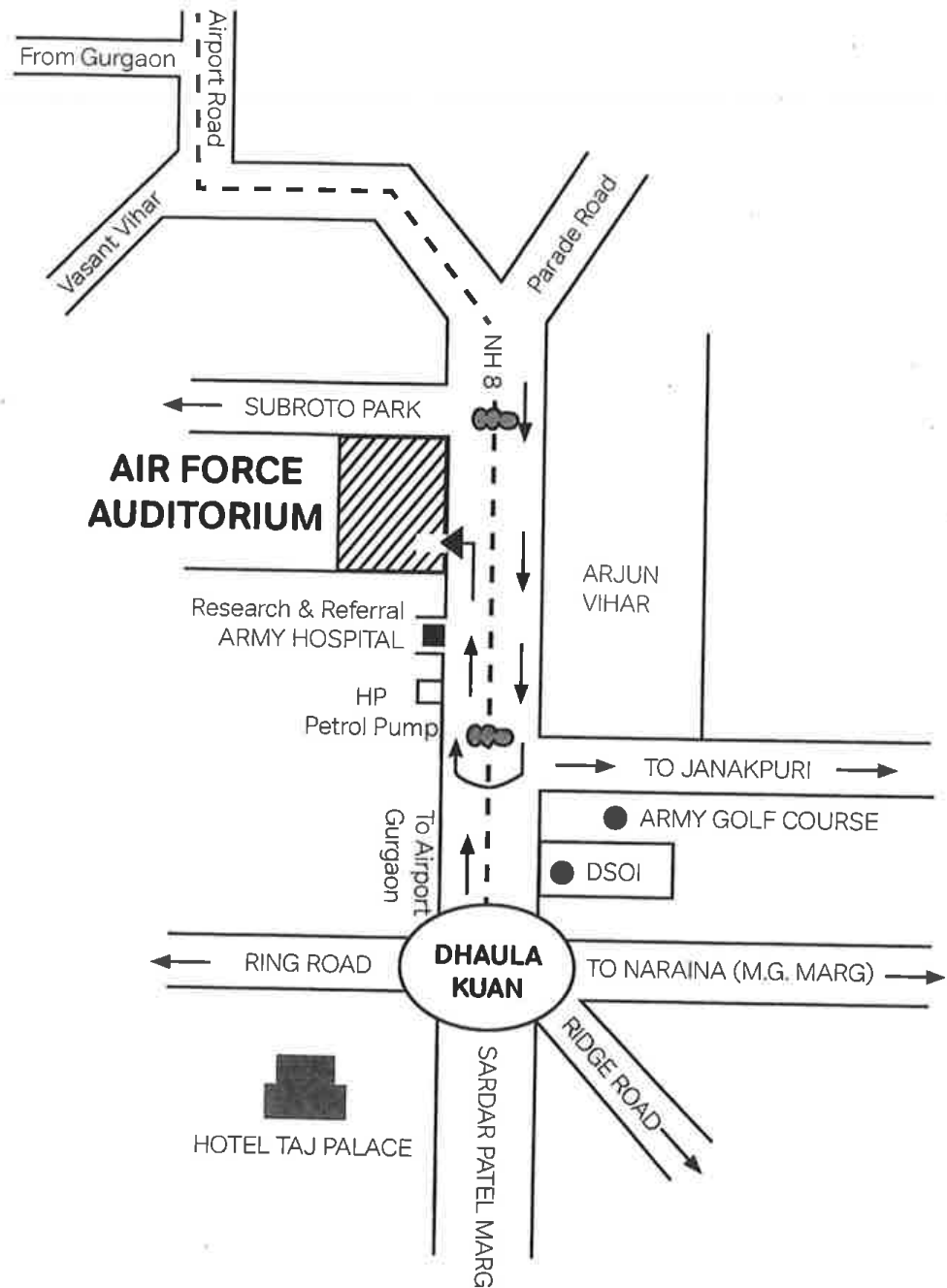
Name of the Proxy Holder :

Signature of the Proxy Holder :

NOTES

1. Unsecured creditor/ proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same at the entrance of the meeting venue after completing the same.
2. Unsecured creditor/ proxy holder desiring to attend the meeting should bring his/ her copy of the notice for reference at the meeting.

Route Map of the Meeting of Bharti Airtel Limited



Venue: Air Force Auditorium, Subroto Park, New Delhi – 110 010

Landmark: Adjacent to Research & Referral, Army Hospital

