STRICTLY CONFIDENTIAL — DO NOT FORWARD

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) UNDER RULE 144A OF THE SECURITIES ACT (AS DEFINED BELOW) OR (2) PERSONS LOCATED OUTSIDE THE UNITED STATES WHO ARE NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S OF THE SECURITIES ACT).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular (the "**Offering Circular**") attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: By accepting the e-mail and accessing the attached Offering Circular you shall be deemed to have represented to Barclays Bank PLC, BNP Paribas Securities (Asia) Limited, Citigroup Global Markets Limited, GOLDMAN SACHS (ASIA) L.L.C. and J.P. Morgan Securities plc (each a "**Joint Manager and Joint Bookrunner**") and DBS Bank Ltd. (a "**Co-Bookrunner**", and together with the Joint Managers and Joint Bookrunners, the "**Managers**") that (1) either (i) you are located within the United States ("**U.S.**") and you are, or you are acting on behalf of, a "qualified institutional buyer" ("**QIB**") as defined in Rule 144A of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") purchasing the securities described in the attached Offering Circular in a transaction exempt from the registration requirements of the Securities Act, or (ii) you are located outside the U.S. and you are not, and are not acting for the account or benefit of, a "U.S. person" as defined in Regulation S of the Securities Act ("**Regulation S**") purchasing the securities described in the attached Offering Circular in an offshore transaction in compliance with Regulation S and the applicable laws, and (2) you consent to the delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Bharti Airtel Limited (the "**Issuer**" or the "**Company**") or the Managers or any of their respective directors, employees, representatives, affiliates or agents accept any liability or responsibility whatsoever in respect of any discrepancies between the Offering Circular distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Restrictions: The attached document is an Offering Circular and is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. You are reminded that the information in the attached Offering Circular is not complete and may be changed.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore, offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

THE BONDS AND THE SHARES ISSUABLE UPON CONVERSION OF THE BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer or the Managers to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers and their respective affiliates on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that You May Not Take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORIZED TO AND MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED OFFERING CIRCULAR, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

STRICTLY CONFIDENTIAL

BHARTI AIRTEL LIMITED

U.S.$1,000 million 1.50 per cent. Convertible Bonds due 2025 of Bharti Airtel Limited

Issue Price: 100.00%

Bharti Airtel Limited (the "**Issuer**" or the "**Company**") was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC.

Registered and Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Tel: +91 11 4666 6100
Contact Person: Mr. Rohit Krishan Puri, Deputy Company Secretary and Compliance Officer
Tel: +91 11 4666 6100 **E-mail**: compliance.officer@bharti.in; **Website**: www.airtel.in
Corporate Identity Number: L74899DL1995PLC070609

Our Company will issue (the "**Issue**") U.S.$1,000 million in aggregate principal amount of 1.50 per cent. Convertible Bonds due 2025 (the "**Bonds**"). The Bonds will be convertible into our Company's fully paid ordinary shares of Rs.5.00 each (the "**Shares**", and together with the Bonds, the "**Securities**").

Concurrent with this Issue, our Company is also undertaking the issuance of 323,595,505 Shares, aggregating up to Rs. 144,000 million (the "**QIP Issue**"), through a qualified institutions placement in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the applicable provisions of the Companies Act, 2013, as amended and the rules framed thereunder. The net proceeds from the QIP Issue are proposed to be utilized by our Company for (i) any payments that may be required to be made, arising out of the judgment of the Supreme Court of India delivered on October 24, 2019 in relation to a long outstanding industry wide case in respect of the definition of Adjusted Gross Revenue, (ii) to augment its long term resources and strengthen its balance sheet, for servicing and/or repayment of short term and long term debts, capital expenditures, long term working capital requirements of our Company, refinancing of existing borrowings and (iii) general corporate purposes or other purposes as permitted under applicable law. In the event of any favourable order or judgment of the Supreme Court or other decision which provides relief to our Company from making any payments arising out of the long outstanding industry wide case in respect of the definition of Adjusted Gross Revenue (which may include but not be limited to partial payment, moratorium period, waiver, etc.), our Company will utilize the entire or part of the net proceeds of the QIP Issue (i) to augment its long term resources and strengthen its balance sheet, for servicing and/or repayment of short term and long term debts, capital expenditures, long term working capital requirements of our Company, refinancing of existing borrowings, and (ii) general corporate purposes or other purposes as permitted under applicable law. The completion of this offering is not conditional upon the completion of the QIP Issue.

The Bonds will constitute our Company's direct, senior, unsubordinated, unconditional and unsecured obligations and will at all times rank *pari passu* without any preference among themselves and with all of our Company's other present and future direct, senior, unsubordinated, unconditional and unsecured obligations other than those preferred by statute or applicable law; and our Company's shareholders have no pre-emptive or similar rights to acquire the Bonds.

The Bonds will be convertible at the option of the holders of the Bonds (the "**Bondholders**") at any time on or after February 27, 2020 and up to the close of business on February 7, 2025 into our Company's newly issued Shares. Each Bond will be convertible at the option of the holder thereof into fully paid Shares at an initial Conversion Price (as defined herein). The initial Conversion Price will be INR 534.00 per Share but will be subject to adjustment in the manner provided in Condition 6.3, provided, however, that the Conversion Price, as adjusted, shall, at all times, be not less than the Floor Price. The Floor Price calculated in accordance with applicable Indian regulations is INR 452.09 and will be subject to adjustment in the manner provided in Condition 6.3.1. For the terms of the conversion rights, see "**Terms and Conditions of the Bonds—Conversion**". The Bonds are issued in registered form in the denomination of U.S.$200,000 each or in integral multiples of U.S.$1,000 thereof.

On January 7, 2020, the closing price of our Company's outstanding Shares on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") was Rs. 445.35 and Rs.445.10 per Share, respectively.

Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on February 17, 2025 (the "**Maturity Date**") at 102.66 per cent. of their principal amount, together with accrued interest (if any) (calculated up to but excluding the Maturity Date). Our Company may at its option, subject to the satisfaction of certain conditions, redeem the Bonds, in whole but not in part, if at any time the aggregate principal amount of the Bonds outstanding is less than 15 per cent. of the aggregate principal amount of Bonds originally issued (plus any Bonds issued pursuant to Condition 16), at the Early Redemption Amount (as defined herein), together with interest (if any) accrued but unpaid to such date of redemption. Our Company may at its option redeem the Bonds in whole but not in part, at any time in the event of certain changes relating to taxation in India, at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption. Each Bondholder has the right to require our Company to redeem in whole or in part such Bondholder's Bonds on the Change of Control Put Date (as defined herein) at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption. In the event that (i) the Shares cease to be listed or admitted to trading or are suspended for a period equal to or exceeding 30 consecutive Trading Days (as defined herein) on the NSE or on the BSE or (ii) the Liquidity Event (as defined in the Terms and Conditions of the Bonds) occurs, each Bondholder shall have the right to require our Company to redeem in whole or in part such Bondholder's Bonds at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption. Furthermore, to the extent permitted by applicable law, unless the Bonds have been previously redeemed, converted or purchased and cancelled, if an event triggering an adjustment to the Conversion Price under Condition 6.3 occurs so that the Conversion Price, when calculated pursuant to Condition 6.3, would fall below (i) the Floor Price or (ii) the level permitted by applicable Indian regulatory authorities (if any) (a "**Non-Permitted Conversion Price Adjustment Event**"), each Bondholder shall have the right, at such Bondholder's option, to require the Company to repurchase in whole or in part such Bondholder's Bonds at their Early Redemption Amount, together with interest (if any) accrued but unpaid to the date of such redemption. Early redemption of Bonds may be subject to receipt of necessary regulatory approvals. For details, see "**Terms and Conditions of the Bonds**".

Prior to this offering, there has been no market for the Bonds. Our Company has received an approval-in-principle for the listing and quotation of the Bonds on the Singapore Exchange Securities Trading Limited (the "**Singapore Exchange**"). Final permission to list the Bonds will be granted when the Bonds have been admitted to the Singapore Exchange. Our Company has received in-principle approvals from the BSE and the NSE in respect of the Shares issuable upon conversion of the Bonds and has undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for the final listing and trading on the BSE and NSE.

The Singapore Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the Singapore Exchange and quotation of the Bonds on the Singapore Exchange is not to be taken as an indication of our Company's merits or the merits of our Company's subsidiaries, our Company's associated companies or the Bonds. The Bonds will be traded on the Singapore Exchange in a minimum board lot size of U.S.$200,000 for so long as the Bonds are listed on the Singapore Exchange.

Investing in the Bonds involves risks. See "Risk Factors" beginning on page 39.

Delivery of the Bonds is expected to be made to investors in book-entry form through The Depository Trust Company ("DTC") and its participants, including Euroclear Bank SA/NV ("Euroclear"), and Clearstream Banking S.A.("Clearstream") on or about January 17, 2020 (the "Closing Date").

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Securities are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A") and referred to in this Offering Circular as a "QIB") in transactions exempt from the registration requirements of the Securities Act, and (b) to non-U.S. persons located outside of the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For a description of certain restrictions on offers, sales and transfers of the Securities, see "*Subscription and Sale*" and "*Description of the shares—Transfer of Shares*". The Securities may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India.

The Bonds are expected to be rated "BBB-/Rating Watch Negative (RWN)" by Fitch Ratings, Inc. ("**Fitch**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Managers and Joint Bookrunners

Barclays | **BNP PARIBAS** | **Citigroup Global Markets Limited**

Goldman Sachs (Asia) L.L.C. | **J.P. MORGAN SECURITIES PLC**

Co- Bookrunner

DBS BANK Ltd.

Offering Circular dated January 14, 2020

A40803271/0.15/14 Jan 2020

TABLE OF CONTENTS

Page

NOTICE TO INVESTORS 1
PRESENTATION OF FINANCIAL AND OTHER INFORMATION 6
INDUSTRY AND MARKET DATA 8
FORWARD-LOOKING STATEMENTS 10
ENFORCEMENT OF CIVIL LIABILITIES 12
EXCHANGE RATES 14
CERTAIN DEFINITIONS AND ABBREVIATIONS 15
SUMMARY OF THE OFFERING 24
SUMMARY FINANCIAL INFORMATION 30
KEY OPERATIONAL AND FINANCIAL PARAMETERS 38
RISK FACTORS 39
USE OF PROCEEDS 107
CAPITALIZATION STATEMENT 108
MARKET PRICE INFORMATION 110
RELATED PARTY TRANSACTIONS 113
DIVIDEND POLICY 114
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 115
INDUSTRY OVERVIEW 150
OUR BUSINESS 172
BOARD OF DIRECTORS AND SENIOR MANAGEMENT 197
ORGANISATIONAL STRUCTURE AND PRINCIPAL SHAREHOLDERS 206
TERMS AND CONDITIONS OF THE BONDS 213
CLEARANCE AND SETTLEMENT 261
GLOBAL CERTIFICATES 265
TRANSFER RESTRICTIONS 269
CERTAIN ERISA CONSIDERATIONS 274
THE SECURITIES MARKET OF INDIA 276
DESCRIPTION OF THE SHARES 280
FOREIGN INVESTMENT AND EXCHANGE CONTROLS 286

INDIAN GOVERNMENT AND OTHER APPROVALS 292
TAXATION 294
SUBSCRIPTION AND SALE 303
LEGAL PROCEEDINGS 312
OUR STATUTORY AUDITORS 354
GENERAL INFORMATION 355
FINANCIAL STATEMENTS 357

NOTICE TO INVESTORS

The Issuer, as well as Barclays Bank PLC, BNP Paribas Securities (Asia) Limited, Citigroup Global Markets Limited, GOLDMAN SACHS (ASIA) L.L.C., J.P. Morgan Securities plc and DBS Bank Ltd. (together, the "**Managers**"), reserve the right to withdraw the offering of the Bonds at any time or to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Bonds offered hereby.

This Offering Circular is personal to the prospective investor to whom it has been delivered by the Managers and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Bonds or the Shares issuable upon conversion of the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto is unauthorized, and any disclosure of its contents without the Issuer's prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and agrees not to make any photocopies of this Offering Circular.

This Offering Circular is intended solely for the purpose of soliciting indications of interest in the Bonds from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in any transaction documents described herein. The information provided is not all-inclusive. Notwithstanding any investigation that the Managers may have conducted with respect to the information contained herein, the Managers do not accept any liability in relation to the information contained in this Offering Circular or its distribution or with regard to any other information supplied by or on the Issuer's behalf.

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Bonds or the Shares issuable upon conversion of the Bonds.

Prospective investors in the Bonds should rely only on the information contained in this Offering Circular. None of the Issuer or the Managers has authorized the provision of information different from that contained in this Offering Circular. The information contained in this Offering Circular is accurate in all material respects only as of the date of this Offering Circular, regardless of the time of delivery of this Offering Circular or of any sale of the Bonds. Neither the delivery of this Offering Circular nor any sale made hereunder shall under any circumstances imply that there has been no change in the Issuer's affairs and those of each of its subsidiaries or that the information set forth herein is correct in all material respects as of any date subsequent to the date hereof.

Prospective investors hereby acknowledge that (i) they have not relied on the Managers, Citicorp International Limited as trustee (the "**Trustee**"), Citibank, N.A., London Branch as the principal paying agent (the "**Principal Agent**") and as conversion agent (the "**Conversion Agent**"), any other paying agents (together with the Principal Agent, the "**Paying Agents**"), Citigroup Global Markets Europe AG as registrar (the "**Registrar**") or Citibank, N.A., London Branch as transfer agent (the "**Transfer Agent**," and together with the Paying Agents. Conversion Agent and the Registrar, the "**Agents**") or any person affiliated with the Managers, the Trustee, or the Agents in connection with any investigation of the accuracy of such information or their investment decision, and (ii) no person has been authorized to give any information or to make any representation concerning the Issuer or the Bonds or the Shares issuable upon conversion of the Bonds (other than as contained herein and information given by the Issuer's duly authorized officers and employees, as applicable, in connection with investors' examination of the Issuer, and the terms of this offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Managers, the Trustee or the Agents.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory

authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

None of the Managers, the Issuer, the Trustee, the Agents or their affiliates or representatives is making any representation to any offeree or purchaser of the Bonds offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. None of the Managers, the Trustee or any Agent makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Managers, the Trustee or any Agent accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Managers or on their behalf in connection with the Issuer or the issue and offering of the Bonds and the Shares issuable upon conversion of the Bonds. Each of the Managers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Each prospective investor should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer, and the terms of the Bonds being offered and the Shares issuable upon conversion of the Bonds, including the merits and risks involved and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. See section, "Risk Factors" for a discussion of certain factors to be considered. Any prospective investor in the Bonds and the Shares issuable upon conversion of the Bonds should be able to bear the economic risk of an investment in the Bonds and the Shares issuable upon conversion of the Bonds for an indefinite period of time.

This Offering Circular does not constitute an offer to sell, or a solicitation of an offer to buy, any Bonds or Shares issuable upon conversion of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation in such jurisdiction.

The attention of potential investors in the Bonds is drawn to the regulations issued by the Ministry of Finance that provide that erstwhile overseas corporate bodies, as defined under applicable regulations in India, that are not eligible to invest in India, and entities prohibited from buying, selling or dealing in securities by the SEBI under the SEBI Act, shall not be eligible to participate in an offering of foreign currency convertible bonds. Each purchaser of the Bonds is deemed to have acknowledged, represented and agreed that they are eligible to invest in India under applicable law, including the FCCB Scheme, the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016, as amended and the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended and circulars or notifications issued thereunder by the RBI from time to time, and have not been prohibited by SEBI from buying, selling or dealing in securities.

The offering is being made entirely outside India. This Offering Circular or any other document or material relating to the Bonds has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Bonds have not been, and will not be, offered or sold directly or indirectly in India or to, or for the account or benefit of, any person resident in India. If you purchase any of the Bonds, you will be deemed to have acknowledged, represented and agreed that you are eligible to invest in the Bonds and the Shares to be issued upon conversion of the Bonds under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Bonds and the Shares to be issued upon conversion of the Bonds.

Each purchaser of Bonds will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Bonds will bear a legend to the effect that the securities evidenced thereby may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the Bonds account of, such persons, unless we may determine otherwise in compliance with applicable law.

This Offering Circular has not been and will not be filed, registered, produced, published or made available as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Circular which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

This Offering Circular or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction.

For the purposes of this section, FATF compliant jurisdiction and IOSCO compliant jurisdiction shall have the following meaning:

"**FATF compliant jurisdiction**" – a country that is a member of Financial Action Task Force ("**FATF**") or a member of a FATF-style regional body; and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

"**IOSCO compliant jurisdiction**" – a country whose securities market regulator is a signatory to the International Organization of Securities Commission's ("**IOSCO's**") Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements.

This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Circular and the Bonds are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India.

This offering is being made in reliance upon exemptions from registration under the Securities Act, for an offer and sale of securities which does not involve a public offering. If you purchase any of the Bonds, you will be deemed to make certain acknowledgments, representations and agreements set forth under "*Transfer Restrictions*."

The distribution of this Offering Circular and the offer and sale of the Bonds may, in certain jurisdictions, be restricted by law. None of the Issuer or the Managers represent that this Offering Circular may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other

requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer or the Managers which would permit a public offering of any Bonds or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Each purchaser of the Bonds must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Bonds or possesses or distributes this Offering Circular, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Bonds and the Shares issuable upon conversion of the Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Offering Circular or any Bonds may come must inform themselves about, and observe any such restrictions on the distribution of Offering Circular and the offering and sale of the Bonds and the Shares issuable upon conversion of the Bonds. In particular, there are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States and the European Economic Area ("**EEA**") and to persons connected therewith. See "*Subscription and Sale*."

This Offering Circular has been prepared on the basis that all offers of the Bonds will be made pursuant to an exemption under Article 3 of the Prospectus Directive, as implemented in member states of the European Economic Area, from the requirement to produce a prospectus for offers of the Bonds.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Bonds and the Shares issuable upon conversion of the Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds and the Shares issuable upon conversion of the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore, offering or selling the Bonds and the Shares

issuable upon conversion of the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of qualified institutional investors within the meaning of Rule 144A for informational use solely in connection with the consideration of the purchase of the Securities. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Issuer has agreed that, for so long as any of the Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer, as the case may be, will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

For this offering of the Securities, the Issuer and the Managers are relying upon exemptions from registration under the Securities Act for offers and sales of securities which do not involve a public offering, including Rule 144A. The Securities have not been, and will not be, registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons. The Securities are being offered and sold solely to non-U.S. persons located outside the United States in reliance on Regulation S and within the United States to QIBs in reliance on Rule 144A. Until 40 days after the commencement of the offering of the Securities, an offer or sale of the Securities within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in transactions exempt from the registration requirements of the Securities Act.

Prospective investors are hereby notified that sellers of the Securities may be relying on the exemption from the provision of Section 5 of the Securities Act provided by Rule 144A. The Securities are subject to restrictions on transferability and resale. Purchasers of the Securities may not transfer or resell the Securities except as permitted under the Securities Act and applicable state securities laws.

Prospective investors must (1) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Offering Circular and the purchase, offer or sale of the Securities, and (2) obtain any consent, approval or permission required to be obtained by the prospective investors for the purchase, offer or sale by them of the Securities under the laws and regulations applicable to the prospective investors in force in any jurisdiction to which they are subject or in which they make such purchases, offers or sales, and neither the Issuer nor the Managers shall have any responsibility therefor.

For a description of these and certain further restrictions on offers, sales and transfers of the Bonds and the Shares issuable upon conversion and distribution of this Offering Circular, see "*Subscription and Sale*." And "*Transfer Restrictions*."

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the investors pursuant to the Issue, references to "our Company", the "Company", or the "Issuer" are to Bharti Airtel Limited on a standalone basis and references to "our", "us", or "we" are to Bharti Airtel Limited together with our Subsidiaries, Associates and Joint Ventures on a consolidated basis.

In this Offering Circular, references to (a) "Rs.", "Rupees", "INR", "Indian Rupees" or "₹" are to the legal currency of the Republic of India and (b) "USD", "US$" and "U.S. Dollars" are to the legal currency of the United States. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions. All references herein to the "Central Government", "Government", "Government of India" or "State Government" are to the Government of India, central or state, as applicable. All the numbers in this document, have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise.

Our Fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

Our Company presents its financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Offering Circular, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the audited consolidated financial statements for Fiscals 2017, 2018 and 2019, and for six month period ended September 30, 2019, as included in this Offering Circular, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Circular should accordingly be limited. See "*Risk Factors – Significant differences exist between IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with IND-AS contained in this Offering Circular*" on page 89.

We have included in this Offering Circular the audited consolidated financial statements for Fiscals 2017, 2018 and 2019 and the audited interim consolidated interim financial statements for the six month period ended September 30, 2019**.**

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Offering Circular is derived from our audited consolidated financial statements for the six months ended September 30, 2019 and for Fiscals 2019 and 2018. Further, unless the context otherwise requires, all financial information contained in this Offering Circular as at or for Fiscal 2017 has been derived from the comparatives presented in the annual financial statements for the Fiscal 2018. For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 356 and 115, respectively.

Unless otherwise stated, references in this Offering Circular to a particular year are to the calendar year ended on December 31 and to a particular "Financial Year", "Fiscal", or "FY" are to the financial year of our Company ending on March 31 of a particular year.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Our Company's audited consolidated financial results for the quarter and six months period ended September 30, 2019 and audited consolidated financial statements for Fiscals 2019 and 2018, as included in this Offering Circular have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors and our Company's audited consolidated financial statements for the Fiscal 2017, as included in this Offering Circular have been audited by S. R. Batliboi & Co. LLP, Chartered Accountants ("**SRBA**"), the erstwhile statutory auditors of our Company.

Deloitte Haskins & Sells LLP ("**DHS LLP**"), the current statutory auditors of the Issuer, is a firm registered with the Institute of Chartered Accountants of India. It has been reported that in connection with certain alleged lapses identified by the Serious Fraud Investigation Office in one of its audit assignments, the Ministry of Corporate Affairs in India ("**MCA**") has filed, among others, a petition with the National Company Law Tribunal ("**NCLT**") seeking an order under Section 140(5) of the Companies Act to impose a restriction on DHS LLP (and another large audit firm which was the joint auditor with DHS LLP of the Issuer in a recent past fiscal year) from being appointed as an auditor of any company for a five-year period, (the "**Proposed Restriction**"). The MCA has also made other applications before other judicial/quasi-judicial forums seeking certain other orders against DHS LLP and the other audit firm. Both the auditors have raised objections to the proceedings on technical and legal grounds. DHS LLP has challenged against the orders issued by the NCLT including, in particular, the applicability of Section 140(5) to it and appeals are pending before the National Company Law Appellate Tribunal. Separately, the other audit firm has also challenged the proceedings before the Bombay High Court and the matter is under appeals. The matters are currently subjudice. As of date, there are no orders that prevent DHS LLP from continuing as auditors of the Issuer. These alleged lapses are completely unrelated to the Issuer's financial statements and procedures.

S.R. Batliboi & Co. LLP was informed by the Reserve Bank of India (the "**RBI**") via a press release dated June 3, 2019 that the RBI will not approve S.R. Batliboi & Co. LLP for carrying out statutory audit assignments for commercial banks for one year commencing from April 1, 2019. This does not impact SRBA's role as the statutory auditor of the Issuer for the year ended March 31, 2017.

INDUSTRY AND MARKET DATA

Market and Industry data used in this Offering Circular has been obtained or derived from publicly available information as well as various industry publications and sources.

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Offering Circular consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Offering Circular relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made on the basis of such information. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Managers have independently verified this data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Offering Circular is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry and market data used in this Offering Circular has been obtained or derived from publicly available information as well as various industry publications and sources. There can be no assurance that such data is either complete or accurate*" on page 84. Thus, neither our Company nor the Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

We have not commissioned any report for the purposes of this Offering Circular. Further, this Offering Circular includes certain industry related information from the report "Overview of Indian Telecom Industry" dated December 30, 2019 ("**CRISIL Report**") published by CRISIL Research, a division of CRISIL Limited. CRISIL Research has consented to the use of such information in this Offering Circular subject to the following disclaimer by CRISIL Research:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in*

jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharti Airtel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Further, this Offering Circular includes certain industry related information from the report "Africa telecommunications wireless, data and mobile money trends" dated May 2019 ("**Delta Partners Report**") published by Delta Partners. Delta Partners has consented to the use of such information in this Offering Circular subject to the following disclaimer by Delta Partners:

"*Delta Partners has taken due care and caution in preparing this report (Report) based on the Information obtained by Delta Partners from sources which it considers reliable (Data). However, Delta Partners does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Delta Partners especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as Delta Partners providing or intending to provide any services in jurisdictions where Delta Partners does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharti Airtel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. No part of this Report may be published/reproduced in any form without Delta Partners' prior written approval.*"

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Circular that are not statements of historical fact constitute 'forward looking statements'. Investors can generally identify forward-looking statements by terminology including 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target', 'guideline', 'will likely result', 'is likely', 'are likely', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Offering Circular that are not historical facts. These forward-looking statements contained in this Offering Circular (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Changes in laws, regulations or governmental policy affecting our business activities;
- Failure to obtain relief in review petitions filed by our Company and Bharti Hexacom in material legal proceedings pertaining to Adjusted Gross Revenue;
- Significant competition from other companies, including from those with pan-India footprints;
- Foreign investment restrictions under Indian law that limits our ability to attract foreign investors;
- Ability to renew licenses in many countries, which have come up for renewal;
- Comparability of our future results with our historical financial statements upon completion of merger between Bharti Infratel and Indus Towers;
- Payment of additional spectrum charges for excess spectrum held or surrender excess spectrum held by our Company to the GoI;
- Ability to provide telecommunications or related services that are technologically up to date;
- Exposure to a high risk of customer churn, resulting into increase in subscriber acquisition costs and loss of future subscriber revenues; and
- Ability to service our significant indebtedness and comply with its covenants to avoid refinancing risk.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited, to those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 39, 115, 150 and 172 respectively.

The forward-looking statements contained in this Offering Circular are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Offering Circular or the respective dates indicated in this Offering Circular, and neither our Company nor any of the Managers undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Our chairman, and majority of our Directors, and key managerial personnel/ senior management personnel are residents of India. A substantial portion of our assets are located in India. As a result, it may be difficult for the investors to affect service of process upon our Company or such persons, outside India or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**") on a statutory basis.

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to

obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Bonds and/or the Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currency of any cash dividends paid in Rupees on the Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), based on the reference rates released by the RBI/FBIL, which are available on the website of the RBI/FBIL. No representation is made that any Rupee amounts actually represent such amounts in U.S. dollars or could have been, or could be converted into, U.S. dollars at any particular rate, the rates indicated, any other rates or at all.

(₹ per US$)

Period	Period End[1]	Average[2]	High[3]	Low[4]
		US$		
Calender:				
2019	71.27	70.41	72.19	68.37
2018	69.79	68.36	74.39	63.35
2017	63.93	65.12	68.23	63.63
Quarter ended:				
March 31, 2019	69.17	70.49	71.75	68.58
June 30, 2019	68.92	69.56	70.42	68.49
September 30, 2019	70.69	70.34	72.19	68.37
December 31, 2019	71.27	71.23	72.05	70.68
Month ended:				
July 31, 2019	68.86	68.81	69.06	68.37
August 31, 2019	71.76	71.15	72.18	69.06
September 30, 2019	70.69	71.33	72.19	70.69
October 31, 2019	70.81	71.04	71.51	70.73
November 30, 2019	71.73	71.45	72.05	70.68
December 31, 2019	71.27	71.19	71.78	70.72

(Source: www.rbi.org.in and www.fbil.org.in)

Notes:

(1) The price for the period end refers to the price as on the last trading day of the respective calender, quarterly or monthly periods.

(2) Average of the official rate for each Working Day of the relevant period.

(3) Maximum of the official rate for each Working Day of the relevant period.

(4) Minimum of the official rate for each Working Day of the relevant period.

- *If the reference rate is not available on particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The reference rates are rounded off to two decimal places.*

CERTAIN DEFINITIONS AND ABBREVIATIONS

This Offering Circular uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Offering Circular is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Offering Circular shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Offering Circular but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "*Taxation*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*" on pages 294, 150, 356, and 311 respectively, shall have the meaning ascribed to such terms in these respective sections.

Terms Related to our Company

Term	Description
Airtel Africa Group	Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings
Airtel Payments	Airtel Payments Banks Limited
Articles or Articles of Association	The articles of association of our Company, as amended from time to time
Associates	Companies constituting the associate companies of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards. For details, see "*Organisational Structure and Principal Shareholders*" on page 206
Audit Committee	Audit Committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 197
Audited Financial Statements	Audited consolidated financial statements of our Company for Fiscals 2019 and 2018 and comparative information for Fiscal 2017 as contained in the audited consolidated financial statements of Fiscal 2018
Bharti Airtel Employees' Welfare Trust	The trust, earlier known as the Bharti Tele-Ventures Employees Welfare Trust, and created vide a trust deed dated March 31, 2001 with its office at Qutab Ambiance, H-5/12, Mehrauli Road, New Delhi – 110 030 or such other trust as may be formed and/or designated by our Company for the administration of ESOP 2001 and ESOP 2005
Bharti Digital	Bharti Digital Networks Private Limited (earlier known as Tikona Digital Networks Private Limited)

Term	Description
Bharti Hexacom	Bharti Hexacom Limited
Bharti Infratel	Bharti Infratel Limited
Board of Directors or Board	Our board of directors or any duly constituted committee thereof
BTL/ Bharti Telecom	Bharti Telecom Limited
Company / our Company / the Company / the Issuer	Bharti Airtel Limited, on a standalone basis, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered and Corporate Office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 197
Directors	Any or all the directors on our Board, as may be appointed from time to time
Financial Statements	Audited Financial Statements and Interim Condensed Financial Statements. For details, see "*Financials Statements*" on page 356
HR and Nomination Committee	HR and Nomination committee of our Company, as disclosed in the "*Board of Directors and Senior Management*" on page 197
Independent Director	A non-executive and independent director of our Company as per the Companies Act and the SEBI Listing Regulations
Indus Towers	Indus Towers Limited
Interim Condensed Financial Statements	Audited interim condensed consolidated financial statements of our Company as at and for the six month period ended September 30, 2019
Joint Ventures	Companies constituting the joint ventures of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards. For details, see "*Organisational Structure and Principal Shareholders*" on page 206
Key Managerial Personnel or KMP	Key managerial personnel as decided by our Company pursuant to Section 2(51) of the Companies Act and Regulation 2(bb) of the SEBI ICDR Regulations. For details, see "*Board of Directors and Senior Management*" on page 197
Memorandum or MoA or Memorandum of Association	The memorandum of association of our Company, as amended
Other Indus Shareholders	Vodafone Group, Vodafone-Idea and Providence

Term	Description
Pastel	Pastel Limited
Preference Shares / RPS	Fully paid up redeemable, non-participating, non-cumulative, unlisted preference shares (mandatorily redeemable at par at the end of 18 months from July 26, 2019) of our Company
Promoter	The promoter of our Company being, BTL. Pastel, who is a member of our Promoter Group, had been disclosed as a 'deemed promoter' in regulatory filings under the SEBI Takeover Regulations
Promoter Group	Persons and / or entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	Registered and corporate office of our Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Registrar of Companies or RoC	Registrar of Companies, NCT of Delhi and Haryana at New Delhi
Risk Management Committee	Risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 197
Senior Management	Senior management of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 197
Shareholders	The shareholders of our Company
Stakeholders' Relationship Committee	"Stakeholders' relationship committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 197
Statutory Auditors	The statutory auditors of our Company, being Deloitte Haskins & Sells LLP
Subsidiaries	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act. For details, see "*Organisational Structure and Principal Shareholders*" on page 206
Telenor	Telenor (India) Communications Private Limited
TNL	Telesonic Networks Limited
Telkom Kenya	Telkom Kenya Limited
TTML	Tata Teleservices (Maharashtra) Limited
TTSL	Tata Teleservices Limited
We / Our / Us / our Group	Bharti Airtel Limited on a consolidated basis, including its Subsidiaries, Joint Ventures and Associates, unless

Term	Description
	otherwise specified

Industry related terms

Term	Description
AGR	Adjusted Gross Revenue
ATC	American Tower Corp
BSNL	Bharat Sanchar Nigam Limited
BTS	base transceiver stations
Cisco VNI	Report named Cisco Visual Networking Index; Forecast in Trends 2017-2022
COAI	Cellular Operators Association of India
CRISIL Report	CRISIL report titled 'Overview on Indian Telecom Industry' dated December 30, 2019
Deloitte Report	Report named "The Deloitte Consumer Review – Africa: a 21st century view" published by Deloitte LLP in 2014"
Delta Partners Report	Delta Partners report named 'Africa telecommunications wireless, data and mobile money trends' dated May 2019
DG Sets	Diesel generator sets
DoT	Department of Telecommunications
DSL	Digital Subscriber Line
EDS	Enterprise data services
EMF	Electromagnetic fields
GBT	Ground Based Towers
ICT	Information Communication Technology
IoT	Internet of Things
IPTV	Internet Protocol TV
ITC	International termination charges
ITC-2018 Regulations	Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018
IUC	Interconnect Usage Charges
LCOs	Local cable operators
McKinsey Report	McKinsey Global Institute report named 'Lions on the move II: realizing the potential of Africa's economies – 2016'
MIMO	Massive Multiple-Input Multiple-Output
MNP	Mobile Number Portability

Term	Description
MPS	Mobile payment bank
MSOs	Multi-system cable operators
NDCP-2018	National Digital Communications Policy, 2018.
NLD	National Long Distance
NTO	New tariff order
NTP-1994	National Telecom Policy 1994
NTP-1999	National Telecom Policy 1999
NTP-2012	National Telecom Policy 2012
Opensignal October 2019 Report	Report named Opensignal Awards – India: Mobile Network Experience Report October 2019
OTT	Over-the-top services
POI	Point of interconnection
QoS	Quality of service
Reliance JIO / JIO	Reliance Jio Infocomm Limited
RTTs	Roof Top Towers
SACFA	Standing Advisory Committee on Radio Frequency Allocations of the Wireless Planning and Coordination wing of the Ministry of Communications, Government of India
SDCA	Short distance charging area
SMS	Short Messaging Service
South Asia	South Asia shall mean the geographic areas of Sri Lanka and Bangladesh. For purposes of our Company's financial and management reporting, India is not included as part of South Asia
Symantec	Symantec Asia Pacific Pte. Ltd.
TDD	Time Division Duplex
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
Tower / Tower and related infrastructure	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works
Tower infrastructure services	Tower Infrastructure Services include setting up, operating and maintaining wireless communication towers
TRAI	Telecom Regulatory Authority of India, constituted under the Telecom Regulatory Authority of India Act, 1997

Term	Description
Transfer-Merger Guidelines	The guidelines for transfer/merger of various categories of telecommunication service licenses/authorization under unified license on compromises, arrangements and amalgamation of the companies.
TSP	Telecom service providers
TV	Television
UAS	Unified Access Service
UASL	Unified Access Service License
UL	Unified License
United Nations Report	United Nations report 'World Urbanization Prospects: The 2018 Revision' dated May 16, 2018
Uptime	Time during which a service provider's wireless telecommunications network is operational, as measured by the service provider's network operations centre and the tower infrastructure provider's tower operations centre
VAS	Value Added Services
VCN	Virtual Card Number
VSAT	Very Small Aperture Terminal
VNOs	Virtual Network Operators
Vodafone Idea	Vodafone Idea Limited
WLL	Wireless in local loop
World Bank Report	Report by the United Nations, Department of Economic and Social Affairs, Population Division (2019) 'World Population Prospects 2019'
WPC	Wireless Planning Commission

Conventional and General Terms/ Abbreviations

Term	Description
144A	Rule 144A under Securities Act
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CCI	Competition Commission of India

Term	Description
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number.
Civil Procedure Code or Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013, along with the rules made thereunder
Cr.P.C. or Cr. PC	The Code of Criminal Procedure
CSR	Corporate social responsibility
Delhi Stock Exchange	Delhi Stock Exchange Association Limited
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI
EBITDA/ Earnings Before Interest, Taxes, Depreciation and Amortization Expenses	EBITDA, on a consolidated basis, is calculated as profit before tax and share of profit from operating activities before depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the financial statements
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FDI Policy	The Consolidated FDI Policy, effective from August 28, 2017, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Regulations, 2019

Term	Description
Financial Year, Fiscal, or FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
GDP	Gross domestic product
Government/ GoI	Government of India, unless otherwise specified
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended, notified under Section 133 of the Companies Act
IPC	Indian Penal Code, 1860
IPO	Initial Public Offering
IT Act	Income-tax Act, 1961
MCA	The Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NCLT	National Company Law Tribunal
NI Act	Negotiable Instruments Act, 1881
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit After Tax
QIB	Persons reasonably believed to be “qualified institutional buyers” as defined in Rule 144A of the Securities Act
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act.
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India

Term	Description
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011
Securities Act	United States Securities Act of 1933, as amended
SME	Small and medium-sized enterprises
Stock Exchanges	Together, BSE and the NSE
STT	Securities transaction tax
Telegraph Act	Indian Telegraph Act, 1885
U.S. or United States	United States of America
VAT	Value added tax
VCF	Venture capital fund

SUMMARY OF THE OFFERING

*The following is a general summary of the terms of the Bonds. This summary is derived from and should be read in conjunction with the full text set out herein in "Terms and Conditions of the Bonds" (the "**Conditions**") and a trust deed to be dated January 17, 2020 and made between our Company and the Trustee (the "**Trust Deed**") constituting the Bonds, which will prevail to the extent of any inconsistency with the terms set out in this section. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Conditions.*

Issuer	Bharti Airtel Limited, a company incorporated in the Republic of India with limited liability.
The Bonds	Up to U.S.$1,000 million 1.50 per cent. Convertible Bonds due 2025 convertible into ordinary shares of Bharti Airtel Limited.
The Offering	The Bonds are being offered (a) in the United States only to persons reasonably believed to be QIBs in transactions exempt from the registration requirements of the Securities Act, and (b) to non-U.S. persons outside the United States only to persons who are not "U.S. persons" in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Bonds are not being offered in India.
Issue Price of the Bonds	100% of their principal amount.
Issue Date	January 17, 2020.
Maturity Date and Final Redemption	Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 102.66 per cent. of its principal amount on February 17, 2025, together with accrued interest (if any) (calculated up to but excluding the Maturity Date).
Interest	The Bonds bear interest from and including January 17, 2020 at the rate of 1.50 per cent. per annum payable semi-annually in arrear in equal instalments of U.S.$7.50 per Calculation Amount on February 17 and August 17 in each year, provided that, for the first Interest Period, the amount of interest payable on the first Interest Payment Date shall be U.S.$8.75 per Calculation Amount.
Status of the Bonds	The Bonds constitute direct, senior, unsubordinated, unconditional and (subject to certain conditions) unsecured obligations of the Issuer and shall at all times rank *pari passe* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to certain conditions, at all times rank at least equally with all of its other present and future direct, senior, unsubordinated, unconditional and unsecured obligations.

Conversion of the Bonds	The Bonds will be convertible at the option of the Bondholders at any time on or after February 27, 2020 and up to the close of business on February 7, 2025 into our newly issued Shares. Each Bond will be convertible at the option of the holder thereof into fully paid Shares at an initial Conversion Price of INR 534 per Share. The Conversion Price is subject to adjustment in the manner provided in Condition 6.3, provided, however, that the Conversion Price, as adjusted, shall, at all times, be not less than the Floor Price. The Floor Price calculated in accordance with applicable Indian regulations is INR 452.09. The initial Floor Price will be subject to adjustment in the manner provided in Condition 6.3.1.For the terms of the conversion rights, see "*Terms and Conditions of the Bonds—Conversion*".
Negative Pledge	So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any International Investment Securities (as defined below) or to secure any guarantee of or indemnity in respect of, any International Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed: (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders. "**International Investment Securities**" means all obligations, including guarantees, of the Issuer in respect of bonds, debentures, notes or other similar securities which both: (a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than Indian Rupees, or which are denominated in Indian Rupees and more than 50% of the aggregate principal amount thereof is initially distributed outside India by or with the authorization of the Issuer; and (b) are for the time being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India.
Redemption of the Bonds at the Option of the Issuer	If at any time the aggregate principal amount of the Bonds outstanding is less than 15 per cent. of the aggregate principal amount originally issued (plus any Bonds issued pursuant to Condition 16), the Issuer shall have the option to redeem such outstanding amount of Bonds, in whole but not in part, at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption. The Issuer will give at least 30 days' but not more than 60 days' prior notice to the Bondholders for such redemption.

Redemption for Taxation Reasons	Subject to certain conditions and limitations, at any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem the Bonds, in whole but not in part, at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption on the date fixed for redemption and Additional Amounts referred to in Condition 9 (if any) then due and that will become due on such date of redemption. Such early redemption will require prior approval of the RBI.
Repurchase of Bonds in the Event of Delisting or Liquidity Event	In the event that (i) the Shares cease to be listed or admitted to trading or are suspended for a period equal to or exceeding 30 consecutive Trading Days on the NSE or on the BSE, or (ii) the Promoters Group, directly or indirectly, in aggregate holds 80 per cent. or more of the equity share capital of the Issuer (the "**Liquidity Event**"), each Bondholder shall have the right, to the extent permitted under applicable law, at such Bondholder's option, to require the Issuer to redeem in whole or in part such Bondholder's Bonds on the twentieth business day after notice has been given to Bondholders regarding the Relevant Event or, if such notice is not given, the twentieth business day after the Relevant Event at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such Relevant Event Put Date.
Repurchase of Bonds in the Event of a Change of Control	Following the occurrence of a Change of Control Event and to the extent permitted by applicable law, Bondholders will have the right at such holder's option, to require the Issuer to redeem in whole or in part such Bondholder's Bonds on the Change of Control Put Date at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date.
Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, converted or purchased and cancelled, if an event triggering an adjustment to the Conversion Price under Condition 6.3 occurs so that the Conversion Price, when calculated pursuant to Condition 6.3, would fall below (i) the Floor Price or (ii) the level permitted by applicable Indian regulatory authorities (if any) (a "**Non-Permitted Conversion Price Adjustment Event**"), each Bondholder shall have the right, at such Bondholder's option, to require the Company to repurchase in whole or in part such Bondholder's Bonds at their Early Redemption Amount, together with interest (if any) accrued but unpaid to the date of such redemption. See "*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation— Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment*".

RBI Approval Required for early Redemption or Repurchase	RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting any redemption or repurchase prior to the Maturity Date; such approval may or may not be forthcoming. See "*Risk Factors – Risks Relating to the Bonds and the Shares – RBI approval is required for repayment of the Bonds in certain circumstances, including upon redemption or an Event of Default*" and *Risk Factors – Risks Relating to the Bonds and the Shares – The Issuer may not have the ability to redeem the Bonds*" for further details.
Form and Denomination of the Bonds	The Bonds are issued in registered form in the denomination of U.S.$200,000 each or in integral multiples of U.S.$1,000 in excess thereof. A Certificate will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.
Events of Default	For a description of certain events that will cause the Bonds to become immediately due and payable, see "*Terms and Conditions of the Bonds—Events of Default*".
Share Ranking	The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Conversion Date (except for any right excluded by mandatory provisions of applicable law) and such Shares shall be entitled to all rights the record date for which falls on or after such Conversion Date to the same extent as all other fully paid and non-assessable Shares of the Issuer in issue as if such Shares had been in issue throughout the period to which such rights relate. A holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.
Trustee for the Bonds	Citicorp International Limited
Paying Agent, Principal Agent, Transfer Agent and Conversion Agent for the Bonds	Citibank, N.A., London Branch
Registrar for the Bonds	Citigroup Global Markets Europe AG
Global Certificates	Upon issue, the Rule 144A Bonds and the Reg S Bonds will each be represented by a Global Certificate deposited with a custodian for and will be registered in the name of a nominee for DTC. The Conditions are modified by certain provisions contained in the Certificates. Transfers of interests in Bonds evidenced by a Global Certificate will be effected in accordance with the rules of the relevant clearing systems.
Further Issues	The Issuer may from time to time, without the consent of the

	Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with such Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.
Common Code for the Reg S Bonds	210411330
Common Code for the Rule 144A Bonds	210411291
ISIN for the Reg S Bonds	USY0889VAB63
ISIN for the Rule 144A Bonds	US08860HAB06
CUSIP for the Reg S Bonds	Y0889VAB6
CUSIP for the Rule 144A Bonds	08860HAB0
Clearance and Settlement of Bonds	The Bonds will clear and settle solely through the book-entry transfer facilities maintained by the clearing systems.
Taxation	All payments of principal, interest and premium (if any) made by or on behalf of the Issuer under or with respect to the Bonds will be made without withholding or deduction for any present or future taxes, duties, assessments or other governmental charges (including, without limitation, penalties and interest and other similar liabilities related thereto) imposed, levied or assessed by the Issuer's jurisdiction of incorporation, and any other territory or authority or additional territory or authority to whose taxing jurisdiction the Issuer has become subject, or any jurisdiction from or through which payment is made or deemed made or any political subdivision or taxing authority thereof or therein, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Where such withholding or deduction is required by law, the Issuer will pay, subject to Condition 9, such additional amounts as may be necessary in order that the net amount received by each Bondholder after such withholding or deduction shall not be less than the respective amount to which such Bondholder would have been entitled in respect of such payment or delivery in the absence of the withholding or deduction (and after deducting any taxes on the additional amounts). See "*Taxation*".
Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, Hong Kong, India, Japan, Singapore, the United Kingdom and the United States. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see "*Subscription and Sale*".

Listing of the Bonds	We have received an approval-in-principle for the listing and quotation of the Bonds on the Singapore Exchange. Final permission to list the Bonds will be granted when the Bonds have been admitted to the Singapore Exchange. The Bonds will be traded on the Singapore Exchange in a minimum board lot size of U.S.$200,000 for so long as the Bonds are listed on the Singapore Exchange.
Listing of the Shares and Share Ownership Restrictions	We have received in-principle approvals from the BSE and the NSE in respect of the Shares issuable upon conversion of the Bonds and have undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for the final listing and trading on the BSE and NSE. There are restrictions on investments in shares of Indian companies by non-residents of India. See "*Foreign Investment and Exchange Controls*".
Rating of the Bonds	The Bonds are expected to be rated "BBB-/Rating Watch Negative (RWN)" by Fitch Ratings, Inc. ("**Fitch**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension, reduction or withdrawal at any time by the assigning rating agency.
Governing Law	The Bonds will be issued under the Trust Deed which is governed by, and construed in accordance with, the laws of England.
Use of Proceeds	The gross proceeds of this Issue (comprising aggregate proceeds from the issuance of the Bonds) shall be U.S.$1,000 million. The proceeds of this Issue will be used for (i) capital expenditure, (ii) repayment of existing indebtedness, and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time.
Government of India Approvals	The Companies Act, 2013, as amended and the rules framed thereunder, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended and circulars or notifications issued thereunder by the RBI from time to time, allows all entities which are eligible to received foreign direct investment are eligible to raise ECBs (including FCCBs) (i) exceeding U.S. $750 million under the "approval route" (with prior approval of the RBI); and (ii) up to U.S. $750 million under the "automatic route" (without prior approval of the RBI), and subject to compliance with certain conditions specified therein. In accordance with the above rules and regulations, the Company is undertaking the present issue of Bonds. See "I*ndian Government and other Approvals*" for further details.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our audited consolidated financial statements for the six months ended September 30, 2019 and Fiscals 2019, 2018 and 2017 derived from comparatives of Fiscal 2018. The summary financial information presented below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 115 and 356, respectively.

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Bharti Airtel Limited

Summary Consolidated Balance Sheet

	As at March 31,			As at September 30
	2017	2018	2019	2019
		(Rs. in millions)		
Assets				
Non-current assets				
Property, plant and equipment	620,088	706,079	815,228	802,506
Capital work-in-progress	23,942	52,089	88,433	89,626
Right-of-use assets	—	—	—	250,977
Goodwill	338,082	328,070	332,562	336,606
Other intangible assets	824,181	837,855	860,525	830,494
Intangible assets under development	84,443	45,423	7,909	2,182
Investment in joint ventures and associates	82,277	86,839	88,937	91,553
Financial assets				
- Investments	44,187	5,769	21,941	20,215
- Derivative instruments	4,732	2,031	3,105	95
- Security deposits	9,630	9,703	16,452	9,411
- Others	16,653	5,814	3,227	3,347
Income tax assets (net)	22,716	25,505	17,694	20,836
Deferred tax assets (net)	26,195	29,330	89,379	218,124
Other non-current assets	53,488	36,319	77,526	83,653
Current assets				
Inventories	488	693	884	1,218
Financial assets				
- Investments	16,923	68,978	46,232	60,383
- Derivative instruments	2,060	8,941	426	457
- Trade receivables	47,402	58,830	43,006	53,290
- Cash and cash equivalents	12,817	49,552	62,121	106,957
- Other bank balances	38,166	17,154	18,934	20,780
- Others	19,737	27,462	20,343	200,076
Other current assets	44,445	103,380	137,111	153,440
	2,332,652	2,505,816	2,751,975	3,356,226
Equity and liabilities				
Equity				
Share capital	19,987	19,987	19,987	25,660
Other equity	654,576	675,357	694,235	674,173
Equity attributable to owners of the Parent	674,563	695,344	714,222	699,833
Non-controlling interests (‘NCI’)	68,750	88,139	135,258	170,316
Non-current liabilities				
Financial liabilities				

	As at March 31,			As at September 30
	2017	2018	2019	2019
		(Rs. in millions)		
- Borrowings	896,373	849,420	824,901	882,892
- Lease liabilities	—	—	47,553	229,548
- Derivative instruments	2,726	5,409	826	340
- Others	15,681	44,547	62,131	59,693
Deferred revenue	22,335	22,117	17,986	16,906
Provisions	7,471	7,212	6,823	7,282
Deferred tax liabilities (net)	9,429	10,606	11,297	6,816
Other non-current liabilities	727	623	429	11,568
Current liabilities				
Financial liabilities				
- Borrowings	129,442	129,569	310,097	102,612
- Current maturities of long-term borrowings	47,062	134,346	71,732	83,859
- Lease liabilities	—	—	—	70,259
- Derivative instruments	2,335	283	12,742	47,480
- Trade payables	268,537	268,536	280,031	267,212
- Others	90,212	140,605	159,806	143,339
Deferred revenue	48,785	48,666	43,993	49,123
Provisions	2,215	2,384	2,197	465,506
Current tax liabilities (net)	11,239	11,058	8,228	10,189
Other current liabilities	34,770	46,952	41,723	31,453
	2,332,652	2,505,816	2,751,975	3,356,226

Bharti Airtel Limited

Summary Consolidated Statements of Profit and Loss

	Year ended March 31			Six months ended September 30
	2017	2018	2019	2019
		(Rs. in millions)		
Income				
Revenue from operations	954,683	826,388	807,802	418,692
Other income	1,206	2,488	2,912	1,509
	955,889	828,876	810,714	420,201
Expenses				
Network operating expenses	209,154	197,520	223,900	96,325
Access charges	102,786	90,446	93,521	52,016
License fee / spectrum charges (revenue share)	92,760	75,558	69,426	34,694
Employee benefits	43,032	39,771	37,975	18,105

	Year ended March 31			Six months ended September 30
	2017	**2018**	**2019**	**2019**
Sales and marketing expenses	66,732	45,275	41,277	15,967
Other expenses	86,921	77,027	83,514	30,180
	601,385	525,597	549,613	247,287
Profit from operating activities before depreciation, amortization and exceptional items	354,504	303,279	261,101	172,914
Depreciation and amortization	197,730	192,431	213,475	136,938
Finance costs	95,466	93,255	110,134	65,800
Finance income	(18,492)	(12,540)	(14,240)	(4,902)
Non-operating expenses	1,319	141	1,894	692
Share of results of joint ventures and associates	(10,449)	(10,609)	(3,556)	(4,086)
(Loss) / Profit before exceptional items and tax	88,930	40,601	(46,606)	(21,528)
Exceptional items (net)	11,697	7,931	(29,288)	321,804
(Loss) / Profit before tax	77,233	32,670	(17,318)	(343,332)
Tax expense / (credit)				
Current tax	21,240	18,230	19,391	12,044
Deferred tax	13,579	(7,395)	(53,584)	(103,153)
Profit for the year	42,414	21,835	16,875	(252,223)
Other comprehensive income ('OCI')				
Items to be reclassified to profit or loss:				
Net losses due to foreign currency translation differences	(41,424)	(7,181)	(15,739)	2,033
Net losses on net investment hedge	(10,330)	(8,024)	(1,754)	(1,309)
Net (losses) / net gains on cash flow hedge	857	809	(833)	(193)
Net (losses) / net gains on fair value through OCI Investments	107	129	(45)	(107)
Income tax (charge) / credit	(16)	(122)	5,428	364
	(50,806)	(14,389)	(12,943)	788
Items not to be reclassified to profit or loss:				
Re-measurement gains / (losses) on defined benefit plans	(73)	205	47	(250)
Share of joint ventures and associates	(9)	18	(12)	67
Tax (charge) / credit	20	(29)	(62)	(3)
	(62)	194	(27)	(186)
Other comprehensive loss for the year	(50,868)	(14,195)	(12,970)	602
Total comprehensive income/(loss) for the year	(8,454)	7,640	3,905	(251,621)

Bharti Airtel Limited

Summary Consolidated Statement of Cash Flow

	Year ended March 31			Six months ended September 30
	2017	2018	2019	2019
	(Rs. in millions)			
Cash flows from operating activities				
(Loss) / profit before tax	77,233	32,670	(17,318)	(343,332)
Adjustments for :				
Depreciation and amortisation	197,730	192,431	213,475	136,938
Finance costs	95,466	93,255	110,134	65,393
Finance income	(18,492)	(12,540)	(14,240)	(4,902)
Share of results of joint ventures and associates	(10,449)	(10,609)	(3,556)	(4,086)
Employee share-based payment expense	338	413	345	112
(Profit) / Loss on sale of property, plant and equipment	—	293	(175)	1
Other non-cash / non-operating items	7,624	10,442	(20,883)	325,433
Operating cash flow before changes in working capital	349,450	306,355	267,782	175,557
Changes in working capital				
Trade receivables	5,366	(24,474)	8,427	(15,906)
Trade payables	7,640	15,122	21,580	(10,173)
Inventories	948	(202)	(191)	(162)
Provisions	(26)	154	(107)	135,142
Other financial and non-financial liabilities	3,558	51,205	(20,955)	(5,683)
Other financial and non-financial assets	(52,550)	(35,899)	(66,950)	(116,276)
Net cash generated from operations before tax and dividend	314,386	312,261	209,586	162,499
Income tax paid	(31,587)	(13,723)	(11,706)	(13,377)
Net cash generated from operating activities (a)	282,799	298,538	197,880	149,122
Cash flows from investing activities				
Purchase of property, plant and equipment	(223,030)	(245,259)	(260,971)	(89,567)
Proceeds from sale of property, plant and equipment	4,462	5,655	1,225	674
Purchase of intangible assets	(155,673)	(17,749)	(33,804)	(6,876)
Payment towards spectrum - Deferred payment liability*	(9,804)	(9,909)	(11,720)	(6,753)
Net movement in current investments	5,785	(50,259)	18,158	(12,839)
Sale of non-current investments	82,557	36,495	44,976	2,352
Purchase of non-current investments	(89,073)	—	(57,067)	—
Investment in subsidiaries, net of cash acquired	(283)	(19,498)	(5,083)	—
Sale of subsidiaries	59,604	—	—	—

	Year ended March 31			Six months ended September 30
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		
Sale of tower assets	7,120	4,869	3,051	—
Investment in Associates	(250)	(60)	(60)	(2,603)
Proceeds from sale of interest in associate / joint venture	447			
Dividend received	9,789	10,377	11,493	—
Interest received	2305	5,662	4,793	2,502
Net cash used in investing activities (b)	(306,044)	(279,676)	(285,009)	(113,110)
Cash flows from financing activities				
Net proceeds from issue of shares	—	—	—	249,136
Proceeds from borrowings	258,584	197,664	353,141	168,212
Repayment of borrowings	(274,608)	(130,717)	(345,359)	(221,489)
Repayment of finance lease liabilities	(3,899)	(3,932)	(5,077)	(18,231)
Net (repayment of) / proceeds from short-term borrowings	25,377	(26,874)	98,101	(138,852)
Proceeds from sale and finance leaseback of towers	6,277	2,958	1,688	—
Purchase of treasury shares	—	(424)	(248)	(84)
Interest and other finance charges paid	(58,566)	(44,041)	(76,171)	(57,914)
Proceeds from exercise of share options	65	13	10	3
Dividend paid (including tax)	(9,168)	(32,652)	(46,617)	(11,558)
Net proceeds from issuance of equity shares to Non-controlling interest	1,245	21	104,341	55,030
Purchase of shares from Non-controlling interest	(10,684)	—	(5,409)	—
Net payment towards derivatives	—	—	—	(15,784)
Sale of interest in a subsidiary	61,863	57,189	16,238	—
Net cash generated from/ (used in) financing activities (c)	(3,514)	19,205	94,638	8,469
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	(26,759)	38,067	7,509	44,481
Effect of exchange rate on cash and cash equivalents	(756)	281	1,338	2,459
Cash and cash equivalents as at beginning of the period	17,635	(9,880)	28,468	37,316
Cash and cash equivalents as at end of the period	(9,880)	28,468	37,315	84,256

The following tables provides reconciliation of segment results to EBITDA for the six months ended September 30, 2019:

	Year ended September 30, 2019								
	Mobile services – India	**Mobile services – South Asia**	**Mobile services – Africa**	**Airtel business**	**Tower infrastructure services**	**Home services**	**Digital TV services**	**Others (including unallocated and eliminations)**	**Total**
					(Rs. In millions)				
Segment results.....	(23,866)	(537)	29,132	13,855	19,990	2,290	6,855	(7,657)	40,062
Less: share of profits of associates/joint ventures.....	3	–	25	–	7,508	22	–	(3,472)	4,086
Add: Depreciation.....	102,049	714	20,981	3,112	6,255	2,697	4,015	(2,885)	136,938
Segmental EBITDA.....	78,180	177	50,088	16,967	18,737	4,965	10,870	(7,070)	172,914
Revenue.....	218,481	2,194	114,590	65,392	33,935	11,180	15,282	(42,362)	418,692
EBITDA margin (%).....	35.78	8.07	43.71	25.95	55.21	44.41	71.13	16.69	41.30

The following tables provides reconciliation of segment results to EBITDA for the six months ended September 30, 2018:

	Year ended September 30, 2018								
	Mobile services – India	**Mobile services – South Asia**	**Mobile services – Africa**	**Airtel business**	**Tower infrastructure services**	**Home services**	**Digital TV services**	**Others (including unallocated and eliminations)**	**Total**
					(Rs. In millions)				
Segment results.....	(24,697)	(602)	25,387	15,176	15,591	2,112	3,989	(6,104)	30,852
Less: share of profits of associates/joint ventures.....	2	–	–	–	5,357	3	–	(2,076)	3,286
Add: Depreciation.....	73,622	642	14,624	5,975	5,464	3,674	3,981	(4,164)	103,818
Segmental EBITDA.....	48,923	40	40,011	21,151	15,698	5,783	7,970	(8,192)	131,384
Revenue.....	207,325	2,182	103,761	63,381	34,155	11,352	20,166	(42,852)	399,470
EBITDA margin (%).....	23.60	1.83	38.56	33.37	45.96	50.94	39.52	19.12	32.89

The following tables provides reconciliation of segment results to EBITDA for the year ended March 31, 2019:

	Year ended March 31, 2019								
	Mobile services – India	**Mobile services – South Asia**	**Mobile services – Africa**	**Airtel business**	**Tower infrastructure services**	**Home services**	**Digital TV services**	**Others (including unallocated and eliminations)**	**Total**
					(Rs. In millions)				
Segment results	(57,507)	(1,069)	52,100	27,466	31,429	3,333	7,410	(11,980)	51,182
Less: share of profits of associates/joint ventures	4	–	(7)	–	10,172	3	–	(6,616)	3,556
Add: Depreciation	150,991	1,196	31,234	13,014	10,658	7,453	8,275	(9,346)	213,475
Segmental EBITDA	93,480	127	83,341	40,480	31,915	10,783	15,685	(14,710)	261,101
Revenue	415,540	4,436	215,028	124,537	68,185	22,391	41,001	(83,316)	807,802
EBITDA margin (%)	22.50	2.86	38.76	32.50	46.81	48.16	38.26	17.66	32.32

The following tables provides reconciliation of segment results to EBITDA for the year ended March 31, 2018:

	Year ended March 31, 2018								
	Mobile services – India	**Mobile services – South Asia**	**Mobile services – Africa**	**Airtel business**	**Tower infrastructure services**	**Home services**	**Digital TV services**	**Others (including unallocated and eliminations)**	**Total**
					(Rs. In millions)				
Segment results	20,835	(1,268)	35,884	31,029	33,477	4,720	5,306	(8,526)	121,457
Less: share of profits of associates/joint ventures	6	–	205	–	13,025	3	–	(2,630)	10,609
Add: Depreciation	129,545	1,276	30,480	11,372	11,801	7,057	8,915	(8,014)	192,432
Segmental EBITDA	150,374	8	66,159	42,401	32,253	11,774	14,221	(13,910)	303,280
Revenue	462,639	4,045	191,073	113,566	66,284	25,265	37,570	(74,054)	826,388
EBITDA margin (%)	32.50	0.20	34.62	37.34	48.66	46.60	37.85	18.78	36.70

The following tables provides reconciliation of segment results to EBITDA for the year ended March 31, 2017:

	Year ended March 31, 2017								
	Mobile services – India	**Mobile services – South Asia**	**Mobile services – Africa**	**Airtel business**	**Tower infrastructure services**	**Home services**	**Digital TV services**	**Others (including unallocated and eliminations)**	**Total**
					(Rs. In millions)				
Segment results	105,494	(4,660)	10,189	22,737	29,195	6,868	3,577	(6,177)	167,223
Less: share of profits of associates/joint ventures	9	(642)	-	-	11,949	-	-	(867)	10,449
Add: Depreciation	121,189	4,256	41,894	11,024	11,658	6,080	8,642	(7,013)	197,730
Segmental EBITDA	226,674	238	52,083	33,761	28,904	12,948	12,219	(12,323)	354,504
Revenue	565,511	11,743	219,568	109,429	60,829	27,518	34,306	(74,221)	954,683
EBITDA margin (%)	40.08	2.03	23.72	30.85	47.52	47.05	35.62	16.60	37.13

KEY OPERATIONAL AND FINANCIAL PARAMETERS

The following tables set forth the key operational and financial parameters derived from our consolidated audited financial statements. The selected financial information presented below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 115 and 356, respectively.

Key operational and financial parameters for Fiscals 2019, 2018, 2017 and half year ended September 30, 2019 (Consolidated)

Parameters	Half year ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017^
		(in ₹ million)		
Net Worth[1]	870,149	849,480	783,483	743,313
Total Debt	1,069,363	1,206,730	1,113,335	1,072,877
of which				
-Non-Current Maturities of Long Term Borrowing	882,892	824,901	849,420	896,373
-Short Term Borrowing	102,612	310,097	129,569	129,442
-Current Maturities of Long Term Borrowing	83,859	717,32	134,346	470,62
Net Fixed Assets[2]	802,506	815,228	706,079	620,088
Non Current Assets	2,759,625	2,422,918	2,170,826	2,150,614
Cash and Cash Equivalents	106,957	62,121	49,552	12,817
Current Investments	60,383	46,232	68,978	16,923
Current Assets	596,601	329,057	334,990	182,038
Current Liabilities	1,271,032	930,549	782,399	634,597
Net Sales	418,692	807,802	826,388	954,683
EBITDA	172,914	261,101	303,279	354,504
EBIT[3]	35,976	47,626	110,848	156,774
Interest[4]	65,800	110,134	93,255	95,466
PAT[5]	(252,223)	16,875	21,835	42,414
Dividend amounts	—	24,096	18,475	6,543
Current ratio	0.47	0.35	0.43	0.29
Interest Coverage Ratio (Times)[6]	2.63	2.37	3.25	3.71
Gross debt / equity ratio[7]	1.23	1.42	1.42	1.44
Debt Service Coverage Ratios	1.00	0.91	3.12	1.79

Notes:

(1) Net Worth includes non-controlling interest

(2) Net Fixed Assets represent Net Block of Property, Plant and Equipment

(3) EBIT = EBITDA – Depreciation.

(4) Interest includes finance cost and excludes fair value hedge Re-class

(5) Total PAT including amount attributable to non-controlling interest

(6) Interest Coverage ratio: EBITDA / Interest Expense

(7) Gross debt equity ratio: Total debt (borrowing long term incl. current maturity + short term borrowing) /Equity (Share capital + other equity + NCI)

^ The audited financial information (including the nomenclature of financial statement captions) for Fiscal 2017 is derived from the comparative information in audited consolidated financial statements for Fiscal 2018.

RISK FACTORS

An investment in the Bonds and Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Offering Circular, including the risks and uncertainties described below, before making an investment in the Bonds or the Shares. This section should be read together with "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Offering Circular.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, the Bonds or the Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Offering Circular.

Unless otherwise stated, references to "we", "us", "our" and similar terms are to Bharti Airtel Limited on a consolidated basis.

Risks Relating to Our Business

The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations.

Telecommunications businesses in each of our markets are subject to governmental regulation regarding licensing, competition, frequency allocation, costs and arrangements pertaining to interconnection and leased lines. Changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, prospects, financial condition, cash flows and results of operations.

In various jurisdictions in which we operate, local regulators have significant latitude in the administration and interpretation of telecommunications licenses. In addition, actions taken by these regulators in the administration and interpretation of the licenses may be influenced by local political and economic pressures. Decisions by regulators, including the amendment or revocation of any existing licenses, could adversely affect our business, prospects, financial condition, cash flows and results of operations.

India

Regulations in the telecommunications business have evolved since the introduction of the New Telecom Policy, 1999. The DoT has issued the National Digital Communications Policy, 2018 ("**NDCP-2018**"), in September 2018, which contemplates, among others, establishment of a national digital grid by (i) creating a National Fibre Authority; (ii) establishing common service ducts and utility corridors in all new cities and highway road projects; (iii) creating a collaborative institutional mechanism between the central government, the state governments and the local bodies for common rights of way, (iv) standardization of costs and timelines; (v) removal of barriers to approvals; and (vi) facilitating development of open access next generation networks.

NDCP-2018 has set goals and targets to be achieved by the sector by 2022 which includes a target to attract investments of up to USD 100 billion by 2022 in the digital communications sector. While NDCP-2018 includes many forward-looking strategies, certain strategies included in the NDCP-2018 may pose a risk to our business. For instance, NDCP-2018 has included the strategy for de-licensing of spectrum for proliferation of broadband services. Any additional de-licensing of spectrum will negatively impact operators who have invested extensively in procuring the licensed spectrum through the auction route. DoT has also included a strategy for introducing public data office ("**PDO**") and public data office aggregators ("**PDOA**") for promoting open public Wi-Fi hubs. If Department of Telecommunication ("**DOT**") approves the introduction of PDO/PDOA through a registration mechanism as recommended by Telecom Regulatory Authority of India ("**TRAI**") then it will lead to creation of non-level playing field between licensed operators and unlicensed PDOAs as the latter will be able to provide internet access services without any obligation to pay license fee and without having to follow licensing conditions and the regulations issued by the TRAI.

The DoT retains the right to modify the terms and conditions of our licenses at any time, if in its opinion it is necessary or expedient to do so in the interest of the public or for the proper operation of the telecommunication sector. A change in certain significant terms of any of the licenses, such as their duration, the amount of charges payable by telecom service providers ("**TSPs**") under the licenses, the range of services permitted or the scope of exclusivity, if any, could have a material adverse effect on our business and prospects.

In September 2015, the DoT issued guidelines for Sharing of Access Spectrum by Access Service Providers. In October 2015, the DoT issued guidelines for Trading of Access Spectrum by Access Service Providers. The spectrum sharing and trading leads to greater competition, provides incentives for innovation, better/ new services being available to consumers at cheaper tariffs, better choice to consumer, etc. This also facilitates ease of doing business in India by allowing free play in the commercial decisions and leads to optimization of resources apart from improving the spectral efficiency and quality of service.

In February 2016, the DoT permitted sharing of active infrastructure comprising antenna, feeder cable, Node B, radio access network and transmission systems, amongst service providers based on mutual agreements entered amongst them, could increase competition or could increase the service quality and reduce costs of our competition, if they were to enter into such contracts. Equally, we cannot assure you that we will be able to secure agreements for sharing of active infrastructure on favorable terms.

In May 2016, DoT issued the guidelines for introduction of virtual network operators ("**VNOs**"), and permitted such VNOs to provide telecom services to subscribers by leasing network capacity from multiple facilities-based telecom operators, thereby eliminating the need for VNOs to own telecom infrastructure or spectrum. The Indian telecom sector is already hyper-competitive and tariffs are amongst the lowest in the world which has put pressure on the profitability of the operators. In such a hyper-competitive environment, introduction of VNOs may further increase the competition.

On January 1, 2018, TRAI issued Telecommunication Interconnection Regulations, 2018, applicable as of February 1, 2018. The authority laid down procedure and framework for Interconnection agreement, Bank Guarantee guidelines, provisioning and augmentation of ports at point of interconnection ("**POI**"), Interconnection charges, procedure for disconnection of POI's and financial disincentive on Interconnection matters. On July 5, 2018 the TRAI issued amendments for POI augmentation as per which, the POI utilization has to be maintained at 75%. Interconnect partners have to allot additional E1s for bringing projected traffic utilization (of 85%) at 75%. The projected utilization has to be calculated on the basis of the daily Busy Hour traffic of the preceding sixty days. Non-allotment of capacity for POI may result in non-compliance with TRAI's regulation. The resulting increase in utilization required may lead to congestion on POI impacting our quality of service ("**QoS**") parameters. Non-allotment of capacity for POI and/or insufficient QoS parameters

may result in non-compliance with these TRAI regulations and possible penalties levied, which could have a material adverse effect on our business, prospects and financial conditions.

In June 2018, based on the recommendations of TRAI on Regulatory Framework for Internet Telephony, DoT issued certain amendments to the Cellular Mobile Telecommunication Services/ Unified Access Services License to allow the access service provider to provide Internet telephony services to the customers using internet service of other service providers. However, the DoT through its letter dated June 19, 2018, referred back one of the recommendations made by TRAI on the use of short distance charging area ("**SDCA**") linked number series for internet telephony by a service provider. TRAI, in its response dated July 16, 2018, stated that it does not concur with the views of the DoT. While the DoT has not yet accepted this recommendation, if it is accepted, this would allow internet telephony for fixed access services based on SDCA linked numbering series and it will allow access service providers to provide services by using internet service of other service providers, which can have a material adverse effect on our business, prospects and financial condition.

In September 2018, DoT issued amendments to the guidelines for transfer/merger of various categories of telecommunication service licenses/authorizations under unified license on compromises, arrangements and amalgamation of companies dated February 20, 2014 (the "**Merger and Acquisition Guidelines of 2014**") which have been implemented with immediate effect. The same are as follows:

(1) Merger Approval:

After the sanction of the scheme by the relevant Tribunal/Company Judge, the licensor will provide its written approval within 30 days of receipt of request for approval to the transfer/ merger of licenses/ authorizations under Unified License.

(2) Excess Spectrum Post Merger:

The resultant/merged entity can now, in addition to surrendering the total excess spectrum beyond prescribed limit, also trade the excess spectrum held by it within one year post the merger.

In September 2018, DoT issued an amendment to Unified Licenses for regulatory framework on "Net-Neutrality" prohibiting the licensees providing Internet Access Services from entering into any arrangement, agreement or contact that has the effect of discriminatory treatment of content. The net-neutrality provisions are not applicable on specialized services (which means services other than Internet Access Services that are optimized for specific content, protocols or user equipment), provided that these services are not usable or offered as a replacement of Internet Access Service and provision of these specialized services is not detrimental to availability and overall quality of Internet Access Service.

In October 2018, DoT issued amendments in the various licenses by which the provision of interest levied in case of delayed payments of License Fee and Spectrum Usage Charges was revised from PLR + 2% to MCLR + 4% with retrospective effect from April 1, 2016. The amendments with respect to the NLD and ILD Licenses were issued in February 2019.

On December 13, 2018, the TRAI issued Telecommunication Mobile Number Portability (Seventh Amendment) Regulations, 2018 ("**MNP Seventh Amendment Regulations**") which has come into force on December 16, 2019. The salient points of the MNP Seventh Amendment Regulations are as below:

(1) All the cases except corporate porting cases; the generation & delivery of Unique Porting Code (UPC) has been provisioned to establish a query response mechanism to enable the Mobile Number Portability Service Provider (MNPSP) to query the database of the Donor Operator on real time basis to obtain the response for the queries. Based on the result of queries made by MNPSP and fulfilment of other prescribed conditions, the allocation and delivery of UPC shall be ensured by MNPSP.

(2) Every Access Provider shall set up, in its mobile network, a mechanism for the purpose of receiving SMS from its subscribers requesting for a UPC and forwarding the same to the Mobile Number Portability zone to which the mobile number belongs.

(3) The porting timeline of two working days has been provisioned for the requests of Intra-Licensed Service Area (Intra-LSA) numbers except the requests made under corporate category and the timelines of four working days has been provisioned for all the porting requests of Inter-Licensed Service Area (Inter-LSA) numbers and there is no change in the porting timelines for corporate category.

(4) The validity of UPC has been kept four days in place of the earlier 15 days for all LSAs except for the LSAs of Jammu & Kashmir, Assam and North East for which the validity of UPC remains unchanged.

(5) Telecom Service Provider will be liable to pay an amount, by way of financial disincentive not exceeding ten thousand rupees for each case of providing wrong /false information or each wrongful rejection of the request for porting or for, as the authority may, by order direct.

On July 19, 2018, TRAI issued the Telecom Commercial Communication Customer Preference Regulations ("**TCCCP Regulations**"). The TCCCP Regulations have introduced a new framework on distributed ledger technology ("**DLT**") to be implemented by February 28, 2019. However, due to complexities involved with DLT, its implementation is still underway. While TRAI has issued no communication regarding the delay and is being regularly updated on the implementation process, the TCCCP Regulations permit TRAI to impose financial disincentives on service providers in cases of delay.

On November 20, 2019, pursuant to the AGR Ruling (defined subsequently), the Government approved the option for TSPs to defer the payment, with interest, of the spectrum auction instalments due for 2020–21 and 2021–22, either for one or both years, to be spread equally in the remaining instalments.

On December 17, 2019, TRAI has issued the Telecommunication Interconnection Usage Charges (Fifteenth Amendment) Regulations, 2019, whereby the effective date for the bill and keep was extended by one year to January 1, 2021. The key features of the amendment are as follows:

- Up to December 31, 2020, for wireless to wireless domestic calls, termination charges would continue to remain as Re. 0.06 (paise six only) per minute; and
- From January 1, 2021 onwards, there will no longer be any termination charges for wireless to wireless domestic calls.

In August 2019, DoT granted permission to us to launch in-flight connectivity services, both for voice and data services on ships within Indian territorial waters and on aircraft within or above Indian soil or Indian territorial waters.

Any disagreements or disputes with regulatory and other authorities in the jurisdictions in which we operate or plan to operate can potentially affect our business, prospects, financial condition, cash flows and results of operations, including with respect to the level of control we assert over our operating assets.

With respect to telecommunication infrastructure, the Wireless Planning and Co-ordination Wing of the DoT ("WPC") issues licenses to establish, maintain and operate wireless stations. All license holders intending to offer mobile services must also obtain a separate wireless license from the WPC. The WPC is divided into licensing and regulation, the new technology group, and the Standing Advisory Committee on Radio Frequency Allocation ("SACFA"), which grants site clearance for tower sites.

Additionally, in order to establish and maintain assets like dark fibers, right of way, duct space and towers and to allow us to lease, rent, and sell this infrastructure to other telecom operators licensed under Section 4 of the

Indian Telegraph Act 1885 on mutually agreed terms, we require an Infrastructure Provider Category-1 registration, which is granted by the DoT. Similar infrastructure can also be established under UL (Access Service Authorization) / UASL.

In addition, we are required to obtain and renew several approvals from various other regulatory bodies, including various local and municipal bodies, from time to time. If we fail to obtain, maintain or renew required approvals, licenses, registrations and permits at the requisite time, this may result in the interruption of our operations and will have an adverse effect on our business, results of operations and prospects. The terms and conditions of these licenses may be amended at the discretion of the issuing authorities, and such amendments could be unfavorable to us. Changes to the terms and conditions of these licenses could subject us to additional liabilities and may adversely affect our business, financial condition, results of operations and prospects. Further, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of an alleged or actual non-compliance with any terms or conditions thereof, or pursuant to any regulatory action in the future.

Africa

The political and regulatory environment in certain African countries where we operate continues to be challenging. For example, the threat of insecurity and violence arising from terrorism in East Africa and Boko Haram in Nigeria, Niger and Chad, resulting in the loss of property and disruption of our business operations continues to be of real concern to businesses in the region. Changes in governments also results in regulatory uncertainty.

We foresee that the pressure of additional taxes and levies from governments in various countries in Africa will continue to bear on the business.

An area of increased regulatory focus across Africa is consumer protection through enforcement of 'Network Quality of Service' requirements which may lead to penalties in case of non-compliance. Another area of consumer related regulatory focus is driving down interconnect costs between operators, to ensure widespread affordability of telecom services. There is also a sustained push for a reduction in roaming charges for calls within the region.

A trend that is also gathering momentum is the requirement for local shareholding in many countries, including the requirement to list on local stock exchanges. While we have local shareholding in some of the countries in Africa that we operate in, given the significant challenges faced in achieving compliance with the requirements of local shareholding and listing, we cannot guarantee that we will be able to negotiate waivers or postponement of the requirements where market conditions make it difficult. Non-compliance of such regulatory conditions may have an adverse impact on our business and operations.

Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position.

Telecom services companies pay revenue share in the form of license fees at 8% of adjusted gross revenue ("**AGR**") and also spectrum usage charges at rates ranging from 3% to 5% of AGR from the wireless access subscribers. AGR, as defined by the DoT, includes telecom service revenue as well as other non-core revenue. However, the Cellular Operators Association of India ("**COAI**") had challenged this definition in 2003. It argued that AGR was to include only revenue from core licensed telecom services. The Telecom Disputes Settlement and Appellate Tribunal ("TDSAT") in 2007 held that the revenue from non-licensed activities cannot be included for the purposes of the license fee. The Supreme Court in 2011, against the appeal to the 2007 order of the TDSAT, held that the TDSAT does not have the jurisdiction to determine inclusion of the heads in the definition but can interpret the heads included in the definition.

Thereafter, a ruling by TDSAT in 2015 interpreted the heads and held that AGR should include revenue from non-core sources, such as rent, profit on sale of fixed assets, dividend, and interest. However, it exempted a large number of streams from the definition, such as capital receipts, bad debt, foreign exchange fluctuations, sale of scrap, and waivers of late fees. The telecom service providers filed appeals before the Supreme Court challenging the decision of the TDSAT. In 2016, the Supreme Court passed an interim order stating that though DoT can continue to raise demands as per its understanding, the DoT cannot enforce any demand until the final determination in the matter. On the basis of the interim orders, and given the favorable orders of the TDSAT, the telecom service providers did not make provisions against the DoT complete demands.

The Supreme Court's judgment dated October 24, 2019 has now upheld the DoT's position, and overturned the 2015 ruling of the TDSAT ("**AGR Ruling**"). Accordingly, the telecom services companies are now liable to pay the DoT's demands, which also includes interest, penalty and interest on penalty. The telecom service companies have been asked to pay the full amount of dues payables within three months of the order (i.e. by January 23, 2020) and report compliance. The DoT has asked us to make the payments of the due amounts on the basis of self-assessment. While we are currently in the process of determining our self-assessed amount of dues payable by us to the DoT, in July 2019 during the time of the hearing of the matter, the DoT had stated an amount of Rs. 216,821.3 million to the Supreme Court as payable by us in relation to license fees. Consequently, as a result of the AGR Ruling, we have provided for an additional amount aggregating to Rs. 284,500 million as a charge in our financial statements for the quarter ended September 30, 2019 (comprising of principal of Rs. 61,640 million, interest of Rs. 122,190 million, penalty of Rs. 37,600 million, and interest on penalty of Rs. 63,070 million) with respect to the license fee as estimated based on the AGR Ruling and spectrum usage charges (SUC) as estimated based on the definition of AGR. We have provided for the SUC even though we believe that the same is not covered as part of the AGR Ruling. As a result, the liabilities/provisions as at September 30, 2019 aggregate to Rs. 342,600 million (comprising of principal of Rs. 87,470 million, interest of Rs. 154,460 million, penalty of Rs. 37,600 million and interest on penalty of Rs. 63,070 million). However, the final amount payable by us in relation to additional license fees, spectrum usage charges, and interest and other penalties could be different from such amount after the completion of our self-assessment process.

Additionally, several of the affected parties, including us, have filed review petitions against the Supreme Court's order dated October 24, 2019. The outcome on the review petition is pending and there can be no assurance that our Company will be successful in the legal proceedings and/or obtain any relief from the Government of India and/or that we will not have to pay a higher amount to the Government of India, including in relation to our acquisitions of spectrum from other companies or acquisition of any other companies in the past. Our Audited Interim Condensed Consolidated Financial Statements for the six months ended September 30, 2019 were prepared assuming that we will continue as a going concern. However, the statutory auditor's report dated November 14, 2019, observed a material uncertainty related to the AGR Ruling which may cast significant doubt about our ability to continue as a going concern. As such, the AGR Ruling could materially and adversely affect our business reputation, results of operations, financial condition and prospects. For further details, see "*Litigation*". See also Note 2 to our Company's Audited Interim Condensed Consolidated Financial Statements for the six months ended September 30, 2019, included elsewhere in this Offering Circular.

We face intense competition that may reduce our market share and lower our profits.

Competition in the Indian telecommunications industry is intense. We face significant competition from other companies, including from those with pan-India footprints such as Reliance Jio Infocomm Limited and Vodafone Idea Limited. Competition in the Indian telecommunications industry has increased notably due to liberalization of the foreign direct investment ("**FDI**") policy of India. Liberalization led to the privatization of the telecommunication industry, allowed, and encouraged FDI and the provision of services by several

mobile operators in various cellular zones established in India by the DoT. With further liberalization, new foreign and domestic competitors may enter the market, which will further increase competition.

According to the CRISIL Report, the competitive landscape in India has also notably changed post the launch of services by a new operator three years ago. Intense pricing pressures, coupled with a general downward trend in prices of telecom services, and the need for future network expansion have led to a spree of consolidation and exits from the sector. Such increasing pricing pressure has affected and may continue to affect our profitability and ARPU as well as an increase in customer churn and selling and promotional expenses. Intense competition may impact our ability to retain the long-term contracts with enterprise clients and may result in loss of business.

In addition, mobile number portability, which enables customers to switch their providers of mobile telecommunications services without changing their phone numbers, was introduced in India in the first quarter of the 2011 calendar year. This has resulted in a greater movement of customers among providers of mobile telecommunications services, has increased the marketing, distribution and administrative costs of our Company, slowed growth in subscribers and reduced revenues. As a substantial number of our subscribers are prepaid, we do not have long-term contracts with those subscribers and are therefore, more susceptible to subscriber churn.

On February 20, 2014, the DoT issued guidelines for transfer/merger of various categories of telecommunication service licenses/authorization under unified license on compromises, arrangements and amalgamation of the companies ("**Transfer-Merger Guidelines**") in order to regulate the transfer and merger of various categories of licenses under the unified licensing regime. The Transfer-Merger Guidelines permit merger, acquisition or amalgamation of companies up to 50% of the market share in any service area. Any such merger, acquisition, amalgamation, compromise or arrangement under the unified licensing regime may result in enhanced competition through consolidation of our competitors with other operators, which could have an adverse impact on our business, prospects and results of operations.

We may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send text messages and offer other advanced features such as the ability to route calls to multiple handsets and access to internet services without the same amount of regulatory costs and scrutiny as subjected to telecom operators. It may reduce customers' reliance on more traditional telecom services such as voice calls and short message service ("**SMS**"), resulting in a decrease in our revenues.

Our competitors may introduce new telecommunications services with specialized or more expensive and exclusive content from time to time. Access to such specialized, expensive and exclusive content may be available to our competitors that allow them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more competitive than our services. With resources at our disposal that may be more limited than our competitors, we may not be able to capture the opportunities in the market and may lose customers to our competitors.

We believe that as a result of the prevailing competitive conditions in the telecom industry in India, our results of operations have been adversely affected in recent periods, and as a result, our revenue reduced to Rs. 807,802 million (U.S.$11,427 million) in fiscal 2019, from Rs. 826,388 million in fiscal 2018, and we had a reduced profit for the period of Rs. 16,875 million (U.S.$239 million) in fiscal 2019 compared with a profit for the period of Rs. 21,835 million in fiscal 2018.

We also face substantial competition in our operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria, resulting in decreasing ARPU in these markets. In Sri Lanka, we compete with several larger service providers that have

been operating in Sri Lanka for significantly longer periods than us, and we expect to face intense competition from these providers in our attempt to expand further. If we are not able to successfully compete in our markets, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. The availability of spectrum in Sri Lanka is limited and if we are unable to obtain more spectrum to launch additional services and to boost existing services, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. The Airtel Africa Group operates in an increasingly competitive environment, particularly with respect to pricing and market share, across its markets and segments, which may adversely affect our revenue and margins. The existing and future competitors of the Airtel Africa Group may enjoy certain competitive advantages that we do not have, such as having easier access to financing, greater personnel resources or fewer regulatory burdens which may in turn negatively impact the competitive position of the Airtel Africa Group. Further, any failure of the Airtel Africa Group to compete effectively, including in terms of pricing of services, acquisition of new customers, retention of existing customers, developing and deploying of new or improved products and services and enhancing networks could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations of the Airtel Africa Group.

In Africa, social networking sites and messaging applications pose a threat to traditional telecommunications revenue streams such as pre-paid mobile, voice services, which have historically comprised a significant part of the revenue of the Airtel Africa Group. Any reduction in demand for traditional paid voice services across the telecom industry may lower the revenue that the Airtel Africa Group is able to generate from interconnect services. The ability of the Airtel Africa Group to retain and attract subscribers or provide an attractive alternative to traditional subscriber models could materially and adversely affect the profitability, business, results of operations and financial condition of the Airtel Africa Group.

Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted subsequent to the approval of the Government, subject to satisfaction of certain conditions. As of December 31, 2019, the total foreign investment in our Company was 42.73% which may further increase upon completion of this Issue and the QIP Issue. Our Company has filed an application dated June 7, 2019 before the DoT and DPIIT seeking approval for increase in foreign investment sectoral cap from 49% to 100%. Such approval from the DoT may not be forthcoming. If we do not receive such approval from the DoT, the total foreign investment in our Company will remain capped at 49% and consequently, investors may be restricted in their ability to trade in the Shares on the Stock Exchanges, which in turn may adversely impact the trading price of our Shares.

Also, under the foreign exchange regulations currently in force in India, where we fall under the automatic route, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such requirements, including pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance

certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

From time to time, we also face uncertainties in many countries where licenses have come up for renewal.

Our Company, through Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings ("**Airtel Africa Group**"), operates in a number of emerging markets, in which the interpretation and application of laws and regulations affecting telecom services may be subject to increased uncertainties due to developing or incomplete regulatory regimes and monitoring and ensuring compliance may be more difficult compared to more developed markets. In many of the countries in which the Airtel Africa Group operates, local regulators have significant latitude in the administration and interpretation of telecom licenses and laws, rules and regulations. In addition, the actions taken by these regulators in the administration and interpretation of these licenses and laws, rules and regulations may be influenced by local political and economic pressures.

The enforcement of regulations in the emerging markets in which the Airtel Africa Group operates may also be subject to increased uncertainties as a result of limited regulatory history or historic inconsistencies in the application of regulations and the penalties rendered, which may be sizeable. Consequently, we cannot provide any assurance that the Airtel Africa Group will not be subject to future regulatory enforcement actions, which may include fines that could be substantial, which could have a material adverse effect on its reputation and its business, results of operations, financial condition and prospects.

In several of our companies, we have minority shareholders and joint venture partners having minority interests. While the relationship with such shareholders is well documented and forms part of the formal agreements, we cannot provide assurance that the relationship with such minority shareholders shall continue to be amicable at all times or that there may not be certain disputes that may arise with such minority shareholders leading to adverse business impact for such entities and businesses.

Upon completion of the merger between Bharti Infratel and Indus Towers, Bharti Infratel would cease being our Subsidiary, being accounted as an equity method investee, and therefore, our future financial results may not be comparable with our historical financial statements, including the Audited Consolidated Financial Statements included in this Offering Circular.

In April 2018, Bharti Infratel and Indus Towers announced their intention to merge and create a pan-India tower company with an estimated combined revenue of Rs. 254 billion, with over 163,000 towers post completion ("**Indus Merger**"). This was followed by a scheme of amalgamation and arrangement submitted before the NCLT Chandigarh on August 31, 2018. The merged entity will (i) fully own the combined businesses of Bharti Infratel and Indus Towers, (ii) change its name to Indus Towers Limited and (iii) continue to be listed on the Stock Exchanges.

Prior to the closing of the merger, Vodafone-Idea has an option to receive cash for its shareholding in Indus Towers. Similarly, Providence also has the option to elect to receive cash in lieu of 3.35% of its 4.85% shareholding in Indus (in the event of a cash election by Vodafone-Idea); and in case of a share election by the Vodafone-Idea it has the option to receive cash with respect to its entire 4.85% shareholding. The cash election or the merger ratio will be subject to pre-closing adjustments.

The Competition Commission of India and the NCLT Chandigarh have approved the Indus Merger. The Department of Telecommunications' approval for enhancement of foreign direct investment limit is the only approval outstanding as of the date of this Offering Circular. Given the delay in procuring the approval of the Department of Telecommunications, the long stop date for effectuating the scheme has been extended until February 24, 2020, on the basis of agreements on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme. However, there is a risk

that the merger will not be effectuated if the Department of Telecommunication does not provide its approval in a timely manner or the parties are unable to complete the conditions precedent for the scheme within the extended timelines, or the parties opt to withdraw the scheme, which could negatively impact our synergies and prospects, resulting in an adverse effect on our business and cash flows. See "*Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information.

Once the Indus Merger becomes effective, our shareholding will be reduced from our current 53.5% ownership in Bharti Infratel to a range that may extend between 37.2% and 33.8% depending on whether there is an all cash election or all share election or a combination of the two and subject to certain pre-closing adjustments. However, as intimated by Bharti Infratel Limited to the Stock Exchanges on October 24, 2019, it is now expected that the dilution of equity stake held by the current shareholders of Bharti Infratel shall be lower vis-à-vis the illustrative shareholdings disclosed above. In any case, post- merger, the merged entity would be accounted for as an equity method investee by us, rather than a Subsidiary, and therefore, would no longer be consolidated on a line-by-line basis in our financial statements. This change in accounting method will have an impact on the presentation of our financial statements and results of operations and consequently, our future financial statements will not be comparable with our historical financial statements, including the Audited Consolidated Financial Statements included in this Offering Circular.

We may have to pay additional spectrum charges for excess spectrum held or surrender excess spectrum held by our Company to the GoI.

According to the Performance Audit Report of the Comptroller and Auditor General of India on the "Issue of Licenses and Allocation of 2G Spectrum" dated November 8, 2010, for fiscal 2010 (the "**Report**"), we held an aggregate of 32.4 MHz of additional spectrum in 13 circles beyond the upper limit laid down in the UAS license agreement without having paid any upfront charges in respect of such additional spectrum. In the Report, eight other operators were also stated to be holding excess spectrum.

Subsequently, based on TRAI's recommendations, on December 28, 2012, the DoT issued an order for the levy of one-time charge for spectrum on incumbent telecom operators holding spectrum held in excess of 6.2 MHz between July 1, 2008 and December 31, 2012 and in excess of 4.4 MHz, effective from January 1, 2013, payable on an annual basis for remainder of the term of license. On January 8, 2013, DoT issued a demand notice to us and Bharti Hexacom Limited levying one-time spectrum charges amounting to Rs. 52,012 million. We challenged this demand for one-time charge in the Bombay High Court, which has stayed the enforcement of the demand. Further, the DoT has revised the said demand of Rs. 52,012 million *through* its letter dated June 27, 2018 to Rs. 84,140 million. For further details, see "*Legal Proceedings*"

Further, the DoT by its letter dated June 22, 2018, which was subsequently revised on June 26, 2018, demanded from our Company one-time spectrum charges of Rs. 12,879.70 million for allowing the use of Chennai spectrum (6.2 MHz in 900 MHz and 3 MHz in 1800 MHz) from November 30, 2014 to September 27, 2021. We have provided detailed responses to the DoT on July 12, 2018 and sent another representation to DoT on December 24, 2018 challenging the demand on various grounds and requested the DoT to withdraw the demand order. The DoT is yet to respond on the same. For further details, see "*Legal Proceedings*".

Further, through its letter dated April 10, 2019, DoT, while granting its approval for the merger of Tata Teleservices Limited with our Company & Bharti Hexacom Limited has imposed, among others, a condition to securitize the one-time spectrum charge for the Chennai region. This demand notice was challenged by us before the TDSAT. Through its orders dated May 2, 2019 and May 6, 2019, the TDSAT has, among other things, stayed the enforcement of the demand subject to us submitting 50% of the demand amount by way of a bank guarantee with the TDSAT. The TDSAT had also directed DoT to take the merger on record. We have complied with the above condition of TDSAT and have submitted a bank guarantee of Rs. 6,439.85 million to the TDSAT. The matter is currently pending with the TDSAT. Further, DoT had filed SLPs before Hon'ble

Supreme Court vide challenging the TDSAT Orders dated May 2, 2019 and May 6, 2019, wherein the Hon'ble Supreme Court did not interfere with the TDSAT Orders and disposed of the said SLPs vide its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending. We cannot guarantee the outcome in the court and if the verdict is held against us, the said demands would be required to be paid.

If we do not continue to provide telecommunications or related services that are technologically up to date, we may not remain competitive, and our business, prospects and results of operations may be adversely affected.

We believe the telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand, preferences, behavior, and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in part or in whole in order to sustain our competitive position in the Indian telecommunications industry. Furthermore, technology cycles are increasingly becoming shorter, thereby speeding up the time until which new technology becomes obsolete. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost effective basis, we may lose subscribers.

High-speed data services have emerged as a key competitive factor in India. Deployment of new telecom technologies, including fifth generation mobile telecom or 5G, in the future may involve significant additional resources including time, funds, and thereby could impact on our results of operations, financial condition and cash flows. Technologies such as mobile money payment services, innovative mobile applications, and other over the top ("**OTT**") and value-added service products are also of growing importance to our customers. We may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively in the Indian telecom sector. If the costs associated with new technologies are higher than anticipated, our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful, once deployed. Our results of operations would also suffer if our new services and products are not well received by our subscribers, are not appropriately timed with market opportunities or are not effectively brought to market or where our investments in such ventures do not generate commensurate returns.

Additionally, we may be unable to successfully respond to technological advances and evolving industry standards due to the following:

- Upgrading our services in response to market demand may require the adoption of new technologies including 5G that could render many of the technologies that we are currently implementing less competitive or obsolete. We may also need to gain access to related or enabling technologies in order to integrate the new technology with our existing technology, including updating our technology and services to ensure compatibility with our customers' hardware and software. Consistent with the experience of other industry players, our new services may contain flaws or other defects when first introduced to the market and will take some time to stabilize and get adopted.

- New telecommunications services are introduced by our competitors from time to time, including competitors who may bundle such telecom services with other offerings such as content, music, applications, e-commerce and other allied services. Our competitors may gain access to new advanced technology that allows them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more competitive or attractive than our services. If

we do not anticipate these changes and promptly adopt new and innovative services in response, we may not be able to capture the opportunities in the market and may lose our customers.

- To compete successfully, we may need to increase the diversity and sophistication of the services that we offer and upgrade our telecommunications technology, including technology that we use for our broadband internet and DTH services. We may be required to make substantial capital expenditures and may not be successful in modifying our network infrastructure and/or upgrading to use other technology in a timely and cost-effective manner in response to these changes. For example, if DTH content providers migrate their channels from standard definition to high definition, 4K or 8K definition, we will have to ensure our technology platform is able to support the migration of a substantial number or all of our customers from standard to high and ultra-high definition channels, which may require us to incur additional costs and deploy additional resources. Additionally, new technology or trends in the telecommunications industry could have an adverse effect on the services we currently offer and may cause significant write-downs of our fixed assets. Increased adoption of these or other competing technology may lead to a decline in our turnover and profitability. For example, while consumers are accustomed to viewing DTH content delivered over their television, consumers' preference may shift towards viewing content on OTT platforms through other devices, which use broadband internet or wireless mobile internet to receive such content. This may adversely affect our DTH service business.

- Advancements in technology or new technology developed in related or adjacent segments of the telecommunications industry, such as 5G wireless mobile internet services, may offer consumers attractive services, which are akin to or close alternatives to wired broadband internet services, and may reduce the relevance of or demand for our wired broadband internet services. This may result in a loss of customers, a decrease in ARPU and hence a substantial decline in our broadband internet business.

- Developing new services can be complex. We may not be able to implement the new services effectively, promptly and economically to meet customer demand. In developing new services, we may need to make significant investments in our network infrastructure and/or otherwise in order to support these services. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financings, we may have to delay projects, which could make us less competitive and lead to customer loss.

- Our new services may not be commercially successful. The failure of any of our services to achieve commercial acceptance could result in lower than expected turnover.

To respond to technological changes, including consumer demand for internet services at higher speeds, we may need to invest to further upgrade our existing technologies to prevent them from becoming obsolete. These changes may require us to replace and/or upgrade our network infrastructure and as a result, incur additional capital expenditure (which may be significant) in order to maintain the latest technological standards and remain competitive against newer products and services and may impair the value of our existing assets. If we cannot respond to new technology successfully and offer the new services to meet the demands of our customers in a timely manner and at competitive prices, our business, financial condition, results of operations and prospects could be adversely affected.

For our Africa operations, commercial success depends on providing attractive products and services such as voice, data, mobile money, connectivity and other value-added services to our customers on a timely basis and at a competitive cost. If the Airtel Africa Group is unable to anticipate customer preferences, respond to technological changes or industry changes or if they are unable to modify its service offerings or otherwise react to changing customer demands on a timely and cost-effective basis, they may lose customers and quality of services and it may have an adverse impact on business, results of operations financial condition and prospects of the Airtel Africa Group.

It is possible that the development of technologies, products and services may intensify competition due to the entrance of new competitors or the expansion of services offered by existing competitors or from players of adjacent industries such as internet companies and OTT players. We cannot predict which of the many possible future technologies, products, or services will be important to maintain our competitive position. To the extent we do not keep pace with technological advances or fail to respond in a timely manner to changes in the competitive environment affecting the industry, we could lose market share or experience a decline in our business, prospects and results of operations.

We are exposed to a high risk of customer churn, which increases our subscriber acquisition costs, resulting in the loss of future subscriber revenues.

The Indian mobile telecommunication industry has historically experienced a high rate of churn in the subscriber base. The high churn rate is a consequence of, among other things, mobile number portability and intense competition, which have led telecom operators to introduce promotional tariffs in order to add customers. Subscribers do not sign service contracts, which make our customer base susceptible to switching to other wireless service providers. It can be difficult to determine actual churn rates as customers may frequently keep switching networks, and definition to account for customers may not be uniform across all operators. In addition, many of our subscribers are first time users of wireless telecommunications services. First time users have a tendency to migrate between service providers more frequently, in light of availability of incentives or lower tariffs, than established users. Increased availability of incentives from our competitors increases the risk of churn in our subscribers. We launched "Minimum ARPU plans" across India in the third quarter of fiscal 2019 and witnessed a sharp reduction in subscriber base in the same quarter. Though we believe that bulk of the impact is already factored in, there may be some impact of these plans on customer churn going forward as well. Churn is also a function of overall network quality and overall customer satisfaction. Our inability to retain existing prepaid customers and manage churn levels could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The telecommunication market has undergone a vast change over the past 3 years with the launch of a new player providing free services, which coincided with the change in several regulations resulting a need to change the way tariffs were offered and services were provided. The Indian Telecommunication markets have seen a reduction in the number of operators from 8 to 4, due to the consolidation of operators. This also resulted in the overall revenues of the industry falling. Any such similar disruption in the market could result in financial stress and the overall reduction in revenues. Any reduction in our revenue could lead to less investments leading to a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The following table sets forth the rate of churn in the subscriber base in mobile services and digital TV services segments for the years ended March 31, 2017, 2018 and 2019 and the six months ended September 30, 2019:

	For the year ended March 31,			For the six months ended September 30,
	2017	**2018**	**2019**	**2019**
		(Per cent. monthly churn)		
Mobile services	3.30	3.45	3.75	2.37
Digital TV services	1.00	1.15	1.14	1.29

A high churn rate increases the average cost of signing up a new customer (the "**Subscriber Acquisition Costs**"). However, we may be unable to recover such increased Subscriber Acquisition Costs from existing and future customers and further, find it difficult to recover outstanding liabilities from post-paid subscribers who have been deactivated from the system or where such customers have to migrate to other telecom service providers. Higher churn in post-paid subscribers increases the incidence of bad debts. A high rate of churn or an increase in bad debts could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We have incurred significant indebtedness, and we must service this debt and comply with its covenants to avoid defaulting on its borrowings and refinancing risk. Further, we are subject to risks arising from interest rate fluctuations, currency fluctuation and regulatory changes, which could adversely affect its business, results of operations, cash flows and financial condition.

Our Company borrows funds in the domestic and international markets from various banks and financial institutions to meet the short-term and long-term funding requirements for our operations and funding our growth initiatives. Such indebtedness may be substantial in relation to our shareholders' equity, increasing our risk of default. As at September 30, 2019, we have consolidated long term borrowings (including current maturities of long-term borrowings) of Rs. 966,751 million (U.S.$13,676 million), out of which our consolidated outstanding secured long-term borrowings aggregated to Rs. 704 million (U.S.$10 million). Further, concurrently with the Issue, our Company is also undertaking the QIP Issue which will result in additional indebtedness. In addition, we may also incur additional indebtedness in the future, including indebtedness incurred to fund capital contributions to our Subsidiaries, subject to limitations imposed by our financing arrangements and applicable law. We may not be able to generate sufficient cash flow from operations in the future and future working capital borrowings may not be available in an amount sufficient to enable us to do so. Further, financing may not be available for refinancing our existing and future debt obligations. Working capital facilities are typically uncommitted and may be callable. There is no guarantee that these facilities will continue to be available to us. We have routine commercial paper program, factors impacting us or the Indian economy or changes in guidelines, regulations with respect to commercial papers may cause this source of funds to dry up. We also have significant bank guarantees issued to cover, including but not limited to, our disputes as well as spectrum liabilities, license fees and other regulatory obligations which may materialize and we may not be able to honor such obligations. We may not be able to obtain bank guarantees to meet any future bank guarantee requirements or to renew our existing bank guarantees. Similarly, we have also given corporate guarantees of Rs. 726,123 million (U.S.$10,272 million) as of September 30, 2019 for our Subsidiaries, namely, Bharti Airtel International (Netherlands) B. V. and Network i2i Limited and may have contractual obligations to provide incremental corporate guarantees to these and other entities. Any performance lag/default on those debt obligations by Subsidiaries may cause guarantees to be accelerated and we may not be able to honor such obligations. In addition, some of our loan agreements may also extend charges on specific assets held in India and/or overseas. See "*—We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements, which may have an adverse effect on our business, results of operations and prospects.*" An increase in debt levels beyond the levels acceptable to rating agencies or any adverse impact in operations, may also put downward pressure on our ratings, which can increase the financing costs and reduce/restrict availability of further debt for our Company. For more information regarding changes in our credit ratings, see "*—Adverse change in credit ratings assigned to us may affect our ability to raise funds for future capital requirements, which may have an adverse effect on our business, results of operations and prospects*."

For details

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, without the prior consent of the respective lender or require prior intimation to lenders of any such

events or covenants that give rights to the lenders, in a limited manner, to ask for mandatory prepayment of the loans granted. Amongst others, we are required to obtain prior approval or cause prior intimation of the following events:

(i) Creation or allowing to exist any security interest on our movable and immovable assets without the prior approval of relevant lender except in specific circumstances as set forth in various relevant loan documents.

(ii) Passing any resolution or otherwise taking any steps towards voluntary winding up or liquidation or dissolution by our Company.

(iii) Undertaking any amalgamation, demerger, merger or corporate reconstruction except in specific circumstances as set forth in the relevant loan documents.

(iv) Making any substantial change in the general nature of our business.

(v) Conveying, selling, leasing or otherwise disposing of all or substantially all of our assets or receivables except for those assets, which are required to be disposed of in the ordinary course of business.

(vi) Prepayment of loans in case of insolvency applications under the Insolvency and Bankruptcy Code.

Further, for certain facilities, we may be required to mandatorily prepay the outstanding amount of the loan obligations if any Bharti entities (those entities of Bharti Group which hold shares in our Company) together cease to directly or indirectly control our Company. We cannot assure that the lenders will grant the required approvals in a timely manner, or at all. We are also required to maintain certain financial ratios under certain of our financing arrangements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition. Further, any change in control or occurrence of event of default may require us to make the prepayment of entire outstanding amount of the loan obligations. We may not be able to procure sufficient funds to make the repayments thereof and it may adversely affect our ability to conduct our business and operations.

Further, we borrow funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for our operations and funding our growth initiatives. Increases in interest rates will increase the cost of debt that we incur. In addition, the interest rate that we will be able to secure in any future debt financing will depend on market conditions at the time and may differ from the rates on our existing debt. If the interest rates are high when we need to access the markets for additional debt financing, or if interest rates increase on our floating rate debt, our business, results of operations and financial condition may be adversely affected. We have debt denominated in various currencies at floating rates of interest. We may not be able to successfully manage currency or interest rate risk and accordingly our liability to repay on debt obligation may inflate. For instance, Indian Rupee depreciated from Rs. 65.04 to Rs. 69.17 per USD during fiscal 2019. In addition, various aspects including tenor, purpose/end use, costs of raising debt are guided by regulatory change such as changes in regulations relating to external commercial borrowing or changes with respect to the Large Exposure Framework of the Reserve Bank of India that can cause our interest rates to fluctuate or impose additional hedging requirements or otherwise cause adverse impact on availability of capital. Further, any such hedging activity is likely to increase cost and has no assurance of fully mitigating the impact of variations caused by mentioned factors.

The Airtel Africa Group also has substantial debt in aggregate of interest-bearing loans and borrowings outstanding under its borrowing arrangement. As of September 30, 2019, net debt of the Airtel Africa Group was Rs. 225,157 million (converted from USD 3,191 million as per closing exchange rate of Rs. 70.56 per 1 USD for quarter ended September 30, 2019) which represents 19.06% of our total consolidated net debt (in USD terms). As a result, the Airtel Africa Group must dedicate a substantial portion of its cash flow from

operating activities to the payment of principal of, and interest on, its borrowings, thereby reducing the availability of such cash flow to fund working capital, acquisitions or other general corporate purposes. The amount of the indebtedness of the Airtel Africa Group could reduce its flexibility to respond to general adverse economic and industry conditions and could place it at a disadvantage compared to competitors with lower levels of indebtedness.

Moreover, under the terms of some of its existing debt, Airtel Africa Plc and its subsidiaries are subject to certain restrictions and financial covenants which could limit the ability of Airtel Africa Plc or its subsidiaries to pay dividends, may limit the ability of the Airtel Africa Group to finance future operations and capital needs and may limit its ability to pursue business opportunities and activities.

We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements, which may have an adverse effect on our business, results of operations and prospects.

We operate in a capital-intensive industry with long gestation periods. Our funding requirements are primarily for award of licenses, purchase of spectrum, network expansion and upgrades, the roll-out of new networks following award of new licenses, spectrum and technological advancements, refinancing of existing debt and general corporate purposes. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, future cash flows being less than anticipated, price increases, unanticipated expenses, imposition of taxes or regulatory dues, regulatory and technological changes, and limitations on spectrum availability, market developments and new opportunities in the industry.

The financing required for such investments may not be available on terms acceptable to us or at all and we may be restricted by our existing or future financing arrangements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could have significant adverse effect on our profitability and other financial measures. We have, in the past and in the future, may continue to rely on financial support from our Promoter, Promoter Group, Shareholders and related parties and we cannot assure you that such funding will be available in the future. Our ability to finance capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws, any restrictions on the amount of dividend payable and general economic and markets conditions.

Prudential norms including but not limited to single and group borrower concentration limits prescribed by the RBI or other regulatory bodies to bank lenders in India (as well as corresponding limits under our financing arrangements with such bank lenders) may restrict our ability to seek additional credit facilities from our current bank lenders to fund our business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis, or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

Further, RBI or other regulators continue to amend the regulations regarding the granting or access of credit from time to time. Such amendments may impact the availability, longevity, terms or other nuances of capital available to us. For example, we are currently classified as a Specified Borrower/Large Borrower, and therefore we need to arrange capital in a certain manner, including from the capital markets in accordance with such regulation. We can provide no assurance that we will be able to do so.

Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans, the failure to meet roll-out obligations pursuant to our licenses or our inability to continue to provide appropriate levels of service in all or a portion of the telecom circles we operate in (which may lead

to penalties or loss of license). As a result, if adequate amount of capital is not available, there could be an adverse effect on our business, results of operations and prospects.

Similarly, the operations of the Airtel Africa Group require substantial amounts of capital and other long-term expenditures, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks. Our capital expenditure has been stable in the last two years for the Airtel Africa Group at Rs. 43,483 million in fiscal 2019 (converted from USD 616 million at the yearly average exchange rate of Rs. 70.56 per 1 USD) and Rs. 28,367 million in the fiscal 2018 (converted from USD 402 million at the yearly average exchange rate of Rs. 70.56 per 1 USD). As of September 30, 2019, the Airtel Africa Group had spent Rs. 17,358 million in capital expenditure (converted from USD 246 million at quarterly average exchange rate of Rs. 70.56 per 1 USD) during the beginning of the fiscal year 2020. Any failure to arrange sufficient external financing from banks or other lenders on a timely basis or on satisfactory terms could have a material adverse effect on the business, prospects, results of operations and financial condition of the Airtel Africa Group.

Our telecommunications licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect our business, prospects, financial condition, cash flows and results of operations.

The terms of our licenses, permits and frequency allocations are subject to finite terms, ongoing review and the renewal of license is required for the licensee to continue its services as well as purchase of spectrum in auctions. While we do not expect our Company or any of our Subsidiaries, Joint Ventures or Associate Companies to be required to cease operations at the end of the terms of their respective licenses in relation to usage of spectrum, there can be no assurance that these business arrangements or licenses will be extended on equivalent satisfactory terms, or at all. Upon termination, the licenses and spectrum held by these companies may revert to the local governments or local regulators in the respective jurisdiction, in some cases without any or adequate compensation being paid. Our licenses and allocations are subject to varying interpretations and the licensor reserves the unilateral right to amend the terms and conditions of its telecommunication licenses. In the event the licensor exercises such right, our business, prospects, results of operations and financial condition may be adversely affected. Supply of spectrum is limited by the restrictions on the participation in auctions, and we may not be able to effectively win spectrum back in these auctions. We are also required to comply with certain conditions such as maintaining the minimum net worth, minimum paid up equity capital and capitalization requirements specified under the terms of our telecom licenses.

We have migrated our existing unified access service ("**UAS**") licenses of Delhi and Kolkata, which were due for renewal in November 2014 to unified license ("**UL**") (access authorization). Subsequently, the licenses, which came for renewal in 2015 and 2016, were also migrated to the UL regime.

We have also purchased spectrum for a period of 20 years in the spectrum auctions of February 2014, March 2015 and October 2016 to ensure continuity of services in the license service areas where our licenses were due to expire between 2014 and 2016. Typically, the UL is valid for 20 years and we will be required to renew its ULs upon expiry of such period.

In 14 service areas, namely Tamil Nadu (including Chennai), Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra (excluding Mumbai), Mumbai, Uttar Pradesh West, Uttar Pradesh East, Bihar, Jammu & Kashmir, Odisha, West Bengal and Assam, we operate under UAS license with administratively allocated spectrum, which are due to expire between 2021 and 2024. However, we have also acquired liberalized spectrum in these 14 service areas through auctions, mergers and spectrum trading for the continuity of its services.

While we believe that we have presently safeguarded ourselves against the risk arising from the expiry of our administratively allocated spectrum which is due to expire in the next five years by acquiring spectrum in

auctions/trading as well as acquiring additional spectrum from other TSPs through our recent acquisitions such as that of TTML, TTSL and Telenor, there can be no assurance that we will be able to implement the same strategy in the future when our current auction acquired spectrum reaches its expiry or that there would be adequate acquisition opportunities, at commercially acceptable terms, available at such time. Further, while we have acquired such spectrum usage for blocks of 20 years through the auction process, or otherwise, at a significant cost to our Company, if the technology and associated ecosystems and platforms change sooner than that, we may not be able to put this spectrum to commercial use for its full life.

We anticipate that we may have to pay increasingly significant license fees and spectrum charges in certain markets, as well as meet specified network build-out requirements. We cannot assure you that we will be successful in obtaining or funding these licenses, or, if licenses are awarded, that they can be obtained on terms commercially acceptable to it. Furthermore, if we renew existing licenses or obtain additional licenses, we may need to seek future funding through additional borrowings or equity offerings, and we cannot assure you that such funding will be obtained on satisfactory terms or at all, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

Our Company and our subsidiaries are involved in certain material legal proceedings which may adversely affect our operations and financial position.

Our Company and our subsidiaries are involved in certain material litigation proceedings where, if an adverse outcome is reached, there may be an adverse impact on our operations or the financial position.

We are a party to certain matters pertaining to the revision of 2G spectrum charges applicable to telecom service providers by the DoT.

Our Company and our Subsidiary, Bharti Hexacom, are involved in a proceeding wherein the DoT prescribed Spectrum Usage Charges to be calculated at a rate based on weighted average for the spectrum held by telecom service providers across all access spectrum bands excluding the spectrum in 2300 MHz/2500 MHz band acquired/allocated prior to 2015-16 for calculating the floor amount of SUC which was challenged by us.

Our Company and our Subsidiary, Bharti Hexacom filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated February 23, 2015 ("**IUC–2015 Regulations**") before the Delhi High Court.

Further, our Company and our Subsidiary, Bharti Hexacom filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated September 19, 2017 ("IUC-2017 Regulations") before the Bombay High Court.

Our Company and our subsidiary, Bharti Hexacom, have also filed another writ petition challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018 ("ITC-2018 Regulations") which, among other things, reduced the International Termination Charge ("ITC") from Rs. 0.53 per minute to Rs. 0.30 per minute, before the Bombay High Court.

Additionally, (i) our Company and certain third party telecommunications providers are involved in certain legal proceedings pertaining to SMS termination charges; and (ii) our Subsidiary, Bharti Hexacom Limited and us, are impleaded in a number of material legal and regulatory environment proceedings, that comprises demands or penalties raised by DoT alleging violation of electromagnetic fields ("**EMF**") norms.

We are, and may in the future be, party to other litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that our Company and our subsidiaries will be successful in any of these legal proceedings.

For further details on these matters, please see "Legal Proceedings". See also "—We are dependent on third party telecommunications providers over which we have no direct control for the provision of interconnection and roaming services" and "—Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage."

Adverse change in credit ratings assigned to us may affect our ability to raise funds for future capital requirements, which may have an adverse effect on our business, results of operations and prospects

Adverse change in credit ratings assigned to our Company may affect our ability to raise funds for future capital requirements. Given the significant competition in the Indian telecom industry we face and the consequent impact on our rating metrics, some of the ratings or outlook on ratings of our Company had been revised by rating agencies. In a press release dated February 5, 2019, Moody's Investors Service ("**Moody's"**) has downgraded senior unsecured rating for our Company as well as the backed senior unsecured notes issued by our wholly-owned subsidiary, Bharti Airtel International (Netherlands) B.V. from Baa3 to Ba1 (with a negative outlook) and retained the Ba1 rating and negative outlook for our Company by way of a press release on November 29, 2019. Additionally, Moody's has assigned a Ba1 (with a negative outlook) corporate family rating to Bharti and withdrawn our Baa3 issuer rating. ICRA Limited ("**ICRA**") through its report dated December 17, 2018, has downgraded our rating and rating for term loans and working capital limits (rated on long term scale) from [ICRA]AA+(Negative) to [ICRA]AA(Stable). Further, pursuant to the adverse AGR Ruling, ICRA, on November 25, 2019 ("**ICRA Ruling**"), has downgraded our long-term rating to [ICRA]AA- and reaffirmed our short-term rating at [ICRA]A1+ with the rating remaining under watch with negative implications. Similarly, pursuant to the AGR Ruling, CRISIL, by way of its press release dated November 22, 2019 has retained the credit rating assigned to our long-term bank facility and various non-convertible debentures as 'CRISIL AA' with the rating remaining under watch with negative implications. On October 30, 2019, Fitch placed our credit long-term foreign currency issuer default rating of BBB- on Rating Watch Negative. In May 2018, Standard & Poor's ("**S&P**") changed the outlook of our credit rating from BBB-/Stable/-- to BBB-/Negative/-- and placed the rating on CreditWatch with negative implications on October 31, 2019, On December 5, 2019, S&P kept our long-term issuer credit rating at BBB- and our issue ratings on debt issued or guaranteed on CreditWatch with negative implications. We aim to resolve CreditWatch around January 22, 2020 and there can be no assurance that the rating will not be further downgraded. Any downgrade in our credit ratings may impact on our ability to raise additional funds and/or the interest cost at which we borrow the additional funds and could have an adverse effect on our business and results of operations. Certain additional restrictive covenants may also become applicable on a part of our indebtedness in case of downward revision of certain ratings. Further, we cannot assure that we will not tie any of our future indebtedness that have linkages to rating levels changes in which may result in increase in pricing, restrictions on debt and other actions.

Our ability to grow our business and the number of our subscribers is dependent on the quality and quantity of spectrum owned by our Company.

The operation of our mobile telecommunications network is limited by the quality and quantity of spectrum owned by us. In India, telecom operators obtain access spectrum through competitive bidding in GoI held auctions or by entering into spectrum sharing or trading arrangements with other telecom operators. Acquisition of spectrum is subject to certain conditions, risks and uncertainties, including:

- high reserve prices being set by the GoI for the auction of spectrum;
- our competitors outbidding it at the spectrum auctions and entering into spectrum sharing and trading arrangements with each other to our exclusion;

- regulatory uncertainties including delayed access to spectrum already acquired through competitive bidding; and the unavailability of spectrum in certain bands in certain telecom circles and inability to acquire contiguous spectrum.

The operation of our mobile telecommunications networks is limited by the amount of spectrum procured to us in the jurisdictions where we operate. Liberalized spectrum acquired through auction in all the bands (800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2300 MHz) can be used to provide wireless broadband services by the TSPs, with the next auction also including spectrum in 3300 MHz band. In India, the DTH services are offered in Ku band and within the band, ISRO allocates specified spots (transponders) as per the requirements of the operator. Procurement of spectrum in India is determined by the DoT and by various local/jurisdictional regulators across our African operations and is also subject to caps on the amount of spectrum any telecommunications operator may obtain and hold. In determining spectrum distribution, governmental authorities generally seek to ensure choice of services, efficient use of spectrum and continuity of customer service while maintaining technology neutrality and providing a stable investment environment. The current spectrum procurement may not be sufficient for expected subscriber growth going forward, and our future profitability and cash flows may be materially and adversely affected if our procured spectrum proves inadequate in the future for the expansion of our telecommunications business or if we are unable to procure additional spectrum in the future for the expansion of our telecommunications business. Additional spectrum may also be required to maintain quality of service. As the number of subscribers simultaneously using the same spectrum increases, the quality of the service may suffer, which may lead to a loss of subscribers and revenues. This could have an adverse effect on our business and results of operations. Further, with the introduction of stringent norms for telecom operators related to quality of service and call drops issues we may not be able to maintain, control or improve the quality of our service and may be subject to monetary penalty or any adverse action by regulators.

In August 2018, the TRAI has given its recommendation on auction of spectrum to DoT. TRAI has suggested that entire available spectrum available in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 3300-3400 MHz and 3400-3600 MHz bands in the forthcoming auction should be auctioned, as a single band and time division duplex ("**TDD**") based frequency arrangement should be adopted for this band. Reserve price for 700 MHz and 3300-3600 MHz has been recommended as Rs. 65,680 million/MHz and Rs. 4,920 million/MHz for pan India, respectively. While the DoT proposed a reduction in the abovementioned reserve price in its letter dated July 1, 2019 in relation to the proposed rollout of 5G services, TRAI reiterated its pricing recommendations issued in August, 2018 through a response issued on July 8, 2019. The DoT is likely to auction spectrum in these bands in future. If we decide to bid for any additional spectrum that may come to auction in the future, it may incur high capital expenditure for the acquisition of such spectrum and we may have to undertake additional indebtedness for the same or increase its mobile phone tariffs as a result. An increase in mobile phone tariffs may lead to reduced consumption of our services by its subscribers or a shift of such subscribers to one of its competitors. Similarly, any additional indebtedness may impact our profitability and could have a material adverse impact on our business, prospects, financial condition, cash flows and results of operations.

Further, TRAI in its response issued on July 8, 2019 also suggested that all of the administratively allocated spectrum in 800 MHz, 900 MHz and 1800 MHz bands whose validity is due to expire by December 31, 2021 should also be kept in the forthcoming auction.

Currently, the price of the bid in relation to auction of spectrum is the most important selection criteria. Increased competition may drive bidding prices for spectrum higher and we may not be able to acquire additional spectrum or may be required to pay a higher amount for acquiring additional spectrum. We cannot assure that there will be further auctions for spectrum in the future, or that we will be successful in acquiring additional spectrum that it bid for, within a reasonable time, or at all. Further, we may not realize the expected

benefits from its investment in additional spectrum that it anticipated when it submitted its bid for such additional spectrum.

Spectrum usage rights offered in auctions are typically awarded for a period of 20 years in case of mobile telecommunication and we may not be a successful bidder when bidding for the same spectrum after expiry of such validity period. Moreover, spectrum acquired through competitive bidding may suffer from interference, which may limit its utility, temporarily or for a sustained period. Our business, financial condition, results of operation and prospects may also be adversely affected if the GoI amends spectrum-holding caps in the future, which limit the amount of spectrum that can be held by one telecom operator. If we cannot acquire spectrum of the necessary quality and quantity to deploy its services on a timely basis and at adequate cost, its ability to attract and retain customers and its ability to successfully compete would be adversely affected.

If we do not acquire 5G spectrum in the upcoming 2020 auction, we could be competitively disadvantaged.

The DoT has tentatively scheduled the 5G spectrum auction to take place between March to and 2020. According to the media reports, DoT has accepted the reserve price suggested by TRAI and is expected to auction around 8,300 MHz of spectrum, valued at an estimated Rs 5.23 trillion calculated based on the base reserve price.

According to industry sources, the 5G Spectrum is priced significantly high considering the current financial stress and revenues of the telecom industry. According to industry analyst reports, it is expected that the proposed auction may not have an encouraging response from the operators if the auction is conducted at the scheduled time at the current base rates. Further, given that the 5G ecosystem is still under development, it is likely that 5G deployment for mass usage may be delayed.

If we decide not to participate in the 5G spectrum auction, and other operators participate and win the 5G spectrum, or if we are unable to acquire 5G spectrum, we could be competitively disadvantaged which may significantly impact our ability to compete with other operators providing 5G services, resulting in a material adverse effect on our business, prospects and financial condition.

We have rapidly expanded internationally, which could affect future growth.

We have significantly expanded our international operations (in terms of geography and scope) through our Subsidiaries and associate entities. These include the acquisition of new licenses and building of our own network infrastructure and purchasing interests in existing businesses. For example, we commenced telecommunications operations in Sri Lanka in 2009, Bangladesh in 2010 with the acquisition of Warid Telecom, and Africa in 2010 with the acquisition of Zain Telecom's operations in 15 African countries. We have, *inter alia*, divested our operations in Bangladesh (now with a minority stake in Robi Axiata which is a leading telecom service provider in Bangladesh), Sierra Leone and Burkina Faso. We have expanded our operations in Rwanda by acquiring Millicom's operations in Rwanda, and our operations in Ghana have been merged with Millicom's operations, in which we presently hold 49.95% equity interest. We have also undertaken, and may undertake in the future, certain inorganic activities including additional mergers, acquisitions, demergers and slump sales.

Our ability to manage our increased scope of operations both through organic and inorganic growth and to achieve future growth and profitability depends upon a number of factors, including our ability:

- to effectively increase penetration of our service and the scope of our management, operational and financial systems and controls to handle the increased complexity, expanded breadth and geographic area of our operations, particularly in Africa;
- to recruit, train and retain qualified staff to manage and operate our growing business across locations;

- to accurately evaluate the contractual, financial, regulatory, environmental and other obligations and liabilities associated with our international acquisitions and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with our accounting policies;
- to accurately judge market dynamics, demographics, growth potential and competitive environment;
- to effectively determine, evaluate, manage and respond to the risks and uncertainties in entering new markets, including political, economic and regulatory risks and uncertainties, and acquiring new businesses through our due diligence and other processes, particularly given the heightened risks in emerging markets;
- to effectively and efficiently respond to the competitive environment and manage varied customer demands and preferences in international markets; and
- to obtain and maintain necessary permits, licenses, spectrum allocation and approvals from governmental and regulatory authorities and agencies.

Additionally, we have in place an Internal Assurance Group (IAG) headed by Chief Internal Auditor, supported by internal assurance partners (global audit firms) to conduct the internal audit on the basis of a detailed internal audit plan reviewed each year in consultation with the IAG and the Audit Committee.

Any difficulties in addressing these issues or integrating one or more of our existing or future international operations could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, the value of our investments in associates (operating companies in which it has less than a controlling interest) could decline, requiring us to record impairments to those assets in our financial statements.

In Africa, business has historically and in recent years grown inorganically through mergers and acquisitions alongside organic growth, and the Airtel Africa Group has undertaken strategic divestments to streamline our footprint and focus on our core subscriber-facing operations. The inorganic component of the growth strategy of the Airtel Africa Group is based, in part, on strategic streamlining of our operational footprint, which included our exit from Burkina Faso and Sierra Leone in July 2016 and August 2016 respectively, as well as the expected continuation of our ongoing divestitures of tower assets. The growth strategy of the Airtel Africa Group depends in part on its ability to develop and integrate new services into its existing services offering, including in connection with the expansion of their networks, as well as to expand its footprint into new markets, including through acquisitive growth. The Airtel Africa Group may be unable to identify or accurately evaluate suitable partners for acquisition or merger, or to complete or integrate past or prospective acquisitions or mergers successfully or in a timely or cost-effective manner, which could adversely affect our overall strategy. In addition, the Airtel Africa Group may also face risks with respect to any of its divestments. Any failures, material delays or unexpected costs related to the implementation of the growth strategy of the Airtel Africa Group could have a material adverse effect on its business, results of operations, financial condition and prospects.

We are exposed to certain risks in respect of the development, expansion and maintenance of our mobile telecommunications networks.

Our ability to increase our subscriber base depends upon the success of the expansion and management of our networks and upon our ability to obtain sufficient financing to facilitate these plans. The build-out of our networks is subject to risks and uncertainties, which could delay the introduction of services in some areas and increase the cost of network construction, including obtaining sufficient financing. We are engaged in a number of network expansion and infrastructure projects, including in India, Sri Lanka and in the African

countries in which we operate. The speed at which we are able to expand our network and upgrade technology is critical to our ability to increase our subscriber base. Thus, if any of these risks transpire, our business, financial condition, cash flows and results of operations may be adversely affected.

We purchase or rely on the purchase of commodities, such as diesel, steel and zinc, to support the development and maintenance of our tower network. Volatility in global commodity prices, in particular metal and fuel prices will make it more difficult for us to accurately forecast and plan the cost of equipment required for network maintenance and expansion, besides increasing our operating costs and capital expenditure.

Additionally, increases in such global commodity prices will increase the amount of capital expenditure required to finance our expansion plans, which will exert downward pressure on our profit margins if we are unable to pass these cost increases through to our customers. Our operating costs, including that of the Airtel Africa Group, are subject to fluctuations, including changes in energy consumption costs, costs of obtaining and maintaining licenses, spectrum and other regulatory requirements. Any volatility in these and other variable operating costs or any inability to pass on increased costs to the customers could have a material adverse effect on our business, results of operations, financial condition and prospects.

In connection with our network strategy, our Company, from time to time, considers establishing partnerships with other carriers in our markets which may involve the sale of assets and may require funding from our Company. Network expansion and infrastructure projects, including those in our development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take significant amount of time before we can obtain the necessary permits and approvals for such projects to be completed and accrue benefits from such expansion, during which time we are subject to a number of construction, financing, operating, regulatory and other risks beyond our control, including, but not limited to:

- an inability to secure any necessary financing arrangements on favorable terms, if at all;
- changes in demand for our services;
- our technology becoming obsolete or outdated resulting in reduced commercial success of our services;
- shortage of material, equipment and labor, coupled with labor disputes and disputes with sub-contractors;
- inability to hire, train and retain qualified technical personnel;
- inadequate infrastructure, including as a result of failure by third parties to fulfill their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- changes in local governmental priorities; and
- inability to obtain and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may have a material adverse effect on our ability to complete our current or future network expansion projects on schedule or within budget, if at all, and may prevent us from achieving our targeted increases in subscriber base, revenues, internal rates of return or capacity associated with such projects. There can be no assurance that we will be able to generate revenues from our

expansion projects that meet our planned targets and objectives, or that they will be sufficient to cover the associated construction and development costs, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Our Subsidiary (Bharti Telemedia Limited) operates in an industry which is highly regulated and it requires certain approvals, licenses, registrations and permissions to conduct our digital TV business.

Bharti Telemedia Limited's business activity involves the provision of DTH services. The provision of such service in India is regulated and governed by the Ministry of Information and Broadcasting ("**MIB**") and the TRAI, in terms of the applicable statutory regulations. In terms of such regulations, Bharti Telemedia Limited is required to obtain a license from the MIB, for the provision of DTH services, and is required to comply with the conditions prescribed under such regulation and license. Additionally, TRAI may from time to time also prescribe new conditions and/or regulatory requirements for providing such services. If we fail or are unable to satisfy such conditions, comply with the terms of our license or conduct our business activities in a manner contrary to or in violation of the prevailing statutory regulations, our license could be revoked. As of today, there are regulations which affect our industry like obligations placed on us to ensure that no objectionable, obscene, unauthorized or illegal content, messages or communications are carried out on our network.

Set forth below are certain specific risks arising out of regulatory requirements applicable to our DTH operations.

DTH operations: TRAI has already mandated implementation of a revised regulatory framework for broadcasting and cable services, requiring DTH service providers to allow customers to purchase access to channels individually or alternatively as a combination of a-la-carte/ bouquet. This framework has been implemented and the migration of the entire customer base was completed on March 31, 2019. Further, the GoI is in the process of introducing new DTH guidelines for DTH operators (the "**Proposed DTH Guidelines**") and the MIB has presently issued us an interim renewal of our license under the existing framework, which is valid until December 31, 2019, or the date of notification of the revised regulatory framework, whichever is earlier. Once the Proposed DTH Guidelines are notified, we will be required to apply as per the terms and conditions of the DTH Guidelines for providing DTH services in India. There can be no assurance that we will continue to be in compliance with the conditions stipulated under such new licensing conditions or that we will be successful in obtaining a license thereunder. Any failure to obtain such license will have an adverse impact on our DTH business and our operations. As MIB is yet to issue the Proposed DTH Guidelines, we applied to MIB seeking extension of the interim renewal period until December 31, 2020. However, MIB has extended the interim renewal of the License until June 30, 2020. We cannot guarantee that the MIB will extend the license in the future, since historically the MIB has not extended the licenses for all DTH operators and the services were being provided on the basis of pending extension. If we fail to comply with any of the regulations applicable to us, we may not be able to continue to offer DTH services, which would affect our business, results of operations, financial condition and prospects.

Apart from Linear Channels, we also offer the Platform Services or the Value Added Services for which the regulatory framework is still under deliberation with TRAI and MIB, and therefore the formal framework is still pending. Such a framework is essential as it will help to validate such services. In terms of DTH License, the STB used for providing services should be inter-operable but the complete DTH industry including our Company do not meet this requirement for technical reasons as well as commercial considerations. Once the regulatory framework has been finalized, it may result in significant compliance costs or obstacles for us, which could affect our business, results of operations, financial condition and prospects.

We are dependent on third party telecommunications providers over which we have no direct control for the provision of interconnection and roaming services.

Our ability to provide high quality and commercially viable mobile telecommunications services depends, in some cases, on our ability to interconnect with the telecommunications networks and services of other local, domestic and international mobile and fixed-line operators including our optical fiber cable transmission network. We also rely on other global telecommunication operators for the provision of international roaming services for our subscribers. While we have interconnection and international roaming agreements in place with such Indian and global telecommunication operators, we have no direct control over the quality of their networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to us on a consistent basis, could result in fall in number of subscribers or a decrease in traffic, which could adversely affect our business, prospects, financial condition, reputation, cash flows and results of operations. Further, there have been disputes between our Company and third-party telecommunications providers like BSNL, Aircel Limited, Reliance Communications Limited, Tata Teleservices (Maharashtra) Limited, and Tata Teleservices Limited, pertaining to SMS termination charges, which if determined against us, could have a material adverse effect on our business, results of operations, cash flows and financial condition. For details, see "*Legal Proceedings—Litigation involving our Company—Proceedings involving material violations of statutory regulations by our Company.*"

The Airtel Africa Group is also dependent on third parties for the supply of certain of its services. Any significant disruption or other adverse event affecting the relationship with any of the major suppliers of the Airtel Africa Group, the inability or unwillingness of key equipment and service providers to provide the operations of the Airtel Africa Group with adequate equipment and services on a timely basis and to manage its infrastructure in accordance with best practices, including at attractive prices, could materially adversely impact the ability of these operations to retain and attract subscribers or provide attractive product offerings, either of which could materially adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group. Additionally, in the past, some of our Subsidiaries, namely, Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel Africa B.V., Bharti Airtel International (Netherlands) B.V, Bharti Airtel Nigeria B.V. and Airtel Networks Limited, were involved in a number of legal proceedings with Econet Wireless Limited, in Nigeria and The Netherlands. These litigation proceedings were subsequently settled by way of an agreement dated October 29, 2016.

We are dependent on suppliers and vendors for supply of equipment and services to build, develop, maintain and rollout our networks and operate our businesses over which we have no direct control.

We depend upon suppliers and vendors to provide us with equipment and services that we need to build, develop, maintain and roll out our networks and operate our businesses. We avail the services of vendors like Nokia, Ericsson and Huawei, and from various local vendors for ensuring operations and maintenance. We are dependent on these vendors for supplying components for future expansions besides also maintaining the networks and ensuring their upkeep. We cannot be certain that we will be able to obtain satisfactory equipment and service on commercially acceptable terms or that our vendors will perform as expected. If our contractual arrangements with such vendors expire or terminate, or if we fail to receive the quality of equipment and maintenance services that we require, to negotiate appropriate financial terms for equipment and services, obtain adequate supplies of equipment in a timely manner, or if our key suppliers discontinue the supply or maintenance of such equipment and services due to withdrawal from the Indian mobile telecommunications market or otherwise, we may find it difficult to replace a vendor on a timely basis without significant capital expenditure which could significantly disrupt our services. The occurrence of any such events could have an adverse effect on our business and results of operations.

We are dependent upon certain external suppliers of important services both to our Company and to our subscribers. We also import the services from vendors, and any adverse effect to import policies including increase in import duties and tariffs, or any embargo on imports from countries from which our vendors supply may have negative impact on our business operations. In particular, trade tensions between the United States and major trading partners, including particularly with China, continue to escalate following the introduction of a series of tariff measures by the United States and/or its trading partners. Any further change in the United States' global trade policy against its trading partners, including tightening regulatory restrictions, industry specific quotas, tariffs, non-tariff barriers and taxes may have an adverse effect on our ability to procure the requisite components or services from suppliers located in the United States and/or its trading partners. For example, Huawei, one of our suppliers, is currently experiencing significant disruptions to its operations stemming from the United States-China trade war, where the government of the United States has banned almost all American companies from utilizing information and communications technology supplied by Huawei. The approach of our Company will eventually have to be in-line with the approach of the GoI. Any additional export restrictions imposed by United States against Huawei and its designated affiliates, as well as any future sanctions the United States may impose against Huawei entities, as well as any damage to Huawei's image or reputation could potentially have an adverse effect on our business, prospects, results of operations and cash flows.

As a result, we are exposed to the supply and service capabilities of each of these vendors, which may be impacted by their ability to retain and attract appropriate personnel, their financial position and many other factors which are outside of our control. If such a vendor fails to perform adequately or if we terminate the vendor, we may not be able to provide such services ourselves or find an alternative supplier without disruption to our services or incurring additional costs.

We are increasingly dependent on revenue generated from data services and a failure to successfully compete in providing data services could have an adverse effect on our business, financial condition, results of operations and prospects.

Our business is increasingly dependent on revenue generated from data services. Various factors such as rising income levels, decline in prices of smartphones, increasing availability of mobile-based content, higher data demanding media including videos, games and other applications on smartphones and the rollout of long term evolution ("**LTE**") networks have led to a rapid growth of data usage in the telecom sector in India. Equally, our dependence on voice revenues, which has traditionally been the mainstay of telecom companies is reducing. We cannot assure you that these trends will continue in the future and that we will continue to benefit from growth in data usage. We may also need to upgrade and expand our network infrastructure in order to remain competitive in the provision of data services, including 4G and potentially even 5G data services in the future, to our customers, which will require us to incur additional capital expenditure. If we are unable to expand or upgrade our networks and equipment for the provision of data services on a timely and cost-effective basis or at all, we may lose existing customers or fail to attract new customers.

Growth in our data revenues is dependent on the prices we are able to charge for various data offerings and the level of data usage by our customers. We cannot assure you that data usage growth will be adequate to compensate for any future reduction in data prices. Further, if our competitors are able to offer data services that are, or that are perceived to be, more affordable or of a higher quality than those offered by our Company, we may be required to reduce the price of our data offerings or risk losing market share. In recent times, we have reduced prices while increasing the amount of data which is offered to our customers within each of our price brackets, due to various factors, including competitive pressure in relation to data offerings. If we are unable to remain competitive in providing data services in the future, our business, prospects, results of operations and financial condition may be adversely affected. See also "*—we face intense competition that may reduce our market share and lower our profits.*"

Increased sharing of existing and new passive telecommunication infrastructure and increasing competition in the tower infrastructure services industry may create pricing pressures that may adversely affect our tower infrastructure services business. We depend on various tower companies for our passive infrastructure needs and change in contracts may impact business.

We believe that growth and demand for mobile telecommunication services in India will lead to an increased impetus for the sharing and integration of passive telecommunications infrastructure such as towers, poles, conduits and physical sites, as mobile telecommunication operators will increasingly need to outsource their passive telecommunication infrastructure needs as high speed data transfer becomes more commonplace. There can be no assurance, however, that Indian telecommunication operators will not increasingly share existing and new passive telecommunication infrastructure constructed by other Indian telecommunication operators, other existing telecommunication infrastructure companies or their respective affiliates, which could adversely affect our tower infrastructure services business and consequently our financial condition, cash flows and prospects.

In addition, if BSNL and MTNL, large wireless service providers in India, were to begin to engage in significant amounts of site sharing with other operators or otherwise offer tower infrastructure services sharing availability, this could create a significant new competitor to our tower infrastructure services business.

Our tower infrastructure services business currently faces competition principally from:

- Indian wireless communication operators that share their own tower infrastructure services with other carriers;
- Indian power transmission operators such as Power Grid Corporation of India Limited, who may let their existing infrastructure be utilized by wireless telecommunication service providers;
- International, national and regional tower infrastructure services companies, including joint ventures formed by other wireless communication operators;
- Site development companies that purchase antenna space on existing towers for wireless carriers and manage new tower site construction; and
- Public sector entities such as the Indian railway authority, which have a dedicated telecommunications infrastructure arm and offer mass communication facilities to cellular and broadcast operators.

Competitive pricing pressures for customers from these competitors could adversely affect our tower infrastructure services business growth prospects and revenue. With the merger of the telecom operators Vodafone and Idea, the telecommunications industry in India is consolidating and has a limited number of wireless telecommunications service providers. This has led to a substantial percentage of tower companies revenues being attributable to a small number of customers. If we lose further customers in this space due to pricing pressures or otherwise, we may not be able to find new customers, which may have an adverse effect on profitability and cash flows in our tower infrastructure services business. Increasing competition in this business could also make the acquisition of high-quality tower assets and securing the rights to land for our towers, costlier. Competition can also lead to the inability to gain new customers. We cannot therefore assure you that we will be able to successfully compete within this increasingly competitive business sector.

We have entered into long term contracts for use of towers with various tower companies. We cannot assure that the agreements will always be entered on most favorable terms with such tower companies as compared to rates offered by other tower companies. Further, we cannot assure that all of our Subsidiaries will be able to renew such agreements, at the terms beneficial to them. Further, ability to provide high quality and commercially viable mobile telecommunications services depends on robust network and infrastructure. Third

party tower companies are responsible for running and maintenance of the network. Our Company and our Subsidiaries have no direct control over the quality of the networks and the interconnections provided by such third-party tower companies. Any difficulties or delays in providing the reliable infrastructure services by such tower companies, or the failure of any operator to provide reliable services to our Subsidiaries on a consistent basis, could result in loss of subscribers or a decrease in traffic, which could adversely affect our business, prospects, financial condition, reputation, cash flows and results of operations. Third-party vendors may in future increase charges or renegotiate prices or we may not be able to renew contracts at terms commercially acceptable to it or at all. This could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Decrease in demand for tower space could materially and adversely affect our business, results of operations, cash flows and financial condition.

We deploy, own, operate and manage passive infrastructure pertaining to telecommunication operations through our Subsidiary Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% equity interest in. Passive infrastructure is the business of installing, acquiring, owning, operating and maintaining tower and related infrastructure and providing access to these towers to wireless telecommunications service providers. Upon completion of the Indus Merger, we would no longer directly own the passive infrastructure services which we previously had access to via our subsidiary. See "*Our Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. However, for so long as we are an equity holder of a passive infrastructure service provider, it will be exposed to the risks associated with passive infrastructure services, including a decrease in demand for tower space in India. Factors affecting this demand include:

- mergers or consolidations among mobile telecommunications operators and shutting down the business by some telecom operators, which have resulted in reduced average sharing factor for co-locations on our towers during fiscal 2019, as compared with fiscal 2018;
- a general deterioration in the financial condition of mobile telecommunications service providers due to declining tariffs, media convergence or other factors;
- a decrease in the ability and willingness of mobile telecommunications service providers to maintain or increase capital expenditures;
- a decrease in the growth rate of mobile telecommunications or of a particular segment of the wireless communications sector;
- adverse developments with respect to auctioning of spectrum by the GoI and changes in telecommunications regulations;
- increased use of network sharing, roaming or resale arrangements by mobile telecommunications service providers amongst themselves;
- deteriorating financial condition and access to capital by mobile telecommunications service providers;
- changing strategy of mobile telecommunications service providers with respect to owning or sharing tower infrastructure services;
- adverse developments with regard to zoning, environmental, health and other government regulations;
- technological changes; and
- general economic conditions.

The passive infrastructure services business and the growth thereof is based on the premise that the subscriber base for wireless telecommunications services in India will grow at a rapid pace and that Indian wireless service providers have, to a certain degree, adopted the tower infrastructure services sharing model. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behaviors of market players do not meet our current expectations, the demand for tower infrastructure and our growth prospects will be adversely affected, which would have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We deploy and manage passive infrastructure pertaining to telecom operations through our subsidiary, Bharti Infratel, which are required to obtain certain licenses and permits which are diverse and may be difficult to obtain, and once obtained, may be amended or revoked or may not be renewed.

We deploy, own, operate and manage passive infrastructure pertaining to telecommunication operations through our subsidiary Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% equity interest in. Passive infrastructure is the business of installing, acquiring, owning, operating and maintaining tower and related infrastructure and providing access to these towers to wireless telecommunications service providers. Upon completion of the Indus Merger, we would no longer own majority stake in passive infrastructure services (that we previously had access to via our subsidiary). See "*Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. However, for so long as the Indus Merger is not complete, we remain exposed to the risks associated with passive infrastructure services, including risks arising from obtaining certain licenses and permits.

The roll out of towers requires approvals from various state/local authorities, including no-objection certificates from the local or municipal authorities, environmental approvals from the pollution control boards for operating diesel generator sets (beyond a certain load), *etc*. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. Further, the delay in implementation and adoption of uniform national policy issued by DoT *i.e.*, right of way rules, 2016 ("**RoW**"), across different states, for granting permission to deploy towers, has resulted in local civic authorities/state governments often creating ad hoc, overlapping policies, imposition of exorbitant charges beyond the amounts prescribed in the RoW and delay in granting the permission to deploy towers. As a result, these policies vary widely across civic authorities and from state to state, comprising different terms and conditions, policies, annual fees, tariff bases, local taxes, levies and differing environmental standards.

Bharti Infratel and our Company have applied for various approvals from various authorities as and when they are due for renewal. There can be no assurance that the relevant authorities will issue such permits, approvals to us and Bharti Infratel or that they will be issued in a timely manner or as expected. Further, these permits and approvals are subject to conditions and we cannot assure you that our Company or Bharti Infratel will be able to meet these conditions on an ongoing basis, which may lead to cancellation, revocation or suspension of the relevant permits, or approvals. Failure on our or Bharti Infratel's part to renew, maintain or obtain the required permits, or approvals may result in the interruption of our operations and may have a material adverse impact on our business. We cannot assure you that the relevant authorities will not take any action or impose any conditions in relation to such licenses that could materially and adversely affect our operations and business. In addition, if we are unable to obtain any of these approvals and permits, we may be required to seek alternative sites and incur considerable effort and expense where a suitable alternative tower is not available.

The merger of TTSL with our Company and Bharti Hexacom and TTML with our Company could be unwound.

Our Company and Bharti Hexacom Limited together hold Unified Access Service License/Unified Access Service License (with Access Service Authorization) with our access spectrum in various bands in the 22 service areas. Further, we acquired the spectrum and subscribers from Tata Teleservices Limited (TTSL) in the service areas of Karnataka, Andhra Pradesh, Tamil Nadu (including Chennai), Madhya Pradesh, Uttar Pradesh (E), Uttar Pradesh (W), Punjab, Haryana, Gujarat, Delhi, Kolkata, Kerala, Orissa, Bihar, West Bengal, Himachal Pradesh and Rajasthan, and from Tata Teleservices (Maharashtra) Limited (TTML) in the service areas of Mumbai and Maharashtra along with its access spectrum in various bands.

The jurisdictional NCLTs approved (i) a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 involving TTSL, our Company and Bharti Hexacom through order dated January 30, 2019; and (ii) a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 involving TTML and our Company through orders dated December 4, 2018 and January 30, 2019. The parties pursuant to the approval of the NCLTs and pursuant to the requirements under the Merger Guidelines of the DoT notified the DoT on February 12, 2019 and requested the DoT to take the merger in respect of the above-mentioned service areas on record. The DoT, in its letters dated April 10, 2019, granted an in-principle approval for the mergers of (i) the consumer mobile business of TTSL with our Company and Bharti Hexacom; and (ii) consumer mobile business of TTML with our Company, but imposed certain conditions for taking the merger on record. The imposed conditions included, among others, the following:

(1) Provision of bank guarantees to secure the demand of One Time Spectrum Charges for Rs. 71,559.3 million and Rs. 10,425.1 million.

(2) Payment of Rs. 12,879.7 million to DoT towards the alleged OTSC dues for the extended period of license of erstwhile Chennai Service Area.

(3) Submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process.

The above conditions were challenged by our Company and Bharti Hexacom before the TDSAT. The TDSAT in its order dated May 2, 2019 and May 6, 2019 stayed the OTSC demand of Rs. 71,559.3 million and Rs. 10,425.1 million, and directed the DoT to take the mergers on record, subject to fulfillment of certain conditions by our Company and Bharti Hexacom, which included giving a bank guarantee for 50% of the alleged OTSC dues for the extended period of license of the previous Chennai Service Area (the demand being Rs. 12,879.7 million) and also allowed us to operationalize the spectrum and take all consequential actions.

On May 22, 2019 Bharti Hexacom and our Company have complied with the rest of the conditions as specified in DoT letter dated April 10, 2019, and also with the conditions as modified by the TDSAT orders referred to above. TDSAT, which is the appellate authority over the DoT, specifically directed the concerned authorities of the GoI to take the merger on record. The principal bench of the NCLT Delhi and NCLT Mumbai bench also passed orders dated May 30, 2019 and June 12, 2019, respectively, allowing for filing the orders of approval of Scheme of Arrangement with the RoC. Accordingly, we have filed the schemes of arrangement with the ROC and informed the DoT that (i) the merger of consumer mobile business of TTSL to our Company and Bharti Hexacom; and (ii) consumer mobile business of TTML with our Company, have been completed, with an appointed and effective date as of July 1, 2019. While (i) the merger of the consumer mobile business of TTSL with our Company and Bharti Hexacom; and (ii) consumer mobile business of TTML with our Company, have been completed on the basis of the orders of the TDSAT and the NCLTs, it is likely that the DoT could challenge the orders of the TDSAT and the NCLTs in a higher court of law. Though

we believe that we have an arguable case since the mergers were completed based on court orders, there can be no assurance that the higher court will rule in favor of us, and there is no certainty of the outcome of such a case. Further, DoT had filed SLPs before the Supreme Court challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed of the said SLPs through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and continue to be binding on the parties.

We may be unable to effectively manage our growth and derive the anticipated synergies or efficiencies from mergers and acquisition arrangements.

Our growth, including by way of mergers with Airtel Broadband Services Private Limited, Telenor, Bharti Digital Networks Private Limited, TTSL and TTML, is expected to place significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to do so, or if there are any weaknesses in our internal control and monitoring systems that would result in inconsistent internal standard operating procedures, we may not be able to service our clients' needs, hire, train and retain employees, pursue new business opportunities or operate our existing and future business effectively. Failure to effectively manage new site construction for towers or properly budget or accurately estimate operational and other costs, which could result in delays in executing client contracts, trigger service level penalties, or cause our profit margins to not meet expectations or historical profit margins. Our inability to execute our growth strategy or to manage our planned business expansion effectively could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The Competition Commission of India and the NCLT Chandigarh have approved the Indus Merger. The Department of Telecommunications' approval for enhancement of foreign direct investment limit is the only approval outstanding as of the date of this Offering Circular to effectuate the Indus Merger. Given the delay in procuring the approval of the Department of Telecommunications, the long stop date for effectuating the scheme has been extended until February 24, 2020, on the basis of agreements on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme. See "*Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. We cannot assure you that the merger of the aforesaid tower companies will be approved or that the approvals will be received and completion will take place or that the parties will be able to complete the conditions precedent for the scheme within the extended timelines. In the event the merger is not approved, we may not be able to successfully integrate a large tower company and the current structure of two parallel companies may continue to exist, which may be sub-optimal. Failure to merge the tower companies may have an impact on stock price of Bharti Infratel and we may not be able to realize the expected strategic and/or operational benefits from the merger. We also could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transaction, should the transaction be consummated.

Our reputation and business may be harmed, and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our subscribers' or our own information or other breaches of our information security.

We make extensive use of online services and centralized data processing services, including through third-party service providers. The secure maintenance and transmission of subscriber information is an important element of our operations. Our information technology and other systems, or those of service providers, that maintain and transmit subscriber information may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider.

In addition, we and our third-party service providers process and maintain proprietary business information and personal data related to subscribers or suppliers. Our information technology and other systems that maintain and transmit this information, or those of third party service providers, may be compromised by a malicious third-party penetration of our network security or that of a third-party service provider, or impacted by intentional or inadvertent actions or inactions by our employees or those of a third-party service provider. As a result of any of these risks, our business information, or subscriber or supplier data may be lost, disclosed, accessed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or any subscriber information and delays in detecting any such compromise or loss could disrupt our operations, damage our reputation and subscribers' willingness to purchase its service and subject it to additional costs and liabilities, including litigation. For instance, we are, from time to time, involved in legal disputes initiated by customers alleging fraudulent access of their data by third parties without their consent and there can be no assurance that we will be successful in contesting any or all of these disputes. Should we be held liable in a large number of these disputes, our reputation, business and operations may be adversely affected.

The Airtel Africa Group could experience breaches in privacy laws and other information security requirements, which may materially adversely affect its reputation, lead to subscriber lawsuit or, loss of subscribers or hinder its ability to gain new subscribers. Further, if severe customer data security breaches are detected, the relevant regulatory authority could sanction one or more of our subsidiaries forming part of the Airtel Africa Group, and such sanctions could include a temporary suspension of operations. These factors, individually or in the aggregate, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Any inability on our part to protect our rights to the land on which our tower sites are located could adversely affect our business, results of operations, cash flows and financial condition.

To install our active network infrastructure, which is necessary for us to carry on our business, we obtain a substantial amount of space for physical infrastructural towers from Infrastructure Providers ("**IPs**") pursuant to commercial agreements. IPs take the right to use the land and property on which the towers are located under commercial contract with the landlord. In general, these lease arrangements are for periods ranging between 10 and 20 years.

A loss of any IP interests or right to use over the land / property, including an IP's actual non-compliance with the terms of these contracts, termination thereof, or the IP's inability to secure renewal thereof on commercially reasonable terms when they expire, could interfere with our ability to operate our active network infrastructure and generate revenues.

Moreover, IPs may not own the land underlying their infrastructure towers, and any dispute between IPs and the owners of land on which infrastructure towers are located may force IPs to relocate certain towers. Any such change or disruption in the infrastructure portfolio may have an adverse effect on our ability to maintain our network and generate revenues. The cost to IPs of relocating our active network infrastructure is significant. IPs may not be able to pass these costs on to their customers and any such relocation could cause significant disruption to our customers. For various reasons, IPs may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to entering into contracts in respect of our sites, which may lead to litigation for eviction against certain IPs, and consequently us, from such lands and properties.

Bharti Infratel has, from time to time, been named as a party to several litigation proceedings relating to the rentals of private land by it for its towers. Most of these proceedings pertain to disputes regarding the ownership of the lessors of these parcels of lands or the ability to use such land for installing towers, as well

as suits for permanent and mandatory injunctions and determination of leases. Our inability to protect our rights with respect to such lands and properties on which our active network infrastructure is located could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In Africa, disagreements with local communities with respect to existing or proposed tower sites in which the Airtel Africa Group operates could adversely impact the business and reputation of the Airtel Africa Group.

Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no conclusive scientific evidence of harmful effects on health. However, we cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets or transmission infrastructure is not, or will not be found to be, a health risk.

Our costs could increase, and revenue could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated. Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies such as ours. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services, which could materially restrict our ability to expand our business. Such perception could also increase opposition to the development and expansion of tower infrastructure sites, which could force Bharti Infratel, and other IPs that we rely upon, and consequently, our Company, to relocate existing sites, which could adversely impact our business, results of operations, cash flows and financial condition.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In the past in India, petitions have also been filed against the installation of towers near residential areas, schools, hospitals and playgrounds owing to concerns relating to the adverse effects of electromagnetic radiation. Beginning September 1, 2012 (and now superseded by regulations notified in June 2018), the DoT has implemented standards in relation to electromagnetic radiation emitted by towers as well as mobile handsets. The DoT has also issued new guidelines to all states in India with regard to clearance for installation of mobile towers. Further, the Rajasthan High Court had, pursuant to orders dated August 22, 2012 and November 27, 2012, directed the removal of mobile towers from school, college, and hospital premises and also ordered to remove mobile towers falling within 500 meters of jails, as they were suspected to be containing potentially hazardous radiation. Our Company and other telecommunication operators have challenged these orders before the Supreme Court of India. Similar orders could be passed against us in other such matters pending before other fora. Further, the DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of EMF radiation norms. For details, see "*Legal Proceedings—Litigation involving our Company—Proceedings involving material violations of statutory regulations by our Company.*" If a scientific study resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless communications services, which would adversely affect our business, prospects, results of operations, cash flows and financial condition.

Actual or perceived health risks or other problems relating to the use of mobile handsets or network transmissions or infrastructure could lead to litigation or decreased mobile communications usage. This could negatively impact the market for wireless services, as well as the wireless carrier customers of the Airtel

Africa Group, which could materially and adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Our operations are subject to risks relating to fraud, bribery, theft and corruption.

While we maintain and regularly update our IT and control systems, anti-corruption training program, codes of conduct, KYC procedures and other safeguards, it may not be possible for us to detect or prevent every instance of fraud, bribery, theft and corruption in every jurisdiction in which our employees, agents, sub-contractors or commercial partners are located. If adverse investigations or findings are made against us or our directors, officers, employees, commercial partners or third-party contractors are found to be involved in bribery or corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against us or our subsidiaries which could damage our reputation and business.

We are exposed to the risk of violations of sanctions laws or other similar regulations.

We operate in jurisdictions that may expose it to heightened risks with respect to anti-bribery and sanctions laws and regulations. Violations of sanctions laws and regulations could expose us to potential civil or criminal penalties under the relevant applicable sanctions laws, which may have material adverse consequences on our business, financial condition, results of operations and prospects. There can be no assurance that other persons and entities with whom we now, or in the future may, engage in transactions and employ will not be subject to sanctions laws and regulations. Further, we derive a negligible portion of our revenues from roaming agreements with other telecom operators located in countries subject to sanctions. As a result, investors in the Bonds and the Shares may incur reputational or other risk as a result of our dealings with sanctioned persons or countries.

Current and future antitrust and competition laws in the countries in which we operate may limit our growth and subject us to antitrust and other investigations or legal proceedings.

The antitrust and competition laws and related regulatory policies in many of the countries in which we operate generally favor increased competition in the telecommunications industry and may prohibit us from making further acquisitions or continuing to engage in particular practices to the extent that we hold a significant market share in such countries.

Antitrust and competition laws are subject to change and existing or future laws may be implemented or enforced in a manner that is materially detrimental to us. Regulators are particularly focused on establishing rules and a regulatory framework for interconnection between mobile networks and between fixed and mobile networks, including mobile termination (*i.e.*, the ability of a telecommunications provider to terminate a call on another operator's network or place a call between networks) and the related pricing mechanisms (*i.e.*, mobile termination rates). Decisions by any of our relevant regulators requiring a user to provide mobile termination and interconnection services well below current rates, including the change in India's mobile termination rates from fourteen (14) paise to six (6) paise that was made effective from October 1, 2017, and further to zero with effect from January 1, 2020. Recently, the Regulator has further amended this provision such that the mobile termination rates of six (6) paise would be effective only up to December 31, 2020, and would then be eliminated starting from January 1, 2021. The elimination of termination charges could prevent us from realizing a significant amount of revenue and can have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In addition, violations of such laws and policies could expose us to administrative proceedings, civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive damages.

We cannot predict the effect that current or any future lawsuits, appeals or investigations by regulatory bodies or by any third party in any of the countries in which we operate will have on our business, prospects, financial condition and results of operations. For instance, Reliance JIO had approached the Competition

Commission of India ("**CCI**") alleging cartelization by COAI and certain telecom operators, *i.e.*, being, our Company, Idea Cellular and Vodafone India. While the CCI directed investigation in the matter, the Bombay High Court and subsequently, the Supreme Court have quashed the order, reversed the findings of the CCI ordering an investigation on the grounds that the CCI could exercise jurisdiction only after proceedings under the TRAI Act had concluded/ attained finality. However, the Supreme Court has upheld the powers of the CCI on adjudicating upon matters pertaining to the telecom industry, and held that in respect of contracts / licenses under the TRAI Act, the CCI would have the jurisdiction to decide questions of anti-competitive practice only after the determination of the respective rights and obligations under such licenses/contracts by the authorities under the TRAI Act.

There can be no assurance that we will not be involved in antitrust or competition related lawsuits in the future, which may cause us material losses and require us to incur significant expenses and significantly divert the time and attention of our management from our operations. In addition, fines, or other penalties imposed on us, if any, by an antitrust or competition authority as a result of any such investigation, or any prohibition on us engaging in certain types of business in one or more markets in which we operate, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Compliance with subscriber verification norms, KYC regulations and data privacy norms may require us to incur significant expenditure, which may adversely impact our financial condition and cash flows.

Regulators are introducing stringent subscriber verification and KYC guidelines, including verification and quality of KYC documents. We are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law.

In recent years, we have observed greater regulatory focus on Know Your Customer ("**KYC**") and anti-money laundering compliance due to initiatives to enhance national security. Strong emphasis on KYC may slow down customer uptake and may also increase the cost of customer acquisition. Non-compliance would result in significant penalties, and loss of revenues as a result of deactivation of customers who are not properly registered.

Additionally, a significant portion of our new subscribers are acquired through a KYC application. If the KYC application experiences technical disruptions for a substantial amount of time, it could result in loss of potential revenues, which could have a material and adverse effect on our business, results of operations and cash flows.

If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms and the directions of the regulator/licensor or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations. In a judgment, the Supreme Court upheld the constitutional validity of 'Aadhaar' and has simultaneously restricted its use by private entities for verification of the identity of the mobile phone users and limited the use of Aadhaar for social welfare schemes of GoI. Telecom service operators like ourselves had built their electronic KYC authentication systems around the biometric database of Aadhaar. Restrictions on usage of Aadhaar by the Supreme Court has led to our Company requiring to revamp and rework the process and infrastructure for verification of customers for ensuring KYC compliance, from online verification system based on Aadhaar to the alternate modes of verification, which has had substantial cost implications on our business and operations. Thereafter we had built a new digital acquisition process basis the directions of the Licensor for the completion of the KYC and the acquisition of new customers. It is likely that the said digital process may undergo a change or may be scrapped and replaced with some new process in the future. Alternate mode of KYC verification could be expensive, time consuming and onerous for us for the compliance with data privacy norms.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("**PDP Bill**") which was cleared by the Union Cabinet on December 4, 2019 and introduced in Lok Sakha on December 11, 2019, applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

If the broadcasters who provide signal input to our DTH business for the provision of their programming encounter any technical failures, our business, financial condition and results of operations may be adversely affected.

In order to successfully operate our business, we depend on third-party broadcasters for the input of signals to provide us with their programming. If such broadcasters encounter technical failures in the provision of such input, we may be unable to provide uninterrupted programming offerings to our subscribers or the audiovisual quality of such programming may be reduced. If we are unable to provide our programming as a result of such technical failures, our business, financial condition and results of operations may be adversely affected.

We significantly rely on IT infrastructure and on outsourced personnel to develop and maintain our internal IT infrastructure, which if not properly managed, could result in disruption of critical internal services and as a result, adversely affect our operations.

We are dependent on effective IT/ engineering systems and platforms. These systems support key business functions such as recharges, digital care, customer care facilitation, business and customer insights, personalized information, research and development and billing capabilities, and are an important means of communication, internal and with customers and suppliers. Any significant disruption or failure of these IT/ Engineering systems could materially and adversely affect our operations. We also have certain outsourcing arrangements in respect of critical processes, services and the support of IT infrastructure and our increasing dependency on these outsourcing providers could negatively impact our ability to deliver on business targets and to maintain our compliance status and reputation. In particular, we outsource the Airtel Cloud and data center management to IBM, BSS/ OSS platforms to Amdocs and network management to Ericsson, Nokia Solutions and Huawei (for India, Sri Lanka and Africa). Any failure of our outsourcing providers to deliver services in accordance with our requirements or if we are unable to effectively manage our outsourcing arrangements or outsourcing providers, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, which could adversely impact our business.

Our reputation and ability to attract, retain and serve our consumers is dependent upon the reliable performance and security of our computer systems and those of third parties that we utilize in our operations.

These systems may be subject to damage or interruption from earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, power loss, telecommunications failures, and cybersecurity risks. Interruptions or malfunctions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems) in these systems, or with the internet in general, could make our service unavailable or degraded or otherwise hinder our ability to deliver streaming content. Service interruptions, errors in our software or the unavailability of systems used in our operations could diminish the overall attractiveness of our service to existing and potential subscribers. Our systems and those of third parties we use in our operations can be vulnerable to cybersecurity risks, including cyber-attacks, both from state-sponsored and individual activity, such as denial of service attacks, physical or electronic break-ins and similar disruptions. These systems periodically experience directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of data or intellectual property. Any attempt by hackers to obtain our data, disrupt our service, or otherwise access our systems, or those of third parties we use, if successful, could harm our business, be expensive to remedy and damage our reputation.

We have devoted and will continue to devote significant resources to the security of our systems and platforms using state-of-the-art tehcnology; however, we cannot guarantee that we will not experience such malfunctions, attacks or interruptions in the future. Any malfunction or attack or interruption to our systems could adversely affect our operations.

Poor quality of network and information technology including redundancies and disaster recoveries can adversely affect our business, prospects and results of operations.

Our operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or willful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fiber cuts, lack of redundancy paths, weak disaster recovery fallback, and partner staff absenteeism, among others are few examples of how network failures happen. Our IT/ Engineering systems are critical to run the customer facing and market-facing operations, besides running internal systems. In many geographies or telecom circles, the quality of IT connectivity or access through internet can occasionally be erratic or unreliable, which affects the delivery of services, such as, recharges, customer query, distributor servicing, customer activation, and billing. Natural calamities such as tropical cyclones "*Titli*" in Odisha and Andhra Pradesh, heavy floods in Kerala and north eastern states in 2018, and in Maharashtra and Karnataka in 2019, have, in the past, disrupted telecommunications network and have resulted in network downtime. Further, such calamities have also led to increased costs and expenses being incurred on the repair and rework of the IT systems.

The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others. We make considerable efforts to ensure we mitigate any such risks by continuously upgrading our technology and using AI led operations to maximize auto-resolution of issues in a very timely manner where possible. Airtel runs only AI-led human-less Engineering NOC to monitor and manage our systems and data centers.

We have a technologically advanced Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network. Network planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained with us. However, if we are not able to cope with the network failures effectively, it may materially adversely impact our business, prospects, financial condition, cash flows and results of operations.

We may be subject to additional regulations regarding net neutrality, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

In September 2018, DoT amended the terms of Unified License (UL), UL (VNO) agreement, "Cellular Mobile Telephone Service" license agreement and UAS license agreement to include the regulatory framework on 'Net Neutrality'. Pursuant to these amendments, the telecom licensees are not permitted to engage in discriminatory treatment of content, including any discrimination based on the sender or receiver or the user equipment. The licensees have been expressly prohibited from entering into any arrangement or agreement with any person that has the effect of discriminatory treatment of content. However, these provisions do not apply on specialized services provided by a licensee and required that specialized services are not usable or offered as a replacement for internet access services and provision of specialized services is not detrimental to availability and overall quality of internet access service. Restrictions contemplated under regime of net neutrality may be adverse to the telecommunication operators' interests, and it may impair our ability to offer innovative services and products and could adversely affect our business and operations.

Airtel Payments Bank Limited ("APBL"), requires certain approvals, licenses and registrations and is required to comply with certain statutory regulations and guidelines issued by RBI to conduct the business of Payments Bank.

APBL obtained a payment banking license from RBI on April 11, 2016 and commenced its operation on November 23, 2016. APBL currently provides savings accounts, semi-closed prepaid payment instruments and remittance services to its customers. As per applicable RBI guidelines, APBL cannot directly undertake lending activities but can offer savings and current accounts, issue prepaid wallets, offer remittance products and distribute non-risk sharing financial products such as insurance and mutual funds. If APBL fails to meet such conditions, or to comply with the terms of the license or conducts its business activities in a manner contrary to or in violation of the prevailing statutory regulations and guidelines by RBI, its license could be revoked along with the imposition of financial penalties, which would materially and adversely affect our business, results of operations, financial condition and prospects. We have in the past been subject to restrictions and penalties imposed by the UIDAI and RBI alleging that we had opened bank accounts for customers without their specific consent. The RBI issued a show-cause notice in January 2018 alleging certain non-compliances by APBL, including opening of bank accounts without specific consent of customers and inadequate KYC documentation in respect of various accounts opened by it. The RBI, by an order dated March 7, 2018, imposed an aggregate monetary penalty of Rs. 50 million on APBL, holding that APBL had contravened the Operating Guidelines for Payment Banks dated October 6, 2016 and directions contained in the Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016, and subsequently updated on July 8, 2016 and December 8, 2016, issued by RBI, and had prohibited APBL from opening accounts. Further, in December 2017, the UIDAI passed an interim order deactivating the e-KYC license key issued to APBL and us, alleging certain violations of applicable law and the Authentication User Agencies Agreement ("AUA Agreement"), including using the Aadhaar information submitted by multiple customers for obtaining mobile connection to open an Airtel Payments Bank account without specific consent of the customers. Further, the UIDAI, while observing that the AUA Agreement imposes a penalty of Rs. 0.10 million per day for such violation, directed each of APBL and us to deposit Rs. 12.70 million towards such penalty. While these restrictions were removed and the e-KYC license key activated, APBL and us are under a duty to ensure continuous compliance with the applicable provisions of law and the AUA Agreement, failing which, we face the risk of suspension of our e-KYC license key or our banking license and/or imposition of further penalties, all of which could have a material adverse effect on our payments bank business. If the license of APBL is revoked or if APBL fails to comply with any of the regulations and guidelines applicable, it may not be able to continue to offer payments bank services, which would adversely affect our business, results of operations, financial condition and prospects.

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and services and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business is dependent upon successfully protecting our intellectual property – including but not limited to our trademarks, copyright and patents. As part of our efforts towards ensuring their protection, we have successfully applied for and registered several trademarks including the word mark AIRTEL and its variations and formatives including its various logo marks such as airtel. We have over 200 registered trademarks including word marks, logos and device marks in various classes in India in addition to several trademark applications pending registration. We do not have any control over the registration of a trademark and a pending mark may not be granted registration for various reasons including being descriptive, non-distinctive or similar to a prior trademark. Furthermore, a trademark may also be opposed by third parties that claim to have similar marks. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for us and could also impact our reputation. A party could also proceed against a registered trademark and request for its cancellation on various grounds which include bad faith use and non-use for a period of five years from grant of registration.

Generating and maintaining recognition for our brand is critical to our business. The success of our business depends on our ability to use our trademarks in order to compete effectively in our existing markets and increase penetration and awareness for our brand and further promote our business in newer markets. If we are unable to maintain or enhance subscriber awareness of our brand and generate demand in a cost-effective manner, it would adversely affect our ability to compete in the telecommunications industry and would have an adverse effect on our business and results of operations.

We routinely monitor third party trademarks, including domain names, by watching trademarks journals for advertised marks and keep a check on the use of our trademarks on the internet (including on application stores). However, it is possible that we are not aware of misuse of our trade marks as a domain or application name due to the sheer volume of domain names and applications. This could potentially cause loss of our reputation, which could impact our business and may even affect our goodwill.

While we have sought to register most of the trademarks that we use or have used in the past, even if these trademarks are not registered, those that have garnered a reputation over the years and are associated with us are protected under common law allowing us to prevent a third party from using a deceptively similar trademark. This, however, is subject to us taking action against such a third party trademark and proving that our trademark while unregistered is associated exclusively with us. The use of a deceptively similar third-party mark will result in a loss/injury to us. Such an action can also become a lengthy and costly exercise for us and may not always be in favor of our Company. While for registered trademarks, we have greater protection because of the statutory protection afforded against similar marks being used /registered for similar goods and services, we may not be able to adequately protect unregistered marks that are not as well recognized.

Our logos are protected under copyright laws as artistic works from the date of publication of the logos. A similar right is also granted to our literary works, including software programs, under copyright laws from the date of their publication. However, copyright may not provide adequate protection to artistic or literary works and we may not be able to protect our copyright works or prevent their infringement solely on the basis of copyright. Additionally, we may be required to litigate to protect these works, which may increase our costs and operational expenditure. These events could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We have also filed several patent applications, however, none of these patents have been granted registration yet and their registration is beyond our control. There is a possibility that registration of such patents might not be granted which could have a material adverse effect on our business, prospect and results of operations. In the event that a prior patent exists we may also be subject to patent infringement claims which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. We could also potentially face similar claims for design infringement in the event that we are using an industrial design that has already been registered by a third party.

While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations. Our intellectual property rights are fundamental to our brand and we believe that the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name, enhance our competitiveness and otherwise support our business goals and objectives. We cannot assure you that the steps we take to obtain, maintain and protect our intellectual property rights will be adequate, which could in turn materially and adversely affect our business and prospects.

Additionally, we may not be aware of all intellectual property rights that our services or the products may potentially infringe or pass off under common law. Certain services, products, technology and other intellectual property is provided to us by our third-party suppliers which may also utilize intellectual property belonging to other third-parties. We cannot assure you that our suppliers will not infringe the intellectual property of third-parties by supplying us with their services, products, technology etc., or that our use of such intellectual property including services, products or technology from these suppliers will not cause us to infringe the intellectual property rights of third-parties or otherwise give rise to any unforeseen liabilities or new claims towards these third parties or the suppliers. Therefore, there can be no assurance that our services or the products will not infringe a third party's intellectual property or otherwise give rise to any liability or claim vis-à-vis the supplier or any other third party. While we may contest any claims brought forth against us, there can be no assurance that a court will conclude the matter in our favor. Further, there can be no assurance that our Company or our suppliers would be able to amicably settle the matter, obtain licenses from third-party owners of such intellectual property rights on commercially favorable terms or at all, and if we were unable to obtain such licenses, that our suppliers or us would be able to redesign our services or the products used to transmit or receive our services to avoid infringement. Any imposed penalties relating to third-party intellectual property rights could have a material and adverse effect on our business, financial condition, results of operations and prospects.

The Bharti Group and the STI Group will continue to have certain privileges, including the right to approve certain corporate actions.

By virtue of our Articles of Association, certain rights and privileges have been granted to Bharti Group (which includes those entities of Bharti Group which hold shares in our Company) and STI Group (which comprises Singapore Telecom International Pte. Ltd., Pastel Limited ("**Pastel**"), Singapore Telecommunications Limited ("**SingTel**") and any and all of SingTel's direct or indirect Subsidiaries), including the right to be considered a preferred partner in India, right of BTL and Pastel to appoint the nominee directors on our Board, presence of nominee of Pastel to constitute quorum for our Board meetings in which certain reserved matters are proposed to be approved, and the approval of Pastel for such reserved matters, which includes, among other things, any changes to our Articles of Association or Memorandum of Association, approval of any merger or amalgamation of our Company or Subsidiaries, the creation, allotment, variation, reorganization or issue of our share capital other than by way of public issue or rights

issue, and/or grant of loan to us or our Subsidiaries above a specific threshold, among others. There could be a possibility of a time lag in obtaining the requisite consents for such reserved matters thereby, at times, adversely impacting our ability to monetize a business opportunity in the event the requisite approvals are obtained with a delay or are not obtained. Also, the STI Group has a right of first refusal with respect to an opportunity, business or venture in which such entities of Bharti Group, which hold any equity interest in our Company, proposes to procure or seek an investment from a telecom operator. Also, members of the Bharti Group and the STI Group have certain non-compete restrictions in connection with our domestic long-distance telecommunications operations, corporate data network service business, and mobile business.

While we have enjoyed a very productive partnership with the STI Group since their acquisition of certain equity interest in the year 2000, events in future cannot be predicted with any degree of certainty. In the event of a conflict of interest, in future, between Bharti Group and STI Group, there could be an adverse effect on our ability to execute our business strategy or operate our business and may have a material adverse effect on our operations.

Although we reported net income for fiscal years ended March 31, 2017, 2018 and 2019, we have incurred a net loss for the six months ended September 30, 2019.

We recorded a net loss of Rs. 252,223 million (U.S$3,568 million) for the six months ended September 30, 2019. The loss resulted primarily from exceptional losses due to incremental provision for license fee and SUC of Rs. 110,257 million (U.S.$1,560 million) (net of tax of Rs. 57,893 million (U.S.$819 million)) and Rs. 76,538 million (U.S.$1,083 million) (net of tax of Rs. 39,812 million (U.S.$563 million)) respectively as an estimate based on the AGR Judgment. We will require significant additional financing to discharge our obligations under the AGR Judgment. However, there can be no assurance of the success of our management's plans to access additional sources of finance to the extent required and to raise these amounts in a timely manner. Further, we may continue to incur operating and net losses and negative cash flow from operations. If we are unable to avoid these types of exceptional costs in the future, there could be an adverse effect on our business, prospects, results of operations and cash flows.

Our contingent liabilities could adversely affect our financial condition if they materialize.

We have disclosed certain contingent liabilities as per Ind AS 37 in our Financial Statements. The total amount of contingent liabilities as of September 30, 2019 is Rs. 166,315 million (U.S.$2,353 million). There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, please see Note 9 to our Interim Condensed Financial Statements included elsewhere in this Offering Circular.

Environmental and health regulation imposes additional costs and may affect the results of our operations.

Our tower infrastructure and telecom business are subject to various national, state-level and municipal environmental laws and regulations in India concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws can impose liability for non-compliance with applicable regulations and are becoming more stringent with enforcing service quality standards and levying related penalties and may in the future create substantial environmental compliance or remediation liabilities and costs. While we intend to comply with applicable environmental legislation and regulatory requirements and believe that we are materially in compliance with these as of today, it is possible that such compliance may become costly. In addition to potential clean-up liability, we may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on our operations. We may also, in the future,

become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with standards that are more rigorous or other requirements or incur capital and operating expenses for environmental compliance. In addition, third-parties may sue us for damages and costs resulting from environmental contamination emanating from our properties.

The discharge of materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the national governments or the state governments where our towers are located, including India, Sri Lanka and throughout our operations in Africa.

Our group, including the Airtel Africa Group, is subject to health, safety and environmental laws and regulations and industry standards related to the operations in each of our operating countries. The requirements of these laws and regulations are complex, change frequently and could become more stringent in the future, including new laws and regulations that may increase the cost of operating the real estate sites underlying the Airtel Africa Group towers above currently expected levels and require substantial future capital and other expenditures. The effect of any future laws and regulations or industry standards or any changes to existing laws and regulations or industry standards, or their current interpretation, could have a material adverse effect on the business, results of operation, financial condition and prospects of the Airtel Africa Group.

We have entered into, and may continue to enter into, certain related-party transactions.

We have entered into certain related party transactions, which have been disclosed in our Financial Statements, included in this Offering Circular in accordance with Ind-AS 24 (related party transactions). See "*Related Party Transactions*." While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties.

Our ability to operate our business effectively could be impaired if we fail to attract and retain key personnel.

Our ability to operate our business and implement our strategy depends, in part, on the continued contributions of our executive officers and other key employees. The loss of any of our key senior executives could have an adverse effect on our business unless and until a replacement is found. A limited number of persons exist with the requisite experience and skills to serve in our senior management positions. We may not be able to locate or employ qualified executives on acceptable terms. In addition, we believe that our future success will depend on our continued ability to attract and retain highly skilled personnel with experience in the key business areas in which we operate. Competition for such persons is intense and we may not be able to successfully recruit, train or retain qualified managerial personnel.

There can be no assurance that we will attract and retain skilled and experienced employees and, should we fail to do so, or lose any of our key personnel, our business and growth prospects may be harmed and our cash flows, results of operations and financial condition could be adversely affected.

Similarly, the success of the Airtel Africa Group relies on its central and local management team and other highly skilled personnel. The ability of the Airtel Africa Group to maintain its competitive position and to implement its business strategy relies on the continued services of its executive officers and other members of senior management, both at the Airtel Africa Plc level and at its key operating subsidiaries. The inability of the Airtel Africa Group to successfully integrate, recruit, train, retain and motivate key skilled employees could have a material adverse effect on our business, results of operations, financial condition and prospects. The Airtel Africa Group depends on good relations with its employees, and any significant labor. Our

Company's and/or our Subsidiaries' disputes or work stoppages may materially adversely affect our business, results of operations, financial condition and prospects.

Our business relies on sophisticated billing, credit control systems, and any problems with these systems could interrupt our operations.

Sophisticated billing and credit control systems are critical to our ability to increase revenue streams, avoid revenue losses, monitor costs, potential credit problems, and bill customers properly and in a timely manner. New technologies and applications are expected to create increasing demands on billing and credit control systems. Any damage or interruptions in operation or failure of servers, which are used for our billing and credit control systems, could result in an interruption in our operations, and this in turn could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations.

We are dependent on several complex software packages that record minutes used, calculate the appropriate charge and then deduct the amount due from the account of the pre-paid subscriber or record the amount payable by the relevant post-paid subscriber. Any failure to properly capture the services provided or to charge the appropriate amount could have an adverse effect on our revenue. While no system or process can ensure total capture and some loss of income is common, if such leakages with respect to revenue determination increase, or are higher than those of our competitors, then our business and results of operations could be adversely affected.

Similarly, we are also dependent on several sophisticated processes for our customer verification and activation services. Our customer verification and activation function ensures that all necessary documents are procured from pre-paid customers at the time of subscription in compliance with regulatory requirements in relation to verification of the identity of our customers. The DoT issues guidelines for the verification of customers, customer activation processes, disconnection and other related matters. There are outstanding proceedings initiated against us for undertaking inadequate KYC, which may be adjudicated against us, resulting in our Company incurring penalties.

In the event regulatory agencies direct us to release certain customer data and records in accordance with applicable law and upon analyzing such information, it is alleged that we did not maintain acceptable internal processes for customer verification and activation, we may be subject to penalties and fines by DoT or TRAI. Further, weak internal processes could adversely affect our market position, especially if competitors have faster and better-coordinated systems for mobility subscriber activation.

A failure of our internal controls over financial reporting may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. In recent years, we have focused on improving the internal controls of the businesses. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and in a timely manner, or to detect and prevent fraud, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our business depends on the delivery of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost.

Our tower sites require an adequate and cost-effective supply of electrical power to function effectively. We principally depend on power supplied by regional and local electricity transmission grids operated by the

various state electricity providers in which our sites are located. In order to ensure that the power supply to our sites is constant and uninterrupted, we also rely on batteries and diesel generators, the latter of which requires diesel fuel.

Our operating costs will increase if the price at which we purchase electrical power from the state electricity providers or fuel increases. While we believe that our current supply of electricity from third parties is sufficient to meet our existing requirements, there is no assurance that we will have an adequate or cost effective supply of electrical power at our sites or fuel for the generation of captive power, lack of which could disrupt our Company's and our customers' businesses, adversely affecting our business, cash flows and results of operations. Further, any increase in the cost of electrical power, to the extent that we are not able to pass this through to our customers, would also adversely affect our profitability and cash flows.

Our ability to exercise control over our Subsidiaries, Associates and Joint Ventures is, in some cases, dependent upon the consent and cooperation of other participants who are not under our control.

We currently operate mobile telecommunications services in countries, including India, through Subsidiaries, Associates and Joint Ventures. Our level of ownership of each of our Subsidiaries, Associates and Joint Ventures varies from market to market, and we do not always have a majority interest. Although the terms of our investments vary, our business, prospects, financial condition, cash flows and results of operations may be materially and adversely affected if disagreements develop with our partners.

Since Airtel Africa Plc is now a publicly listed company, we may be limited in our access to information derived from the Airtel Africa Group, especially information that is otherwise not publicly disclosed.

Airtel Africa Plc was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange and the Nigeria Stock Exchange on the Official Trading List of the Nigerian Stock Exchange in July 2019 and accordingly is now a publicly listed company. Though still a Subsidiary of our Company, Airtel Africa Plc now operates independently, with its own board of directors and management who are accountable to all of the shareholders of Airtel Africa Plc and not just our Company. As a publicly listed company, Airtel Africa Plc has an obligation to ensure equal access to information to all of its shareholders, and is prohibited from selectively disclosing information to certain shareholders. Accordingly, commercially valuable information that we were previously privy to may no longer be available to us, which could have a negative impact on our ability to operate effectively and make strategic decisions for the Group as a whole, especially in the regions in which the Airtel Africa Group operates, which could have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We are dependent on our subsidiaries, associates and joint ventures to distribute cash upstream, in the form of dividends, and in some cases, the ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations.

To receive investment income, we are dependent on the distribution of funds from our subsidiaries, associates and joint ventures. This distribution is typically in the form of a dividend payment, the declaration of which is beyond our control or influence, such as claims or other actions by a third party, including creditors, or by the law of the subsidiaries', associates' or joint ventures' jurisdiction of incorporation which regulate the payment of dividends. For example, as a public limited company incorporated under English law, Airtel Africa Plc can pay dividends only to the extent that it has sufficient distributable reserves available or, in certain cases, the creation of distributable reserves by other means. Accordingly, if Airtel Africa Plc neither has, nor has the ability to create, distributable reserves, then it will be restricted from paying dividends to us. Consequently,

the lack of distribution of funds from subsidiaries, associates and joint ventures could have a material and adverse effect on our business, prospects, financial condition and cash flows.

If we fail to effectively manage our relationship with our Subsidiaries, Associates and Joint Ventures, and if in the future we were to sell all or a majority of our stake in any of our Subsidiaries, Associates and Joint Ventures which provide services material to our customers, we may be materially affected if we are unable to retain access to the services provided or substitute a suitable alternative supplier for the services.

Our Subsidiaries, Associates and Joint Ventures provide services that are material to our customers, such as broadband and passive infrastructure services. If we fail to effectively manage our relationships with our subsidiaries, associates and joint ventures either now or in the future if we were to sell all or a majority of our stake, the subsidiary, associate or joint venture may unilaterally terminate its service supply to us, or change the terms of the services in an unfavorable manner resulting in a higher cost or lower quality service provided to us, and ultimately, our customers. For example, we currently have master service agreements with each of Bharti Infratel and Indus Towers for the provision of passive infrastructure services. These agreements are typically for a minimum period of five years and can be voluntarily terminated prior to expiration of its term for a pre-determined mutually agreed exit fee. If the master service agreement is terminated, all service orders / agreements made under it will also be pre-terminated. See "*Business—Network Partners and Joint Ventures—Network Partners—Passive Infrastructure Partners*" for further information. Once the Indus Merger has been completed, Bharti Infratel would cease being our Subsidiary, and instead, would become a joint venture. Furthermore, subsequent to the completion of the Indus Merger, we are planning to divest our entire investment in Indus Towers. In either situation, if we failed to effectively manage our relationship with either Bharti Infratel or (pre-merger) Indus Towers, and if we are unable to find a suitable alternative supplier for the services in a timely manner on commercially acceptable terms, or at all, then our costs, revenues, reputation and relationship with our customers may be negatively impacted, which may have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Our Company has not independently verified the information pertaining to Joint Ventures and Associate Companies.

Our Company has 15 Joint Ventures and Associate Companies. Such entities operate independently, and we are not involved in the day-to-day management of operations of our Joint Ventures and Associate Companies. The information pertaining to Joint Ventures and Associate Companies, which is included in this Offering Circular has not independently verified by our Company and is based on certificates, confirmations, and representations received from such entities or from certificates received from an independent chartered accountant.

Our performance metrics may not be comparable to the performance metrics of other mobile telecommunication companies.

The methodology for calculating key performance and operating metrics, such as adjusted gross revenue, revenue and the number of customers, is not standardized across the mobile telecommunications industry and thus varies substantially between industry players, particularly in Africa. Additionally, there is a lack of published statistical data on the performance of telecommunication companies in the countries where we operate. As a result, operating metrics reported by us may not be comparable to similar operating metrics disclosed by other companies, and consequently, an investor is limited in his or her ability to adequately compare companies when making an investment decisions. This may result in a negative impact on investment decisions in circumstances where operating metrics are calculated in a more favorable manner for competitor companies, which could have a material and adverse effect on our business, prospects, financial condition and cash flows.

Industry and market data used in this Offering Circular has been obtained or derived from publicly available information as well as various industry publications and sources. There can be no assurance that such data is either complete or accurate.

We have obtained and derived certain industry and market data used in this Offering Circular, from certain publicly available sources as well as various industry publications and sources. These sources and reports are subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the industry information, the industry information has not been prepared or independently verified by us, or the Managers or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Offering Circular.

Risks Relating to India

A significant part of our business is located in India and as a result, the political and economic conditions in India could adversely affect our business.

As at March 31, 2018 and 2019, 77.16% and 77.65%, respectively, of our property, plant and equipment and intangible assets were located in India and 78.15% and 73.38%, respectively, of our total revenue was derived from our operations in India. As at September 30, 2018 and 2019, 77.43% and 77.81%, respectively, of our property, plant and equipment and intangible assets were located in India and 71.31% and 72.63%, respectively, of our total revenue was derived from our operations in India. Consequently, our performance is significantly influenced by the political and economic situation and governmental policies in India.

A significant change in the GoI's economic liberalization and deregulation policies could adversely affect general business and economic conditions in India and our business.

Since 1991, the GoI has pursued policies of economic liberalization, including significant relaxations of restrictions on the private sector. Nevertheless, the GoI continues to exercise a dominant influence on telecommunications companies, including our Company, and on market conditions and prices of Indian securities.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators have remained significant over the years. The GoI has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange.

While the GoI has announced several economic reforms initiatives during its term in office, there is no guarantee that the GoI will be able to enact an optimal set of reforms or that any such reforms would continue or succeed if there were a change in the current majority leadership in the GoI in the future. There is also no guarantee that the GoI will announce an optimal set of reforms or policies in the future. The rate of economic liberalization is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in our securities are

continuously evolving as well. Other major reforms that have been implemented include the goods and services tax and the general anti-avoidance rules. Any significant change in the GoI's economic liberalization and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the trading price of the Bonds and the Shares.

A prolonged slowdown in economic growth in India or in other countries could cause our business to suffer.

The growth rate of India's GVA at basic prices according to the RBI, was 7.88 per cent, 6.9 per cent and 6.63 per cent. in the years ended March 31, 2017, 2018 and 2019, respectively. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the GoI borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact the Group's business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could influence the Indian economy and could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S., Russia and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the trading price of the Bonds and the Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. In particular, sub-prime mortgage loans in the United States have experienced increased rates of delinquency, foreclosure and loss. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. financial institutions.

Developments in the Eurozone have exacerbated the ongoing global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. On June 23, 2016, the United Kingdom held a referendum on its membership in the European Union

and voted to leave ("**Brexit**"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks.

These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business, financial condition and results of operations.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Bonds and the Shares.

Terrorist attacks, civil disturbances and regional conflicts in India and South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. From May to July 1999, there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear power states. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and

have other consequences that could have an adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Bonds and the Shares. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011, in Pathankot and Uri in 2016 and Pulwama in 2019. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

Natural calamities, climate change and health epidemics could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years, including the tsunami that struck the coasts of India and other Asian countries in December 2004, the severe flooding in Mumbai in July 2005 and the earthquake that struck India in April 2006. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries.

Since April 2009, there have been outbreaks of swine flu, caused by H1N1 virus, in certain regions of the world, including India and several other countries in which we operate. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Investors in the Bonds and the Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment. See "*Enforceability of Civil Liabilities*" for further details.

There may be less company information available in the Indian securities market than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, and that of markets and market participants in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed economies.

As a result, investors may have access to less information about the business, prospects, financial condition, cash flows and results of operations of our Company and our competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other more developed countries.

Any downgrading of India's credit rating by an international rating agency could have a negative impact on our business and the trading price of the Bonds and the Shares.

As of the date of this Offering Circular, India was rated Baa2 (Negative) by Moody's, BBB- (Stable) by Fitch and BBB- (Stable) by S&P. S&P stated that its rating reflects the view that India's improved political setting offers an environment which is conducive to reforms that could boost growth prospects and improve fiscal management. Going forward, the sovereign ratings outlook will remain dependent on whether the GoI is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. However, in the event of a major economic slowdown, S&P had indicated that India may have its debt downgraded.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the rating of the Bonds and the Shares and the terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business, cash flows and financial performance, and the trading price of the Bonds and the Shares.

The Insolvency and Bankruptcy Code in India may adversely affect our ability to pay back creditors.

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial service providers). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that facilitate a formal and time-bound insolvency resolution and liquidation process. The Bankruptcy Code enables a creditor to initiate a corporate insolvency resolution process ("**CIRP**") against the debtor, including on default in payment of debt by the debtor. Further, in the event the petition for the CIRP is admitted by the National Company Law Tribunal against the debtor, the moratorium provisions under the Bankruptcy Code prohibits, among other things, the creation of encumbrances, disposing of assets of the debtor, any action to enforce the security interest of the debtor and the institution or continuation of legal proceedings against the debtor. If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

The proposed new taxation system could adversely affect our business.

The operations, profitability and cash flows could be adversely affected by any unfavorable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax and/or by any unfavorable interpretation taken by the relevant taxation authorities and/or courts and tribunals.

Further, the Government of India has implemented two major reforms in Indian tax laws, namely the goods and services tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. The GST has increased administrative compliance for Indian companies, which is a consequence of increased registration and form filing requirements.

Currently, GST on telecom services is levied at the rate of 18%. If the GST rate were to increase, though we may be able to pass on the costs to our customers through higher pricing, there is no assurance that this will not have a negative effect on the public's demand for telecommunication services and potential lost revenue, which could have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

With regards to GAAR, the provisions have come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Income-tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the taxpayer. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including the ability to deny a tax benefit or deny a benefit under a tax treaty.

Significant differences exist between IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with IND-AS contained in this Offering Circular.

The Financial Statements for the years ended March 31, 2017, 2018 and 2019 and for the six months ended September 30, 2018 and 2019 presented in this Offering Circular are prepared and presented in accordance with IND-AS. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019, notifying the leasing standard IND-AS 116 "Leases", which replaces the prior standard (IND-AS 17). IND-AS 116 is applicable to companies in India from the fiscal year beginning on or after April 1, 2019. We have adopted IND-AS 116 from April 1, 2019, which has an impact on our reported consolidated assets, liabilities, income statement and cash flow statement. In implementing IND-AS 116, our Interim Condensed Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Accordingly, the Interim Condensed Financial Statements and the summary financial information in the tables below include, where applicable, a reconciliation of our results of operations for the six months ended September 30, 2019 (which were prepared in accordance with IND-AS 116) to our results of operations for the six months ended September 30, 2018 (for which IND-AS 116 was not applicable) in order to facilitate a comparison of our results of operations for the periods presented. We refer (i) to our results of operations as at and for the six months ended September 30, 2019, as adjusted to exclude the impact of IND-AS 116, as the "Frozen GAAP Interim Financial Information" or as information "presented on a Frozen GAAP basis" and have included such financial information in certain financial tables

in this Offering Circular under the columns titled "Frozen GAAP" and (ii) to our results of operations as at and for the six months ended September 30, 2019, as calculated in accordance with IND-AS 116, as the "IND-AS Interim Financial Information" and have included such financial information in certain financial tables in this Offering Circular under the columns titled "IND-AS". See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Our Company's Financial Statements—Changes to Accounting Standards—IND-AS 116*."

IND-AS differ from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between IND-AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with IND-AS contained in this Offering Circular. Accordingly, the degree to which the financial information included in this Offering Circular will provide meaningful information is dependent on the Investor's familiarity with IND-AS and the Companies Act. Any reliance by persons not familiar with IND-AS on the financial disclosures presented in this Offering Circular should accordingly be limited.

Additional Risk Factors Specific to the Airtel Africa Group

The Airtel Africa Group is reliant on local management to provide accurate and timely reporting.

The business model of the Airtel Africa Group emphasizes local decision-making and responsibility through a decentralized organizational structure, in which local managing directors retain substantial autonomy regarding the management and oversight of operations in its local markets. As a result of such decentralization, the Airtel Africa Group relies on local management for financial and other reporting purposes. A failure of local management to report, a delay in reporting, or inaccurate reporting could lead the Airtel Africa Group to omit to take decisions, or to take decisions on an uninformed basis or to report inaccurate data.

Mobile money services in Africa are subject to a new and evolving regulatory environment.

In markets in which the Airtel Africa Group has launched or intends to launch Airtel Money services, the regulations governing mobile money services are new and evolving and, as it develops, regulations could become more onerous, either by imposing additional licensing, reporting, pricing or control requirements or by limiting the flexibility of the Airtel Africa Group to design or implement new products, either of which may limit its ability to provide mobile money services efficiently or at all. Any need to obtain licenses, certifications or other regulatory approvals could impose substantial costs and involve considerable delay to the provision or development of Airtel Money services in a given market, or could require significant and costly operational changes or prevent the Airtel Africa Group from providing any services in a given market, which could materially adversely affect its business, results of operations, financial condition and prospects.

Certain of the operating subsidiaries of Airtel Africa Plc are loss-making.

The operating subsidiaries of Airtel Africa Plc in Democratic Republic of Congo, Chad, Congo Brazzaville, Niger and Gabon are regulated by the Organization for the Harmonization of Business Law in Africa ("**OHADA**"), a system of corporate law and implementing institutions adopted by 17 countries in west and central Africa. OHADA promulgated the Uniform Act on Commercial Companies and Economic Interest Groups in April 1997 and adopted a revised version thereof in January 2014 (together, the "**Uniform Act**"), which regulates the behavior of commercial companies with a registered office in any country that is party to the OHADA Treaty on the Harmonization of Business Law in Africa. Among other provisions, the Uniform Act requires companies to maintain shareholders' equity levels corresponding to at least half of the registered share capital in order to limit the risk of bankruptcy. Where an entity is non-compliant with this requirement and fails to rectify any non-compliance within two years, any interested party can petition the relevant court to seek the winding up of the entity.

The primary operating subsidiaries of Airtel Africa Plc in each of these countries except Airtel Money Congo RDC S.A. in DRC, are not in compliance with this requirement. Although each of these entities has a shareholder loan in place, in each case except Airtel Gabon S.A. and Airtel Niger GSM which is in excess of the respective operating subsidiaries' negative reserves and which is convertible into equity, and although the Airtel Africa Group has developed a strategy to effect the recapitalization of each non-compliant entity, there can be no assurance that the subsidiaries' respective third-party creditors will not initiate winding up procedures, or that the shareholder loans can be converted into equity within the six-month curative period provided by the Uniform Act. In such event, the entity shall be given six months to proceed with the recapitalization.

The Airtel Africa Group operates a large distribution and channel partner network and is exposed to various risks relating to its franchisees and other third-party distributors.

The Airtel Africa Group sells the majority of its services through physical locations across its footprint. The distribution network comprises of over 24,379 exclusive Airtel stores comprising of Airtel shops, Money branches, mini-shops and kiosks, approximately 143,571 SIM card selling outlets, 26,781 freelancers and brand ambassadors, 296,629 Airtel Money agents and over 1.25 million outlets selling airtime. Thus, we significantly rely on third parties, such as distributors, SSOs and RSOs. If these third parties terminate their partnership with the Airtel Africa Group, this could negatively impact distribution potential and consequently, revenues of the Airtel Africa Group. Furthermore, if franchisees or third parties fail to perform according to the operational standards of the Airtel Africa Group, the Airtel Africa Group could be exposed to the risk of fraud and money laundering, imposition of fines or other penalties, which could result in potential reputational damage. The potential loss in revenues, fines, penalties and reputational damage could have a material and adverse effect on our business, prospect, financial condition, results of operation and prospects.

Certain of the operating subsidiaries of Airtel Africa Plc are, or may in the future be, subject to local listing or ownership requirements, which may be difficult or costly to comply with in a timely manner, or at all, and which could make it harder for the Airtel Africa Group to achieve its strategic objectives or which could otherwise have an adverse effect on the Airtel Africa Group.

In certain jurisdictions, the Airtel Africa Group may choose or be required due to legal requirements to undertake a listing of all or some of the shares of the operating subsidiaries of Airtel Africa Plc on a local stock exchange or be required to comply with local ownership requirements. Airtel Malawi Limited ("**Airtel Malawi**"), the primary operating subsidiary of Airtel Africa Plc in Malawi, must comply with a similar requirement of at least 20% Malawian citizenship ownership (the "**Malawian Citizenship Ownership Requirement**") under the Communications Act of 2016 and the Communications (Telecommunications and Broadcasting Licensing) Regulations of 2016, which required compliance with the Malawian Citizenship Ownership Requirement by November 25, 2018. Airtel Africa Plc is taking all actions to list 20% of its ordinary shares on the Malawi Stock Exchange (MSE). On December 16, 2019, the MSE granted its approval for the prospectus and listing of 20% of Airtel Malawi PLC ordinary shares on the MSE subject to the MSE listing requirements and the approval of the Registrar of Financial Institutions. On December 20, 2019 the Registrar of Financial Institutions gave its go ahead to the listing. The IPO opened on December 27, 2019 and is expected to close on January 31, 2020. The shares of Airtel Malawi PLC will be officially listed on February 24, 2020.

If the Airtel Africa Group fails to comply in a timely manner with any of these requirements or in other jurisdictions into which a similar requirement is introduced, it could be subject to fines, penalties (including criminal penalties), litigation and other enforcement actions, including, in extreme cases, withdrawal of the applicable network facilities license, which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Airtel Africa Group.

The Airtel Africa Group is dependent on interconnection with its competitors' networks and associated infrastructure as well as roaming arrangements with other international telecommunications operators.

Interconnection agreements allow the Airtel Africa Group to connect local, long distance and international calls that originate on its networks but terminate on other operators' networks, or vice versa. In the future, the Airtel Africa Group may not be able to maintain or renew its interconnection agreements on a timely basis or on terms that are commercially acceptable to it and any material increase in the interconnection expenses could have a material adverse effect on the Airtel Africa Group financial condition and the results of operations.

The Airtel Africa Group is also dependent, to a lesser extent, upon roaming agreements with other international telecommunications operators as a source of revenue when other telecommunications operators' customers roam on the networks of the Airtel Africa Group and when the customers of the Airtel Africa Group roam on other international telecommunications operators' networks. If these roaming agreements were to terminate, or if the other international telecommunications operators were to deploy technologies that are incompatible with the networks of Airtel Africa Plc, the roaming revenues and profits of the Airtel Africa Group may be materially reduced.

The operations of the Airtel Africa Group are partly dependent upon the economic cycles of the markets in which the Airtel Africa Group operates.

The Airtel Africa Group operates in countries with economies in various stages of development and structural reform, some of which are subject to rapid fluctuations in consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. Such fluctuations may impact the ability of customers to pay for the products and services of the Airtel Africa Group or the amount of disposable income otherwise available to consumers in the markets in which it operates, which could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

It may be difficult for the Airtel Africa Group to obtain all licenses, permits, frequency allocations or other authorizations required to operate its existing network or to expand its operations or any other required licenses, permits or other authorizations, and once obtained they may be subject to finite terms, ongoing review or periodic renewal, any of which may result in modification, suspension or early termination.

The operation of telecom networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and regulatory authorities in the countries where the Airtel Africa Group operates. The operating licenses or authorizations of the Airtel Africa Group specify the services it is permitted to offer. The operating licenses are subject to review, interpretation, modification or termination by the relevant authorities and the regulatory framework applicable to such licenses may be amended from time to time. There can be no assurance that the relevant authorities will not take any action that could materially adversely affect the operations of the Airtel Africa Group. In addition, the Airtel Africa Group may have difficulty obtaining the necessary licenses, permits, frequency allocations or authorizations to the extent it seeks to expand its existing operations, including by entering into new markets. There can be no assurance that the Airtel Africa Group will be successful in obtaining or funding these licenses or allocations, or, if such licenses or allocations are awarded, that they can be obtained on terms acceptable to the Airtel Africa Group.

While Airtel Africa Plc does not expect that it or any of its subsidiaries will be required to cease operations at the end of the term of their business arrangements or licenses, and while many of these licenses provide for terms on which they may be renewed, there can be no assurance that these business arrangements or licenses will in all cases be renewed on equivalent or satisfactory terms, or at all. A suspension or termination of the licenses or other necessary governmental authorizations of the Airtel Africa Group could have a material

adverse effect on the reputation, business, results of operations, financial condition and prospects of the Airtel Africa Group.

Several countries and regions in which the Airtel Africa Group operates have experienced economic, regulatory, political and civil instability that could adversely affect the economy in the markets of the Airtel Africa Group and, therefore, the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Many of the countries in which the Airtel Africa Group operates can be affected by economic downturns attributable to factors such as commodity price fluctuations, reduced financial aid, capital inflows and remittances, which can have an adverse effect on consumer spending which in turn could have a material adverse effect on the business of the Airtel Africa Group.

Further, governmental instability in one or more countries in which the Airtel Africa Group operates could in turn negatively impact the country's economy which could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group. The Airtel Africa Group may also be exposed to a lack of certainty with respect to the legal systems in a number of countries in which it operates, and, such legal systems may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law. The occurrence of such risks could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

Actions by governments, political events or instability or changes in public policy in the countries in which the Airtel Africa Group operates could have an adverse effect on the business of the Airtel Africa Group.

Governments in some of the countries in which the Airtel Africa Group operates may at times be influenced by political or commercial considerations outside of the control of the Airtel Africa Group. For example, in December 2017, the Tanzanian government, then a 40% shareholder in Airtel Tanzania plc, the primary Tanzanian operating subsidiary of Airtel Africa Plc ("**Airtel Tanzania**"), alleged that the initial privatization of Tanzania Telecommunications Company Limited, resulting in the creation of Celtel Tanzania B.V. (now Airtel Tanzania) in 2001 and certain divestments in 2005 were completed in violation of applicable law, and that the Tanzanian government was, therefore, entitled to sole ownership of Airtel Tanzania. Further, in March 2018, the Government of Tanzania raised tax claims of approximately US$874 million against Bharti Airtel International (Netherlands) B.V. ("**BAIN**"), primarily relating to capital gains on transfers of ownership of Airtel Tanzania in 2005 and in 2010 and has assessed various taxes against Airtel Tanzania totaling approximately U.S.$47 million. In April 2018, the Government of Tanzania also issued a compliance decision alleging Airtel Tanzania failed to obtain the requisite approvals from the Tanzania Communications Regulatory Authority ("**TCRA**") in connection with transfers of ownership that took place in 2005 and 2010 and levied a fine of approximately U.S.$183 million.

The Airtel Africa Group disputed the merits of each of these claims in its entirety. In January 2019, the Government of Tanzania and the Group agreed,subject to detailed agreements in June 2019) comprising an agreement to restructure Airtel Tanzania and settle disputes, a support services agreement and a subscription and shareholders agreement in respect of Airtel Tanzania plc (collectively the "Settlement Agreements"), pursuant to which, inter alia, (i) Airtel Tanzania will be granted a one-time tax clearance certificate for all historical tax claims for the period up to 31 December 2018, such that (a) Airtel Tanzania will not become subject to any new tax assessments, claims or demands by the Government of Tanzania or any entity thereof for such period of the clearance and (b) subject to verification and consideration of the records by the TRA, the tax loss balance recorded in Airtel Tanzania's corporate tax return for the financial year ended 31 December 2017 will be allowed to be carried forward; (ii) the aforesaid tax claims and the TCRA fines will be treated as settled without any liability, it being agreed that such settlement shall not be construed as an

admission of fact or law or as a concession or admission of wrongdoing, obligation or liability by any party to the Settlement Agreements, and Airtel Tanzania will not be subject to any tax arising in connection with the transactions contemplated by the Settlement Agreements; (iii) Airtel Tanzania will make a monthly payment of TZS1 billion for a period of 60 months (such payments having commenced from April 2019) for the provision of support services by the Government of Tanzania to Airtel Tanzania on a "best efforts" basis in order to support Airtel Tanzania's development; (iv) the Government of Tanzania and Airtel Tanzania will co-operate in the completion of the sale of towers owned by Airtel Tanzania, and the proceeds towards will be distributed in a pre-defined manner towards repayment of shareholder loans to be retained in Airtel Tanzania, with the balance to be distributed as a special one-time payment to the Government of Tanzania. On receipt of its share of the towers sale proceeds, BATBV will waive the balance of shareholder loans; (v) a waiver of Airtel Tanzania's listing obligations will be granted and, in case of listing, an agreement that BATBV's shares in Airtel Tanzania will not be subject to listing; and (vi) the Government of Tanzania's shareholding in Airtel Tanzania will increase by way of a new share issuance, to 49% at zero effective cost, while BATBV will own 51%. On June 7, 2019, Airtel Africa Plc and the Government of Tanzania signed a comprehensive agreement on terms similar to the ones initially agreed to in January 2019.

Any similar actions in other markets in which the Airtel Africa Group operates could negatively impact the Airtel Africa Group.

Price regulations in certain of the operating countries of the Airtel Africa Group influence, and will continue in the future to influence, the margins of the Airtel Africa Group and impact return on investment.

The Airtel Africa Group is subject to price regulation with respect to retail price controls in certain countries in which it operates. In these countries, the relevant government or regulator restricts the price at which certain of the voice and data services of the Airtel Africa Group can be sold. If a government or regulator elects to introduce new or more restrictive pricing regulations in the markets in which the Airtel Africa Group operates, the business, results of operations and financial condition of the Airtel Africa Group could be materially adversely affected.

The imposition of exchange controls and limits on convertibility of funds in the countries in which the Airtel Africa Group operates may restrict the ability of the Airtel Africa Group to transfer and receive funds from within the Airtel Africa Group.

The introduction of new foreign exchange controls, new interpretations of existing foreign exchange controls or future shortages of foreign currency would subject local currency held by the operating subsidiaries of Airtel Africa Plc to variations in the exchange rate between the local currency and the relevant foreign currency and could also cause delays and impact on fungibility of cash. Further, if the Airtel Africa Group fails to adequately protect against currency exchange risk, the costs of servicing its foreign currency debt obligations and import payables may increase, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business could have an adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business can result in increased costs for the Airtel Africa Group as well as create situations that could negatively impact the ability of the Airtel Africa Group to conduct and grow its business, which could have an adverse effect on the business, results of operations and financial condition of the Airtel Africa Group. A lack of access to, or inadequate opportunities to expand the network capacity of the Airtel Africa Group in line with subscriber

growth and increased usage per subscriber, could also negatively impact its ability to offer new services to customers or impede its ability to expand its operations into new markets.

The Airtel Africa Group faces risks relating to its property and towers portfolio, including failure by the Airtel Africa Group to renew leases, which could lead to decreased revenue, reduce its network capacity and markets or raise its costs.

The Airtel Africa Group has to obtain the rights to construct and operate its towers and base stations (including broadband stations), distribution outlets and other premises on land owned by third parties and governmental agencies. The Airtel Africa Group is, as a result, subject to the possibility of more burdensome terms and increased costs to maintain necessary land use if its leases and rights-of-way lapse or terminate or it is determined that the Airtel Africa Group does not have valid leases or rights-of-way. The loss by the Airtel Africa Group of these rights, through its inability to renew contracts or otherwise, could have a material adverse effect on its business, results of operations and financial condition and prospects.

The tax laws of the countries in which the Airtel Africa Group operates or changes thereto or to the tax profile of the Airtel Africa Group could result in a higher tax expense or a higher effective tax rate on the earnings of the Airtel Africa Group.

A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of the deferred tax assets of the Airtel Africa Group, which are beyond the control of the Airtel Africa Group, could result in a materially higher tax expense or a higher effective tax rate on the earnings of the Airtel Africa Group. Additionally, any expansion into new jurisdictions could adversely affect the tax profile of the Airtel Africa Group and significantly increase its future cash tax payments.

The operations of the Airtel Africa Group in Nigeria represent a large percentage of the operations of the Airtel Africa Group, and changes in demand for the services of the Airtel Africa Group in Nigeria or other factors could have a negative effect on the business of the Airtel Africa Group.

The operations of the Airtel Africa Group in Nigeria contribute a significant portion of the revenues of the Airtel Africa Group and profit from operating activities, and are likely to continue to account for a large portion of the business of the Airtel Africa Group in the future. There can be no assurance that the Airtel Africa Group can sustain these current levels or that demand in Nigeria for the services of the Airtel Africa Group will increase. In the event that there are adverse political, regulatory, competitive or other developments in Nigeria, revenues from these markets could decline and the business of the Airtel Africa Group may be adversely affected.

The Airtel Africa Group is subject to inflation risks, which might adversely affect its business, results of operations, financial condition and prospects.

The Airtel Africa Group operates in several countries, some of which have at times experienced relatively high and volatile rates of inflation. The volatility of the local currencies in those jurisdictions is a significant factor in reporting the costs of the Airtel Africa Group on a USD basis. High rates of inflation in some of the countries in which the Airtel Africa Group operates may also cause consumer purchasing power to decrease, which may reduce consumer demand for the services of the Airtel Africa Group, particularly in those markets with lower levels of disposable income. It is possible that significantly higher inflation in the future could have a material adverse effect on the business, results of operations, financial condition and prospects the Airtel Africa Group.

Two of our subsidiaries in Africa have not complied with applicable statutory requirements relating to the filing of financial statements.

The financial statements of our two subsidiaries, Bharti Airtel Africa B.V. and Bharti Airtel International (Netherlands) B.V., for the fiscal years 2018 and 2019, are still under audit. Audited financial statements of

these subsidiaries are required to be filed within seven months from the closing of the financial year, in the respective jurisdiction. While discussions with the auditors are approaching completion and the relevant registrar of companies has not issued any warning letters, nor has any fine been imposed, there can be no assurance that our subsidiaries, Bharti Airtel Africa B.V. and Bharti Airtel International (Netherlands) B.V. will not incur any fines or legal prosecution on account of these non-compliances.

External Risk Factors

Our operations are conducted across geographies and our results of operations are subject to fluctuation in exchange rates of currencies.

We maintain our accounts and report our financial results in Indian Rupees. However, a number of our Subsidiaries, Associates and Joint Ventures operate in countries outside India, including in Sri Lanka and various countries in Africa where a substantial portion of their revenues are denominated in their respective local currencies. Our revenues from Mobile Services Africa and South Asia segment were Rs. 195,118 million and Rs. 219,464 million (U.S.$3,105 million) for fiscal 2018 and fiscal 2019, respectively, which constituted 23.61% and 27.17% of our consolidated revenue from operations, respectively, for the corresponding periods. Additionally, we make significant purchases of services and equipment in foreign currencies. Further, we have outstanding debt capital market instruments in multiple currencies – USD, Euros, CHF, INR and other borrowings in currencies such as INR, XAF, XOF, LKR, JPY, RWF, UGX, NGN, ZMK and KES, as on September 30, 2019. As such, we are exposed to risks relating to exchange rate fluctuations, particularly in USD and Euros. We use various foreign exchange forwards and derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates. The availability of any such derivative/hedging instruments are subject to regulations, market conditions in the geographies of our presence and thus may not be available at all points of time or in an efficacious manner. Further, such derivative instruments may not fully mitigate the risk of fluctuations and we may continue to not fully cover our foreign exchange and interest rate exposure. Unfavorable movements in currency exchange and interest rates may materially adversely impact our business, results of operations, cash flows and financial condition.

Airtel Africa Plc prepares its financial statements in USD but derives revenue and incurs costs in the local currencies used in the different countries in which they have operations. Further, extracting cash from certain countries in which the Airtel Africa Group operates can be challenging due to exchange controls, liquidity deficits and cash shortages in respect of international payments from time to time. Accordingly, movements in exchange rates between these currencies and the USD could have a negative effect on the results of operations and financial condition of the Airtel Africa Group to the extent there is a mismatch between its earnings in any foreign currency and its costs that are denominated in that currency.

Where possible, the Airtel Africa Group manages foreign currency risk by matching same currency revenue to same currency expenses, and by strategically denominating debt in certain functional currencies in order to match with projected functional currency revenues. Nonetheless, the Airtel Africa Group has a material amount of borrowings, operating and capital expenses in currencies other than those in which it derives revenue. Where appropriate, the Airtel Africa Group continues to enter into certain hedging and/or derivative instruments to mitigate foreign exchange risk. However, there is no guarantee that the Airtel Africa Group will be successful with this strategy as the hedging and/or derivative instruments may not be fully efficient due to the associated costs, illiquid markets and regulatory restrictions.

Our infrastructure, including our network equipment and systems may be vulnerable to natural disasters, security risks and other events that may disrupt our services and could affect our business, financial condition, cash flows and results of operations and other unforeseen damage for which our insurance may not provide full coverage.

Our business depends on providing subscribers with service reliability, network capacity, security and account management. This, however, may be subject to disruptions resulting from numerous factors, including fire, flood or other natural disasters, signal jamming, power outages, acts of terrorism and vandalism, equipment or system failures and breaches of network or information technology security. Also, our network operations have been interrupted as a result of natural calamities such as the floods in Kerala in August 2018, Maharashtra and Karnataka in August 2019, floods and landslides in the North Indian state of Uttarakhand that occurred in June 2013, and the super cyclonic storms in the eastern and southern states of India that occurred in December 2016. Similarly, the recent lock down of communications services in Kashmir, where the entire network was switched off due to security reasons as per the orders of the Government of India, led to reduction in the recharges and use of the services, which impacted our revenues during the lock down period. The Airtel Africa Group is also dependent on the uninterrupted operation of its telecommunications networks to provide its services. The network of the Airtel Africa Group, including its information systems, information technology and infrastructure, and the networks of other operators with which its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including power loss, equipment and technical failure, signal jamming, power outages, acts of terrorism and vandalism, breaches of network or information technology security network software flaws, aging infrastructure, human error, willful acts of destruction, transmission cable disruption or other similar events. Any interruption in the operations of our Company or the Airtel Africa Group or the provision of any service could damage its ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on our brand, business, results of operations, financial condition and prospects. The operations of the Airtel Africa Group could be adversely affected by natural disasters or other catastrophic events beyond its control. The occurrence of any of these events may cause disruptions to the operations of the Airtel Africa Group in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Airtel Africa Group to liability or impact its brands and reputation and may otherwise hinder the normal operation of the business of the Airtel Africa Group, which could materially adversely affect its business, results of operations, financial condition and prospects.

While the percentage of assets covered under insurance vis-a vis the total assets (calculated as the sum of gross block value of total property, plant and equipment (excluding land, vehicles and intangible assets) and capital work in-progress on consolidated basis) of our Company, as of March 31, 2019, was approximately 96%, we may not have insurance against all the contingencies, or our insurance may not be adequate to cover all losses from these events. If any of these events were to occur, it could cause limited or severe service disruption, which could result in subscriber dissatisfaction, regulatory penalties and reduced revenues. In addition, we rely on manufacturers of telecommunications equipment for continued maintenance service and supply, and their continued cooperation is important for us to maintain our operations without disruption. Any interruption in services could harm our business and reputation and reduce the confidence of our subscribers and consequently impair our ability to obtain and retain subscribers and could lead to a violation of the terms of our various licenses, each of which could materially or adversely affect our business, financial condition, cash flows and results of operations.

The operations of the Airtel Africa Group subject it to various risks that are either not fully insured against or not insured against at all. Any future damage caused by its products or services that is not covered by insurance, is in excess of policy limits, or is not limited by contractual limitations of liability, could adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Economic uncertainties in the emerging and developing markets in which we operate could adversely affect our business, results of operations, cash flows and financial condition.

We have presence and operations across 18 countries. Our strategy is to focus on growth opportunities in emerging and developing markets. These markets are characterized by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall within countries, which are more prone to economic uncertainties, such as capital controls, varying inflation, volatile interest rates and currency fluctuations. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

We follow a prudent risk management policy, including hedging mechanisms to protect the cash flows, however, economic conditions may determine availability of efficacious hedging products/mechanism and depth of markets to provide adequate risk management solutions. We have spread our debt profile across local and overseas sources of funds however, availability of capital in various currencies may be limited and is affected by market conditions and single obligor limits of lenders in those geographies among other things. Further, we have adopted a pricing strategy for effective management of our business operations, however, economic uncertainties may materially adversely impact our business, results of operations and financial conditions.

Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business. These acts may result in a loss of business confidence and have other consequences that could have an adverse effect on our business. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

Risks Relating to the Bonds and the Shares

Bondholders may face uncertainties in their ability to convert Bonds into Shares and any such conversion may be subject to delay.

India's restrictions on foreign ownership of Indian companies limit the number of shares that may be owned by foreign investors and, in certain scenarios, require the Government's approval for foreign ownership, see "*Risk relating to Our Business — Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Shares*". Investors who convert Bonds into Shares will be subject to Indian regulatory restrictions on foreign ownership upon such conversion. It is possible that this conversion process may be subject to delays.

Bondholders will have no rights as Shareholders until they acquire the Shares upon conversion of the Bonds.

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Bondholders who acquire Shares upon the exercise of a Conversion Right will be entitled to exercise the rights of holders of Shares only as to actions for which the applicable record date occurs after the date of conversion of the Bonds to Shares.

There are limitations on the ability of Bondholders to exercise conversion rights.

The Bonds are convertible into Shares at the option of the Bondholders pursuant to the terms of the Bonds. Bondholders will be able to exercise their conversion right only within the Conversion Period (as defined in the "Terms and Conditions of the Bonds") specified in the Bonds and will not be able to exercise their conversion right during the Closed Periods (as defined in the "Terms and Conditions of the Bonds"). In addition, conversion rights may not be exercised during certain other limited periods. See "Terms and Conditions of the Bonds". As such, a Bondholder's ability to exercise Conversion Rights will be restricted during these periods.

It may take up to 10 trading days after the relevant Conversion Date before the Shares arising from the conversion of the Bonds are listed on the BSE and the NSE and credited to your securities account.

The Issuer has undertaken to cause, as soon as practicable, and in any event not later than 10 trading days after the relevant Conversion Date, the relevant securities account of the Bondholder exercising his Conversion Right, or of his nominee, to be credited with the Shares arising from the conversion of the Bonds. The Issuer has also undertaken in the Trust Deed to obtain and maintain a listing for all the Shares issued on the exercise of Conversion Rights on the NSE and the BSE. Shares issued upon conversion of the Bonds will have to be listed on the NSE and the BSE before they are tradable on such stock exchanges, which listing is expected to occur within 10 trading days after the relevant Conversion Date. However, there is no assurance that the approval of the BSE and the NSE will be obtained within such a time frame. If there is any delay in obtaining the approval of the NSE and the BSE to list such Shares, such Shares shall not be tradable on the BSE and the NSE until the listing occurs.

Furthermore, between the date on which a Bondholder advises the Paying Agent and Conversion Agent of the intention to convert the Bonds into Shares and the date of allotment of the Shares to the Bondholder (being a date after the NSE and/or the BSE have granted their final approval for the Shares to be listed and traded), the price of the Shares may fluctuate and this may have an adverse effect on the price that the Bondholder anticipates to receive for the transfer of Shares.

Rights to receive payment on the Bonds are subordinated to our secured indebtedness and structurally subordinated to the indebtedness and liabilities of our subsidiaries.

The Bonds will be effectively subordinated to any of our secured obligations with respect to the assets that secure such obligations. In the event of bankruptcy, liquidation, reorganisation or other winding-up, our assets that secure our secured indebtedness will be available to pay obligations on the Bonds only after all secured indebtedness, together with accrued interest, has been repaid. If we are unable to repay our secured indebtedness, the lenders could foreclose on substantially all of our assets that serve as collateral. Under such circumstances, our secured lenders would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including Bondholders. Bondholders will participate in the proceeds of the liquidation of our remaining assets ratably with holders of our unsecured indebtedness that is deemed to be of the same class as the Bonds, and potentially with all of our other general creditors.

In addition, the terms of the Bonds do not prevent us or our subsidiaries from incurring additional debt and our subsidiaries are generally permitted to secure their indebtedness. The Bonds will be structurally subordinated to the existing and future indebtedness and other liabilities and obligations of our subsidiaries. Claims of creditors of such entities will have priority over the assets of such entities over us and our creditors, including Bondholders.

Bondholders have limited anti-dilution protection.

The Conversion Price (as defined in the Terms and Conditions of the Bonds) of the Bonds will be adjusted in certain limited events as outlined in the Terms and Conditions of the Bonds (see "Terms and Conditions of the Bonds—Conversion—Adjustments to the Conversion Price" and "Terms and Conditions of the Bonds—Conversion—Adjustments to the Conversion Price upon a Change of Control"). There is no requirement that an adjustment will be made for every corporate or other event undertaken that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the market price of the Shares and, therefore, adversely affect the market price of the Bonds.

RBI approval is required for repayment of the Bonds in certain circumstances, including upon redemption or an Event of Default.

Under the guidelines on policies and procedures for external commercial borrowings issued by the RBI, any prepayment of an external commercial borrowing prior to the minimum average maturity period of three years from the date of issuance of such borrowing, as prescribed under applicable Indian laws, requires the prior approval of the RBI. Therefore, any repayment of the Bonds within three years after the Issue Date as a result of early redemption pursuant to Condition 8 (including any exercise by Bondholders of their right of redemption under Condition 8.4, Condition 8.5 or Condition 8.7) or acceleration of the Bonds pursuant to Condition 10 would require the prior approval of the RBI. There can be no assurance that such approval would be obtained in a timely manner or at all.

Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring all or part of the business of one or more Indian companies of the Issuer.

The Indian Takeover Code contains certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control of the Issuer's business, even if a change in control would result in the purchase of the Bonds or the Shares at a premium to the market price or would otherwise be beneficial to the investor.

The Bonds will be treated as issued with "original issue discount"

The Bonds will be treated as issued with "original issue discount" for U.S. Federal income tax purposes. U.S. investors in the Bonds will be subject to tax on original issue discount (as ordinary income) as it accrues, in advance of the cash attributable to that income (and in addition to stated interest). For a discussion of the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Bonds, see "*Taxation — Certain U.S. Federal Income Tax Considerations*."

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.

If we or any of our subsidiaries are unable to comply with the restrictions and covenants or our current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of such debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under our or our subsidiary's other debt agreements. If any of these events occur, there is no assurance that we will have sufficient assets and cash flow to repay in full all of our indebtedness, or that these would be able to find alternative financing. Even if we could obtain alternative financing, we cannot guarantee that this would be on terms that are favourable or acceptable to us.

The Issuer may not have the ability to redeem the Bonds.

We may be required by the Bondholders, subject to certain conditions, to redeem some or all of their Bonds upon a transaction or event constituting a Change of Control Event or Relevant Event as described under "Terms and Conditions of the Bonds—Redemption, purchase and cancellation—Change of Control put right" and "Terms and Conditions of the Bonds—Redemption, purchase and cancellation—Relevant Event Put Right", respectively. We may not be able to redeem such Bonds if the requisite regulatory approval is not received. In addition, we may not have sufficient funds or other financial resources to make the required redemption at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer's ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Our failure to repay, repurchase or redeem tendered Bonds would constitute an event of default under the Bonds, which may also constitute a default under the terms of our other indebtedness.

The Bonds may be redeemed at the option of the Issuer, which may adversely affect the trading price and liquidity of the Bonds and may subject Bondholders to reinvestment risks.

Subject to certain conditions, the Bonds may be redeemed at the Issuer's option; see "Terms and Conditions of the Bonds—Redemption, purchase and cancellation—Redemption at the option of the Issuer". As a result, the trading price of the Bonds may be affected when this option of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Bonds. In addition, the proceeds from the redemption of the Bonds may be reinvested by the Bondholders and the Bondholders may thereby be subject to additional risks associated with such reinvestment.

An active market for the Bonds may not develop, which may cause the price of the Bonds to fall.

The Bonds are a new issue of securities for which there is currently no trading market. Although we have applied to the Singapore Exchange to list the Bonds, no assurance can be given that the listing will be approved, or if the listing will continue in the future. The Bonds may be traded on the Singapore Exchange in a minimum board lot size of U.S.$200,000 only. This large minimum board lot size may adversely affect the liquidity and price of the Bonds on the Singapore Exchange. No assurance can be given that an active trading market for the Bonds will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Bonds to sell their Bonds or the price at which holders of the Bonds will be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall. If an active trading market were to develop, the Bonds could trade at prices that may be lower than the initial offering price of the Bonds. The Managers have no obligation to make a market in the Bonds. In addition, the market for debt securities in emerging markets has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Bonds. There can be no assurance that a market for the Bonds, if any, will not be subject to similar disruptions, which may have an adverse effect on the market price of the Bonds.

Future issues or sales of the Shares may significantly affect the trading price of the Bonds or the Shares.

The future issue of Shares by us or the disposal of Shares by any of our major shareholders, or the perception that such issues or sales may occur, may significantly affect the trading price of the Bonds or the Shares. If, for example, we consummate one or more significant acquisitions through the issuance of the Shares, holders of Shares could suffer significant dilution of their ownership interests. There is no restriction on our ability to issue Shares or our shareholders ability to dispose of their Shares, and there can be no assurance that we will not issue Shares or that any shareholder will not dispose of, encumber or pledge its Shares in the future.

Bondholders will bear the risk of fluctuation in the price of the Shares.

The market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares and it is impossible to predict whether the price of the Shares will rise or fall. Trading prices of the Shares will be influenced by, among other things, our financial position, the results of operations and political, economic, financial and other factors. Any decline in the price of the Shares may have an adverse effect on the market price of the Bonds.

In addition, the market value of the Bonds or the Shares may fluctuate due to the volatility of the Indian securities market, which may be more volatile than the securities markets in other countries. Stock exchanges in India have, in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges in India have experienced problems which, if they were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Bonds and the Shares. These problems have included broker defaults and settlement delays. Further, the potential dilution as a result of conversion of the Bonds into Shares is significant and may put pressure on the share price if a large number of Bondholders decide to convert and sell the Shares in the open market. In addition, the governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

Short selling of the Shares by Bondholders could materially and adversely affect the market price of the Shares.

The issuance of the Bonds may result in downward pressure on the market price of the Shares. Investors in convertible securities may seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions. Any short selling and similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares owned by an investor as well as on the trading price of the Bonds.

Bondholders are bound by decisions of defined majorities in respect of any modification, waivers and substitution.

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The ratings assigned to the Bonds may be lowered or withdrawn in the future.

The Bonds are expected to be assigned a rating of "BBB-/Rating Watch Negative (RWN)" by Fitch. The ratings represent the opinions of the rating agency and its assessment of the ability of our Company to perform our obligations under the Bonds and credit risks in determining the likelihood that payments will be made when due under the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. In addition, credit rating agencies may change their methodology for assigning ratings at any time. None of the Company, the Trustee or the Agents has any obligation to inform holders of the Bonds of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Bonds may adversely affect the market price of the Bonds and our Company's ability to access the debt capital markets.

Modifications and waivers may be made in respect of the Terms and Conditions and the Trust Deed by the Trustee without the consent of the holders of the Bonds.

The Terms and Conditions of the Bonds provide that the Trustee may, without the consent of Bondholders, agree to any modification (other than those described in paragraphs (i) to (v) of Condition 14.1 of the Bonds) of the Trust Deed, the Bonds and/or the Agency Agreement, which in the opinion of the Trustee is not materially prejudicial to the interests of Bondholders and to any modification of the Trust Deed, the Bonds, the Conditions and/or the Agency Agreement, which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provisions of law. In addition, the Trustee may, without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, the Trust Deed, and/or the Agency Agreement if, in the opinion of the Trustee, such waiver or authorisation is not materially prejudicial to the interests of the Bondholders.

The Trustee may request that the Bondholders provide an indemnity and/or security and/or prefunding to its satisfaction.

Pursuant to the Terms and Conditions of the Bonds, the Trustee may, in certain circumstances, request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any action on behalf of Bondholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken.

Securities law restrictions on the resale and conversion of the Bonds and the resale of the Shares issuable upon their conversion may impact Bondholders' ability to sell the Bonds.

The Bonds and the Shares into which the Bonds are convertible have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold only to QIBs in reliance on the exemption from registration provided by Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act and to certain "non-U.S. persons" (as defined in Regulation S) in offshore transactions in reliance on Regulation S under the Securities Act. The Issuer is not required to register the Bonds and the Shares into which the Bonds are convertible under the terms of the Bonds. Hence, future resales of the Bonds and the Shares into which Bonds are convertible may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

Future issues or sales of Shares or issues of securities convertible or exchangeable into Shares may significantly affect the trading price of the Bonds or the Shares and such issues or sales may not result in an adjustment to the Conversion Price pursuant to provisions in the Terms and Conditions of the Bonds and the Trust Deed.

A future issue of Shares by the Issuer or other securities convertible into, or exchangeable with, Shares, or the disposal of Shares by any of its major Shareholders including the Promoter, or the perception that such issues or sales may occur, may significantly affect the trading price of the Bonds or the Shares. There is no restriction on the Issuer's ability to issue Shares, and there can be no assurance that it will not issue Shares or that such issue will result in an adjustment to the Conversion Price pursuant to the provisions in the Terms and

Conditions of the Bonds and the Trust Deed or that the major Shareholder will not dispose, pledge or otherwise encumber their Shares.

Changes in interest rates may have an adverse effect on the price of the Bonds.

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The return on the Bonds may decrease due to inflation.

The Bondholders may suffer erosion on the return of their investments due to inflation. The Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual returns.

Exchange rate risks and exchange controls may affect an investor's returns on the Bonds.

We will pay principal and interest on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

The Bonds will initially be represented by the Global Certificates and holders of a beneficial interest in the Global Certificates must rely on the procedures of the relevant clearing system.

The Bonds will initially be represented by the Global Certificates. The Global Certificates will be deposited with aa custodian for and will be registered in the name of a nominee for DTC. Except in the circumstances described in the Global Certificates, investors will not be entitled to receive definitive Bond certificates. The relevant clearing system will maintain records of the beneficial interests in the Global Certificates. While the Bonds are represented by the Global Certificates, investors will be able to trade their beneficial interests only through the clearing systems. While the Bonds are represented by the Global Certificates, we will discharge our payment obligations under the Bonds by making payments to DTC or its nominee, for distribution to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system to receive payments under the Bonds. We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such Global Certificate.

Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

The insolvency laws of India and other jurisdictions in which our subsidiaries currently operate may differ from those of any other jurisdictions with which Bondholders are familiar.

Because we are incorporated under the laws of India, an insolvency proceeding relating to the Company, even if brought in other jurisdictions, would likely involve the insolvency laws of India, the procedural and

substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions. We also conduct operations through subsidiaries incorporated across different countries. The laws and regulations relating to bankruptcy and insolvency in these countries and the legal proceedings in that regard may significantly differ from those of other jurisdictions with which the Bondholders are familiar. Investors should analyse the risks and uncertainties carefully before investing in the Bonds.

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in the Bonds, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

The Issuer's ability to continue to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of future dividend payments, if any, will depend upon the Issuer's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of its indebtedness and capital expenditures. Any declaration and payment as well as the amount of dividend will also be subject to the constitutional and contractual documents including the financing documents of the Issuer and applicable laws and regulations in India, including, in case of any final dividend, the approval of shareholders. There can be no assurance that the Issuer will be able to continue to pay dividends in the future.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Bonds are legal investments for it; (ii) the Bonds can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Bondholders may be subject to tax.

Prospective investors of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the purchase, ownership, disposition or conversion of the Bonds or the Shares.

USE OF PROCEEDS

The gross proceeds of this Issue (comprising aggregate proceeds from the issuance of the Bonds) shall be U.S.$1,000 million. The proceeds of this Issue will be used for (i) capital expenditure, (ii) repayment of existing indebtedness, and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization statement as at September 30, 2019 on a consolidated basis derived from audited consolidated financial statements of our Company as at and for the period ended September 30, 2019 and as adjusted for this Issue. This table should be read in conjunction with "*Risk Factors*", "*Summary Financial Information*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 39, 30, 115 and 356, respectively.

Particulars	Pre-Issue (as at September 30, 2019)	Proposed proceeds from the Issue [(1)(2)]	Post-Issue [(1)]	Proposed proceeds from the QIP Issue[(3)]	Post Issue and QIP Issue [(3)]
			(₹ in million)		
	(a)	**(b)**	**(c)=(a)+(b)**	**(d)**	**(e)=(c)+(d)**
Short term borrowings					
- Secured	2,977	-	2,977	-	2,977
- Unsecured	99,635	-	99,635	-	99,635
Long term borrowings (excluding current maturities)					
- Secured	1	-	1		1
- Unsecured	882,891	71,114	954,005		954,005
Current maturities of long-term borrowings	83,859		83,859		83,859
Total borrowings (A)	1,069,363	71,114	1,140,477		1,140,477
Equity share capital	25,660		25,660	1,618	27,278
Other equity	674,173		674,173	142,382	816,555
Total equity (B)	699,833	-	699,833	144,000	843,833
Total capitalization (A+B)	1,769,196	71,114	1,840,310	144,000	1,984,310
Ratio: Total debts/ Total equity (A/B)	1.53		1.63		1.35

Notes:

1. The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of the Bonds under the Issue and it does not consider any other transactions or movements for such financial statements line items after September 30, 2019. The debt-equity ratio post the Issue is indicative on account of the assumed gross inflow (before adjusting any issuance cost) of Rs. 71,114 million from the proposed Issue in the Bonds as on September 30, 2019. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the date of issuance of the Bonds.
2. For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the Capitalization Statement have been provided at a rate of U.S.$1.00 = Rs. 71.1136 (Source: RBI Reference rate as of January 10, 2020).
3. The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of Shares under the QIP Issue and the Bonds under the Issue and it does not consider any other transactions or movements for such financial statements line items after September 30, 2019. The debt-equity ratio post the Issue is indicative on account of the assumed inflow (before adjusting any issuance cost) of Rs. 215,114 million from the proposed issue in the Shares under the QIP Issue and the Bonds under the Issue as on September 30, 2019. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the date of issuance of the Shares under the QIP Issue and the Bonds under the Issue.

Concurrent with this Issue, our Company is also undertaking the issuance of 323,595,505 Shares, aggregating up to Rs. 144,000 million (the "**QIP Issue**"), through a qualified institutions placement in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as

amended and the applicable provisions of the Companies Act, 2013, as amended and the rules framed thereunder. The net proceeds from the QIP Issue are proposed to be utilized by our Company for (i) any payments that may be required to be made, arising out of the judgment of the Supreme Court of India delivered on October 24, 2019 in relation to a long outstanding industry wide case in respect of the definition of Adjusted Gross Revenue, (ii) to augment its long term resources and strengthen its balance sheet, for servicing and/or repayment of short term and long term debts, capital expenditures, long term working capital requirements of our Company, refinancing of existing borrowings and (iii) general corporate purposes or other purposes as permitted under applicable law. In the event of any favourable order or judgment of the Supreme Court or other decision which provides relief to our Company from making any payments arising out of the long outstanding industry wide case in respect of the definition of Adjusted Gross Revenue (which may include but not be limited to partial payment, moratorium period, waiver, etc.), our Company will utilize the entire or part of the net proceeds of the QIP Issue (i) to augment its long term resources and strengthen its balance sheet, for servicing and/or repayment of short term and long term debts, capital expenditures, long term working capital requirements of our Company, refinancing of existing borrowings, and (ii) general corporate purposes or other purposes as permitted under applicable law. The completion of this Issue is not conditional upon the completion of the QIP Issue.

MARKET PRICE INFORMATION

The Shares of our Company are listed on the BSE and the NSE. As on the date of this Offering Circular, our Company's issued, subscribed and paid up share capital is ₹ 25,659,809,250.

On January 7, 2020, the closing price of the Shares on the BSE and the NSE was ₹ 445.35 and ₹ 445.10. Since the Shares are available for trading on the BSE and the NSE, the market price and other information for each of the BSE and the NSE has been given separately.

(A) The following tables set out the reported high, low and average of the closing prices of our Shares on the NSE and the BSE and number of Shares traded on the days on which such high and low prices were recorded for, and the volume of Shares traded in, for the calendar years 2019, 2018 and 2017:

BSE

Year	High (₹)	Date of high	Total volume on date of high (Number of shares traded on the date of high)	Total turnover of shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of shares traded on the date of low)	Total turnover of shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of shares traded)	Total turnover of shares traded in value (₹ in million)	Average price for the year (₹)
2019	460.85	December 4, 2019	638,910	294.08	301.05	February 14, 2019	249,933	75.38	127,687,515	46,041.42	354.51
2018	540.00	January 5, 2018	464,949	248.65	285.90	October 23, 2018	120,313	34.44	165,042,067	65,272.01	376.52
2017	543.10	November 2, 2017	557,488	300.08	303.65	January 3, 2017	158,377	48.55	573,748,446	281,493.85	400.76

(Source: bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE

Year	High (₹)	Date of high	Total volume on date of high (Number of shares traded on the date of high)	Total turnover of shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of shares traded on the date of low)	Total turnover of shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of shares traded)	Total turnover of shares traded in value (₹ in million)	Average price for the year (₹)
2019	461.4	December 4, 2019	16,541,195	7,612.49	300.8	February 14, 2019	7,726,834	2,327.05	2,420,224,041	849,586.17	354.48
2018	540	January 5, 2018	7,218,024	3,855.25	285.35	October 11, 2018	4,681,303	1347.91	1,555,272,597	589,834	376.92
2017	543.20	November 2, 2017	9,870,544	5,317.55	304.45	January 3, 2017	2,961,851	909.72	1,326,303,575	560,850	400.92

(Source: nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(B) The following tables set out the reported high, low and average of the closing prices of our Shares recorded on the NSE and the BSE and number of Shares traded on the days on which such high and low prices were recorded for, and the volume of Shares traded in each of the last six months:

BSE

Month	High (₹)	Date of high	Total volume on date of high (Number of shares traded on the date of high)	Total turnover of shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of shares traded on the date of low)	Total turnover of shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of shares traded)	Total turnover of shares traded in value (₹ in million)	Average price for the year (₹)
December 2019	460.85	December 4, 2019	638,910	294.08	421.80	December 16, 2019	262,316	111.55	11,376,097	5,121.64	447.81
November 2019	451.30	November 25, 2019	1,321,743	584.39	362.65	November 14, 2019	801,913	287.91	20,695,733	8,616.45	403.66
October 2019	393.50	October 14, 2019	340,844	132.99	339.70	October 4, 2019	115,141	39.22	11,139,453	4,050.91	369.29
September 2019	367.25	September 30, 2019	474,533	168.78	335.75	September 18, 2019	172,669	58.30	4,216,709	1,461.13	346.95
August 2019	372.20	August 8, 2019	697,095	261.10	323.95	August 1, 2019	2,217,587	722.46	18,964,864	6,596.16	355.22
July 2019	364.85	July 5, 2019	239,811	87.58	334.80	July 26, 2019	189,579	63.18	6,210,401	2,179.27	348.85

(Source: bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a month, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE

Month	High (₹)	Date of high	Total volume on date of high (Number of shares traded on the date of high)	Total turnover of shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of shares traded on the date of low)	Total turnover of shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of shares traded)	Total turnover of shares traded in value (₹ in million)	Average price for the year (₹)
December 2019	461.40	December 4, 2019	16,541,195	7,612.49	421.85	December 16, 2019	6,962,613	2,959.48	296,115,647	133,633.97	447.98
November 2019	451.40	November 25, 2019	33,483,563	14,805.56	362.50	November 14, 2019	21,091,587	7,557.48	444,674,465	184,893.94	403.60
October 2019	393.55	October 14, 2019	10,729,180	4,191.20	340.42	October 4, 2019	4,705,661	1,601.88	317,646,700	116,219.87	369.27
September 2019	367.05	September 30, 2019	19,616,421	6,986.64	335.60	September 18, 2019	7,490,889	2,522.31	128,836,961	44,717.04	347.03
August 2019	372.15	August 8, 2019	16,050,094	5,991.10	323.9	August 1, 2019	9,773,900	3,221.47	208,664,921	73,772.65	355.28
July 2019	364.8	July 5, 2019	6,751,716	2,465.13	334.55	July 29, 2019	4,979,396	1,662.92	121,560,904	42,400.42	348.86

(Source: nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a month, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(C) The following table sets forth the market price on the Stock Exchanges on December 5, 2019, the first Working Day following the approval of our Board for this Issue:

BSE

Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	Traded volume (Number of shares)	Total value of Shares traded (₹ million)
December 5, 2019.....	464.20	464.20	445.05	447.20	543,715	245.45

(Source: bseindia.com)

NSE

Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	Traded volume (Number of shares)	Total value of Shares traded (₹ million)
December 5, 2019.....	463.30	463.60	445.35	447.35	17,317,332	7,813.45

(Source: nseindia.com)

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2019, 2018 and 2017 and six months ended September 30, 2019, as per the requirements under Ind AS 24 '*Related Party Disclosures*', see "*Financial Statements*" on page 356.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends. All dividend payments are made in cash to our Shareholders.

Our Board has approved and adopted a formal dividend distribution policy in terms of Regulation 43A of the SEBI Listing Regulations, effective from October 25, 2016. For further information, see "*Description of the Shares*" on page 280.

The details of the dividends declared by our Company in respect of Financial Years 2019, 2018, and 2017 are set out below:

	Rate of dividend	**Dividend per Share**	**Total Amount of Dividend#**	**Dividend Distribution Tax**
	(% of face value)	*(in ₹)*	*(in ₹ million)*	*(in ₹ million)*
Year				
2019*	50%	2.50	9,993.50	Nil
2018	50%	2.50	9,993.50	Nil
2018*	56.8%	2.84	11,352.62	Nil
2017	20%	1	3,997.40	Nil

* *Our Company has declared and paid an interim dividend for Fiscals 2019 and 2018. Our Company has not declared any interim dividend with respect to Fiscal 2020 till the date of this Offering Circular.*

\# *Total amount of dividend excludes tax on dividend.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, financial performance including profits earned (standalone), available distributable reserves, impact of dividend payout on Company's return on equity, acquisition or investment opportunities or capital expenditures and resources to fund such opportunities and expenditures, debt repayment schedules, fund requirement for contingencies, macroeconomic conditions, regulatory concerns, political and economic conditions in India, and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

Bondholders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by our Company from time to time, until such time that the Bonds are exchanged for the Shares of our Company in accordance with the terms of this Issue.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Taxation*" on page 294.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Company's financial condition and results of operations is intended to convey management's perspective on the operating performance and financial condition of our Company as at and for the fiscal years ended March 31, 2018 and 2019 and the six months ended September 30, 2018 and 2019 on a consolidated basis. Unless the context otherwise requires, all financial information provided as at or for the fiscal year ended March 31, 2017 contained in this Offering Circular has been derived from the comparatives presented in the annual financial statements for the fiscal year ended March 31, 2018 of our Company. This disclosure is intended to assist in understanding and interpreting the financial statements of our Company included in this Offering Circular. The discussion should be read in conjunction with "Presentation of Financial Information", "Selected Consolidated Financial and Other Information", "Capitalization", and the Annual Consolidated Financial Statements of our Company and the accompanying schedules and notes.

The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019, notifying the leasing standard IND-AS 116 "Leases", which replaces the prior standard (IND-AS 17). IND-AS 116 is applicable to companies in India from the fiscal year beginning on or after April 1, 2019. We have adopted IND-AS 116 from April 1, 2019, which has an impact on our Company's reported consolidated assets, liabilities, income statement and cash flow statement. In implementing IND-AS 116, our Interim Condensed Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Accordingly, the Interim Condensed Financial Statements and the summary financial information in the tables below include, where applicable, a reconciliation of our results of operations for the six months ended September 30, 2019 (which were prepared in accordance with IND-AS 116) to our results of operations for the six months ended September 30, 2018 (for which IND-AS 116 was not applicable) in order to facilitate a comparison of our results of operations for the periods presented. We refer to our results of operations as at and for the six months ended September 30, 2019, as adjusted to exclude the impact of IND-AS 116, as the "Frozen GAAP Interim Financial Information" or as information "presented on a Frozen GAAP basis" and have included such financial information in certain financial tables in this Offering Circular under the columns titled "Frozen GAAP." We refer to our results of operations as at and for the six months ended September 30, 2019, as calculated in accordance with IND-AS 116, as the "IND-AS Interim Financial Information" and have included such financial information in certain financial tables in this Offering Circular under the columns titled "IND-AS." See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Our Company's Financial Statements—Changes to Accounting Standards—IND-AS 116."

The following discussion contains certain forward-looking statements. These statements are based on management's current projections and expectations about future events. Our actual results may differ materially from those anticipated in these forward- looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Offering Circular. See "Forward-Looking Statements and Associated Risks." Further information regarding the presentation of financial information is set out under the heading "Presentation of Financial Information."

Overview

We are a leading provider of telecommunications services with operations in 18 countries across Asia and Africa. According to GSMA Intelligence, as of September 30, 2019, we have the second largest subscriber base globally. Based on TRAI reported revenue, for the quarter ended September 30, 2019, we have a revenue market share of approximately 31.4% calculated on the basis of gross revenue and we rank second in overall

revenue market share in India. Further, as at September 30, 2019, we served an aggregate of over 411 million customers globally.

We provide telecommunication services under wireless and fixed line technology, national and international long-distance connectivity, broadband, VSAT and digital TV services, and complete integrated telecommunication solutions to its enterprise customers. All these services are rendered under a unified brand "*airtel*." "Airtel Money" (known as "*Airtel Payments Bank*" in India) extends our product portfolio to further its financial inclusion agenda and offers convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. We also deploy and manage passive infrastructure pertaining to telecommunication operations through our subsidiary, Bharti Infratel Limited ("**Bharti Infratel**"). As of September 30, 2019, Bharti Infratel also owned 42% of Indus Towers Limited (**"Indus Towers**"), a joint venture entity. Bharti Infratel and Indus Towers are passive infrastructure service providers in India. Globally, we operate with a fibre network covering over 250,000 route km ("**Rkm**") and in India, our national long distance infrastructure provides a pan-India reach with 294,867 Rkms of optical fiber as of September 30, 2019.

For the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, our total consolidated revenue was Rs. 954,683 million, Rs. 826,388 million, Rs. 807,802 million (U.S.$11,427 million), Rs. 399,470 million and Rs. 418,692 million (U.S.$5,923 million), respectively. Our consolidated net income for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, was Rs. 42,414 million, Rs. 21,835 million, Rs. 16,875 million (U.S.$239 million), Rs. 7,288 million and Rs. (252,223) million (U.S.$(3,568) million), respectively. Our consolidated EBITDA for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was Rs. 354,504 million, Rs. 303,279 million, Rs. 261,101 million (U.S.$3,694 million), Rs. 131,384 million and Rs. 172,914 million (U.S.$2,446 million), respectively. Our EBITDA margin for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was 37.13%, 36.70%, 32.32%, 32.89% and 41.30%, respectively. As at March 31, 2017, 2018 and 2019 and September 30, 2019, our total assets were Rs. 2,332,652 million, Rs. 2,505,816 million, Rs. 2,751,975 million (U.S.$38,930 million) and Rs. 3,356,226 million (U.S.$47,478 million), respectively.

Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition have been affected and will continue to be affected by a number of factors, including the following:

Mobile Subscriber Base and Usage Patterns and Increasing Capital Expenditure Requirements

Our Company's number of mobile subscribers and their usage of our cellular services directly affect our mobile services operating revenues as well as our operating expenses, including access charges, network operations costs, employee costs and selling, general and administrative expenses.

As we continue to grow our operations, we may be required to expand our mobile network coverage and capacity to accommodate subscriber base growth and increases in usage, which may require the purchase of additional spectrum and other capital expenditures. Increases in our capital expenditures affect our cash flows, interest expense (to the extent they are funded by debt) and depreciation and amortization expense.

Competition

The Indian wireless industry continues to remain competitive. Reliance Jio, the newest operator, commenced services in the sector in 2016. Following the entry of this operator, the industry has consolidated. Our primary competitors are operators such as Reliance Jio, Vodafone Idea, BSNL and MTNL. As of September 30, 2019, the Group, Reliance Jio and Vodafone Idea had revenue market share of 31.4 per cent., 35.4 per cent, and 29.6

per cent., respectively. Despite the turmoil in the sector post the entry of the new operator, we have continued to hold onto our market share.

We also face substantial competition in our operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria. In Sri Lanka, we compete with several larger service providers that have been operating in Sri Lanka for much longer than us, and we expect to face intense competition from these providers in our attempt to expand further. With the merger of the telecom operators Vodafone Idea, the telecommunications industry in India is consolidated and has a limited number of wireless telecommunications service providers. This has led to a substantial percentage of tower companies revenues being attributable to a small number of customers.

Competition may affect our subscriber growth and profitability by causing our subscriber base to decline and cause both a decrease in tariff rates and ARPU as well as an increase in customer churn and selling and promotional expenses. Churn in mobile networks in India is high especially among pre-paid customers.

There are also an increasing number of players offering various forms of data products. We, along with our competitors, may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, Internet-based services, such as Google Voice, Yahoo Voice, WhatsApp and Skype, allow users to make calls, send SMS and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services.

For more information on the competitive landscape of our various operations, see "Risk Factors—Risks Relating to Our Business— We face intense competition that may reduce our market share and lower our profits", "Business—Competition" and "Risk Factors—Risks Relating to Our Business—The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations."

Tariff and Pricing Levels

Over the past few years, there has been an explosion of data and voice usage with increased smartphone shipments and lower pricing due to competition. Telecom products are now bundled into voice and data and focus has shifted to total customer's ARPU. Now, an average Indian smartphone customer is spending approximately four hours on its smartphone, and devices are moving away from being pure connectivity to lifestyle. Recently, there has been an increasing interest in digital content including OTT apps, movies, music streaming.

Our ARPU in the Indian market for the years ended March 31, 2017, 2018 and 2019 was Rs. 178, Rs. 134 and Rs. 107, respectively. Our ARPU in the Indian market for the three months ended September 30, 2018 and September 30, 2019 was Rs. 100 and Rs. 128, respectively.

We focus on producing attractive product propositions through simple, user-friendly tariff plans with features such as pre-paid plans with electronic top-ups at different denominations across the value chain. Equally, we have been expanding our product suite to offer innovative bundling through third party tie ups for content and financial services such as insurance. We have also launched a loyalty program called Airtel Thanks with a view to retain and upgrade customers.

Each of our potential products or service offerings is vetted through a structured internal process which assesses the potential product's cost, performance and features, value and time-to-market of the potential product, with the ultimate aim of minimizing operating and capital expenditures and increasing market share. This business model has enabled us to expand our customer base in highly competitive markets, particularly in India, and thereby increase our sales volume.

Any change in our pricing structure, either as a result of governmental or regulatory tariff policies or in response to competition, could affect our business, results of operations, cash flows and financial condition.

Expansion of 3G and 4G networks and increasing margins from data usage

We have made significant investments in our network and spectrum for our data services through the increase of our 4G sites in the past few years, both in India and Africa.

In India, we launched our 3G network on January 24, 2011 and have 3G capabilities in all except one Circle, using a combination of 900 MHz and 2100 MHz band. We launched 4G network in India in Kolkata on April 10, 2012. Subsequent to the 2014 and 2015 auctions, Bharti had pan-India 3G (with the exception of one Circle) and 4G coverage based on a combination of 1800 MHz and 2300 MHz spectrum bands. These strategic initiatives have in part been driven by the rapid growth of data usage by our customer base and our belief in the growing importance of data in the telecommunications industry. In India, mobile data customers represented 44.5% of our mobile subscriber base as at September 30, 2019, compared to 29.4% as at September 30, 2018. In India, we have started re-farming our 3G spectrum to add capacity in 4G network and hence provide superior 4G experience tothe subscribers in all of the circles. Once the 3G services are completely terminated, customers will continue to be serviced on 4G and 2G networks. We plan to continue expanding 4G services, which potentially offer higher operating margins than 2G with relatively low incremental capital expenditure required.

To further strengthen our 4G network, we have upgraded the 3G services in 8 circles i.e. Maharashtra (excluding Mumbai) & Goa, Kolkata, Punjab, Haryana, Karnataka, Madhya Pradesh & Chhattisgarh, Kerala, Gujarat and re-farmed the 2100 Mhz band for expanding our 4G capacity. We have deployed L2100 technology to complement our existing 4G services. The re-farming of 3G spectrum for 4G will boost the network's capacity, ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, especially during intracity and intercity transit for 4G smartphone customer. See "*Business—Strategy—Growth of 4G subscriber market share in the mobile telecommunication industry.*"

In Africa, we have launched 4G services in the Democratic Republic of Congo and Niger and are ready to activate the commercial launch in Tanzania, making 4G services available across all of the 14 countries. With the additional spectrum, we aim to launch high speed 4G networks in various Circles using Frequency-Division Long-Term Evolution ("**FD-LTE**") technology in the 1,800 MHz band in addition to its existing TD-LTE services, thereby gaining 4G capabilities. We also plan to augment our data service offerings through the use of 900 MHz band in select Circles.

Our ability to secure additional spectrum and 3G and 4G licenses, fund necessary capital expenditures for network expansion, increase the percentage of non-voice revenue as a percentage of our total revenue and increase our operating margins on 3G and 4G data services will continue to have a significant effect on our business, prospects, financial condition and results of operations going forward. With respect to its Africa operations, we had 21,936 network sites as at September 30, 2019, an increase of 9.35% as compared to 20,060 network sites as at September 30, 2018.

The AGR Judgment and any subsequent petitions before the Supreme Court in relation to the payment of license and spectrum usage claims could have significant financial implications on our Company.

Our Company and our subsidiary, Bharti Hexacom, have challenged the Government's introduction of a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross

revenue under the license. The dispute has arisen around the constituent of revenue – namely, gross revenue and adjusted gross revenue ("**AGR**").

The scope of Adjusted Gross Revenue ("**AGR**") as provided under the telecom license was under challenge since 2003 through several rounds of litigation, wherein vide judgment dated April 23, 2015, the TDSAT had ruled in favour of Telecom Service Providers ("**TSPs**") on majority of heads of revenue ("**TDSAT Judgment**"). The said TDSAT judgment was challenged by Union of India before the Supreme Court (so also by TSPs on limited grounds of heads of revenue that were decided against TSPs). The Supreme Court, by its judgment dated October 24, 2019 ("**AGR Judgment**"), allowed the appeal filed by Union of India and dismissed the appeal filed by the TSPs. The Supreme Court held inter-alia that the contractual definition of gross revenue is binding. The court further held that the license fee would be a percentage of gross revenue, which would be the total revenue of the licensee company. We recorded a net loss of Rs. 252,223 million (U.S$3,568 million) for the six months ended September 30, 2019. The loss resulted primarily from exceptional losses due to incremental provision for license fee and SUC of Rs. 110,257 million (U.S.$1,560 million) (net of tax of Rs. 57,893 million (U.S.$819 million)) and Rs. 76,538 million (U.S.$1,083 million) (net of tax of Rs. 39,812 million (U.S.$563 million)) respectively as an estimate based on the AGR Judgment. We will require significant additional financing to discharge our obligations under the AGR Judgment. Our Interim Condensed Financial Statements for the six months ended September 30, 2019 were prepared assuming that we will continue as a going concern. However, the independent auditor's report dated November 14, 2019, observed a material uncertainty related to the AGR Ruling which may cast significant doubt about our ability to continue as a going concern. As such, the AGR Ruling could have significant financial implications on our Company. For further details, see "*Risk Factors—Risks Relating to Our Business—Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position*" and "*Litigation*". See also note 2 to our Company's Interim Condensed Financial Statements for the six months ended September 30, 2019, included elsewhere in this Offering Circular.

Exchange Rates

We conduct most of our operations in India and the functional currency of our financial statements is Indian rupees. We also conduct business in South Asia and 14 countries in Africa, where transactions are generally denominated in the respective entity's functional currency. Our functional currency is Indian Rupees.

The financial condition, cash flows and results of operations of each of our subsidiaries operating in a jurisdiction outside of India is reported in the relevant functional currency and then translated to the rupee at the applicable currency exchange rates for inclusion in our financial statements. Exchange rates between some of these currencies and the rupee in recent years have fluctuated significantly and may do so in the future, thereby impacting our results of operations and cash flows in rupee terms. In the fiscal year ended March 31, 2019 and in the six months ended September 30, 2019, 27.17% and 27.89% respectively, of our consolidated revenue came from its entities located outside India, mainly in Africa and South Asia. Significant changes in the value of certain currencies relative to the U.S. dollar and other currencies could also have an adverse effect on our financial condition, cash flows and results of operations and its ability to meet interest and principal payments on foreign-currency denominated debt, including borrowings under its existing debt. In addition, our Company incurs currency transaction risk whenever we enter into either a purchase or a sales transaction using a different currency from the currency in which it receives revenues. Accordingly, volatility in currency exchange rates may have a significant effect on the financial condition, cash flows or results of operations of our Company. See "*Risk Factors—Risks Relating to Our Business— We have incurred significant indebtedness, and we must service this debt and comply with its covenants to avoid defaulting on its borrowings and refinancing risk. Further, we are subject to risks arising from interest rate*

fluctuations, currency fluctuation and regulatory changes, which could adversely affect our business, results of operations, cash flows and financial condition."

Fluctuations in exchange rates have also materially impacted our other comprehensive income over the past three years, with exchange differences on translation of foreign operations accounting for a loss of Rs. 41,424 million in the fiscal year ended March 31, 2017, a loss of Rs. 7,181 million in the fiscal year ended March 31, 2018, a loss of Rs. 15,739 million (U.S.$223 million) in the fiscal year ended March 31, 2019.

Factors Affecting Comparability of Our Company's Financial Statements

Changes to Accounting Standards – IND-AS 116

Our Financial Statements are prepared and presented in accordance with IND-AS. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019 notifying the leasing standard IND-AS 116 "Leases," which replaces the existing standard (IND-AS 17) and resulted in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is eliminated for lessees. Under the new standard, the lessee recognizes an asset (the right to use the leased asset) and a financial liability to pay lease payments. The only exceptions are short-term and low-value leases. IND-AS 116 is applicable to companies from fiscal year beginning on or after April 1, 2019.

We have adopted IND-AS 116 from April 1, 2019, which has a significant impact on its reported consolidated assets, liabilities, income statement and cash flow statement. IND-AS 116 has materially increased our recognized assets and liabilities in the consolidated balance sheet introducing right-of-use assets and lease liabilities, calculated based on discounted future committed lease payments. With the adoption of IND-AS 116, we recognized lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IND-AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments for each lease, discounted using notional incremental borrowing rates as of April 1, 2019. Discounted rates are an area of significant judgment and estimation, particularly given the term of our leases. The weighted average discount rate applied to the lease liabilities on April 1, 2019, was 8.3%.

IND-AS 116 has also materially changed the presentation and timing of recognition of charges in our consolidated income statement. The operating lease expense previously reported under IND-AS 17, typically on a straight-line basis, within EBITDA (as adjusted), has been replaced by depreciation of the right-of-use asset and notional financing costs on future lease liabilities. This results in increased "lease-related expenses" being charged to the consolidated income statement in the early years of a lease due to the front-loaded notional financing costs, significantly reducing profit / (loss) before tax. In addition, the presentation of the consolidated cash flow statement has been affected. Actual lease payments, which were previously part of operating profit / (loss) or movements in payables within net cash generated from operating activities, have now been split into a notional repayment of principal lease liability and a notional interest payment within financing activities. Cash flows from operating activities have been positively impacted and cash flows from financing activities have been negatively impacted. Though presented in different parts of the consolidated cash flow statement, actual total pre-tax cash payments will remain unchanged. In implementing IND-AS 116, the Interim Condensed Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Accordingly, the Interim Condensed Financial Statements and certain financial tables presented in this Offering Circular include, where applicable, a reconciliation of our results of operations for the six months ended September 30, 2019 (which were prepared in accordance with IND-AS 116) to our results of operations for the six months ended September 30, 2018 (for which IND-AS 116 was not applicable) in order to facilitate a comparison of our results of operations for the periods presented.

Digital TV Services

The tariff order of Telecom Regulatory Authority of India was implemented from February 1 2019, as per the extended timelines. During the year ended March 31, 2019, owing to the practical difficulties, there was delay in implementation of the tariff order in its entirety. The distributors were in transition from previous to the new regime and were in the process of implementation of content cost contracts with the Broadcasters.

Subsequently, the Company entered into revised agreements with the broadcasters. With effect from April 1, 2019, basis such revised agreements and the provisions of the new tariff order, the Company re-assessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, it has considered network capacity fee and, commission and incentives from broadcasters as to subscription services, as part of its revenue from operations. Accordingly, the Gross revenue is only to the extent of net value retained i.e. customer payments received net of broadcaster's fee (erstwhile content charges) with effect from April 1, 2019.

Consolidated Statement of Profit and Loss

The table below sets forth our consolidated statements of profit and loss.

	Year Ended March 31,				Six months ended September 30,				
	2017	2018	2019	2019	2018	2019			
						Frozen GAAP	IND-AS 116 Impact[1]	IND-AS 116	
	(Rs. in millions)			(U.S.$ in millions)[2]	(Rs. in millions)				(U.S.$ in millions)[2]
Income									
Revenue	954,683	826,388	807,802	11,427	399,470	418,189	503	418,692	5,923
Other income	1,206	2,488	2,912	41	1,924	1,509	—	1,509	21
	955,889	828,876	810,714	1,1468	401,394	419,698	503	420,201	5,944
Expenses									
Network operating expenses	209,154	197,520	223,900	3,167	107,443	126,471	(30,146)	96,325	1,363
Access charges	102,786	90,446	93,521	1,323	44,649	52,016	—	52,016	736
License fee / spectrum charges (revenue share)	92,760	75,558	69,426	982	34,669	34,694	—	34,694	491
Employee benefits expense	43,032	39,771	37,975	537	19,016	18,105	—	18,105	256
Sales and marketing expenses	66,732	45,275	41,277	584	20,556	15,969	(2)	15,967	226
Other expenses	86,921	77,027	83,514	1,181	43,677	31,130	(950)	30,180	427
	601,385	525,597	549,613	7,774	270,010	278,385	(31,098)	247,287	3,498
Profit from operating activities before depreciation, amortization and exceptional items	354,504	303,279	261,101	3,694	131,384	141,313	31,601	172,914	2,446
Depreciation and amortization	197,730	192,431	213,475	3,020	103,818	117,453	19,485	136,938	1,937
Finance costs	95,466	93,255	110,134	1,558	58,524	55,610	10,190	65,800	931
Finance income	(18,492)	(12,540)	(14,240)	(201)	(7,401)	(4,902)	—	(4,902)	(69)
Non-operating expenses (net)	1,319	141	1,894	(27)	1,114	692	—	692	10
Share of results of joint ventures and associates	(10,449)	(10,609)	(3,556)	(50)	(3,286)	(4,086)	—	(4,086)	(58)
(Loss) / Profit before exceptional items and tax	88,930	40,601	(46,606)	(659)	(21,385)	(23,454)	1,926	(21,528)	(305)
Exceptional items (net)	11,697	7,931	(29,288)	(414)	5,070	321,804	—	321,804	4,552

	Year Ended March 31,				Six months ended September 30,				
	2017	2018	2019	2019	2018	2019			
						Frozen GAAP	IND-AS 116 Impact[1]	IND-AS 116	
	(Rs. in millions)			*(U.S.$ in millions)[2]*	*(Rs. in millions)*				*(U.S.$ in millions)[2]*
(Loss) / Profit before tax	77,233	32,670	(17,318)	(245)	(26,455)	(345,258)	1,926	(343,332)	(4,857)
Tax expense / (credit)									
Current tax	21,240	18,230	19,391	274	11,026	12,044	—	12,044	170
Deferred tax	13,579	(7,395)	(53,584)	(758)	(44,769)	(104,284)	1,131	(103,153)	(1,459)
Profit for the year	42,414	21,835	16,875	239	7,288	(253,018)	795	(252,223)	(3,568)
Other comprehensive income ('OCI')									
Items to be reclassified to profit or loss:									
Net losses due to foreign currency translation differences.....	(41,424)	(7,181)	(15,739)	(223)	(8,280)			2,033	29
Net losses on net investment hedge.....	(10,330)	(8,024)	(1,754)	(25)	(5,824)			(1,309)	(19)
Net (losses) / net gains on cash flow hedge	857	809	(833)	(12)	(655)			(193)	(3)
Net (losses) / net gains on fair value through OCI Investments	107	129	(45)	(1)	(44)			(107)	(2)
Tax (charge) / credit.....	(16)	(122)	5,428	77	527			364	5
	(50,806)	(14,389)	(12,943)	(183)	(14,276)			788	11
Items not to be reclassified to profit or loss:.....									
Re-measurement gains / (losses) on defined benefit plans.....	(73)	205	47	1	141			(250)	(4)
Share of OCI of joint ventures and associates.....	(9)	18	(12)	(1)	(1)			(3)	0
Tax (charge) / credit.....	20	(29)	(62)	(1)	(71)			67	1
	(62)	194	(27)	0	69			(186)	(3)
Other comprehensive loss for the year	(50,868)	(14,195)	(12,970)	(183)	(14,207)			602	9
Total comprehensive income/(loss) for the year	(8,454)	7,640	3,905	55	(6,919)			(251.621)	(3,559)

Notes:

(1) In addition to the impact of IND-AS 116, this column also includes the reclassification of Rs. 1,096 million from depreciation and amortization to network operating expenses in relation to lit fiber.

(2) For the reader's convenience, U.S. dollar translations of Indian Rupee amounts have been provided at a rate of U.S.$1.00 = Rs.70.69, which was the RBI Reference Rate as at September 30, 2019.

Our Company's results of operations by segment

The following tables set forth our total revenue and EBITDA by product segment for the six months ended September 30, 2018 and 2019 and the fiscal years ended March 31, 2018 and 2019.

	Total Revenue					EBITDA[1]				
		Six months ended September 30,					Six months ended September 30,			
	2018	2019				2018	2019			2019
		Frozen GAAP	IND-AS 116 Impact[2]	IND-AS 116[2]	IND-AS 116[2]		Frozen GAAP	IND-AS 116 Impact[2][3]	IND-AS 116[2]	IND-AS 116[2]
		(Rs. in millions)			(U.S.$ in millions[3])		(Rs. in millions)			(U.S.$ in millions[3])
Mobile Services India	207,325	218,481	—	218,481	3,091	48,923	49,904	28,240	78,180	1,106
Mobile Services Africa	103,761	114,590	—	114,590	1,621	40,010	44,840	5,246	50,086	709
South Asia	2,182	2,194	—	2,194	31	40	5	172	177	3
Airtel Business	63,381	65,392	—	65,392	925	21,151	20,851	(3,884)	16,967	240
Tower Infrastructure Services	34,155	33,237	698	33,935	480	15,698	16,308	2,429	18,737	265
Homes Services	11,352	11,180	—	11,180	158	5,783	5,908	(942)	4,965	70
Digital TV Services	20,166	15,282	—	15,282	216	7,970	10,263	607	10,870	154
Others	902	(81)	—	(81)	(1)	(2,687)	(1,014)	954	(60)	(1)
Total segment revenue/EBITDA	443,224	460,275	698	460,973	6,521	136,889	147,065	32,821	179,922	2,545
Less: Inter-segment eliminations[4][5]	43,754	42,086	195	42,281	598	5,505	5,754	1,255	7,008	99
Total revenue/EBITDA	399,470	418,189	503	418,692	5,923	131,384	141,312	31,566	172,914	2,446

Notes:

(1) EBITDA unless otherwise specified, is defined as earnings / (loss) before interest, taxation, depreciation and amortization. It is not an IND-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items.

(2) Effective April 1, 2019, we adopted IND-AS 116 on Leases using the modified retrospective method. Under this method, we (lessee) recognize a lease liability at the present value of all of the remaining lease payments on April 1, 2019, and a right-of-use asset at its carrying amount as if IND-AS 116 had been applied since the commencement of the lease. Accordingly, this has resulted in a net decrease in retained earnings of Rs. 24,098 million (including the impact of deferred tax and other adjustments) as at April 1, 2019. Right-to-use assets are depreciated and the lease liabilities are reduced when paid, with the interest on the lease liabilities being recognized as finance costs. Further, as required under the modified retrospective method, the previous period information is not restated and hence, not comparable. The net impact of adopting this standard on the results and earnings per share for the quarter is not material.

(3) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the six months ended September 30, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

(4) In addition to the impact of IND-AS 116, this column also includes the reclassification of Rs. 1,096 million from depreciation and amortization to network operating expenses in relation to lit fiber (Rs. 84 million for mobile services India, Rs. 212 million for mobile services Africa and Rs. 795 million for Airtel business).

(5) Includes accounting policy alignment.

	Total Revenue			EBITDA[1]		
	Fiscal year ended March 31,			Fiscal year ended March 31,		
	2018	2019	2019	2018	2019	2019
	(Rs. in millions)		(U.S.$ in millions[1])	(Rs. in millions)		(U.S.$ in millions[1])
Mobile Services India	462,639	415,540	5,878	150,374	93,480	1,322
Africa	191,073	215,028	3,042	66,159	83,341	1,179
South Asia	4,045	4,436	63	8	127	2

	Total Revenue			EBITDA[1]		
	Fiscal year ended March 31,			Fiscal year ended March 31,		
	2018	2019	2019	2018	2019	2019
	(Rs. in millions)		(U.S.$ in millions[1])	(Rs. in millions)		(U.S.$ in millions[1])
Airtel Business	113,566	124,537	1,762	42,401	40,480	573
Tower Infrastructure Services	66,284	68,185	965	32,253	31,915	451
Homes Services	25,265	22,391	317	11,774	10,783	153
Digital TV Services	37,570	41,001	580	14,221	15,685	222
Others	4,009	1,163	16	(4,299)	(3,569)	(50)
Total segment revenue/EBITDA	904,451	892,281	12,622	312,891	272,242	3,851
Less: Inter-segment eliminations[3]	78,063	84,479	1,195	9,611	11,141	158
Total revenue/EBITDA	826,388	807,802	11,427	303,279	261,101	3,694

Notes:

(1) EBITDA unless otherwise specified, is defined as earnings / (loss) before interest, taxation, depreciation and amortization. It is not an IND-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items.

(2) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the six months ended September 30, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

(3) Includes accounting policy alignment.

See also "Selected Consolidated Financial and Operating Data of Our Company—Our Company's results of operations by segment" for a reconciliation of our Company's segment results to EBITDA.

Description of Principal Income Statement Items

Revenue comprises revenue from the rendering of various services and the sale of goods to its customers and is shown net of inter-segmental transactions, discounts, process waiver, and VAT, service tax or duty.

Other income comprises miscellaneous income and lease rentals.

Network operating expenses primarily comprises costs relating to access charges, including interconnection traffic for calls originating but not terminating on our network and roaming costs relating to services provided by other network operators to our customers in areas where we do not provide service; network operation costs, including site lease, rental, fuel and security costs; employee costs; and selling, general and administrative expenses, which include customer acquisition costs, advertising and promotional costs and IT and customer care costs.

Other expenses comprise regulatory levies applicable to finance income in some of the geographies.

Depreciation and amortization comprises depreciation of fixed and tangible assets and the amortization of intangible assets. Depreciation is charged to the consolidated income statement on a straight-line basis over the useful lives of items of property and equipment. Amortization of intangible assets mainly includes the amortization of intangible assets such as license fees (including spectrum) and software on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use.

Finance costs primarily comprises interest and other costs incurred in connection with the borrowing of funds, and losses on derivative financial instruments and hedges and foreign exchange losses on reinstatements of foreign currency denominated assets and liabilities.

Finance income primarily comprises interest income on fixed and time deposits; gains on derivative financial instruments; interest and gain on securities held for trading; foreign exchange gains on reinstatements of foreign currency denominated assets and liabilities; and interest on loans.

Share of results of joint ventures and associates comprises the results of the associates and joint ventures incorporated in our consolidated financials using the equity method of accounting.

Exceptional items comprises items of income or expense within the consolidated statement of income from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of our Company.

Tax expense / (credit) includes tax payable on current period profit and income tax deferred on account of timing differences.

Net losses due to foreign currency translation differences comprises, adjustments resulting from the translation of the assets and liabilities of foreign operations into the reporting currency at the rate of exchange prevailing at the reporting date and translation of statement of comprehensive income at average exchange rates prevailing during the period.

Six months ended September 30, 2019 compared to six months ended September 30, 2018

In order to allow meaningful comparison to prior periods, the commentary and variances below for the six months ended September 30, 2019 are presented without the application of IND-AS 116. See "*—Factors Affecting Comparability of Our Company's Financial Statements—Changes to Accounting Standards – IND-AS 116.*"

Revenue

Our revenue increased by 4.69% to Rs. 418, 189 million (U.S.$5,916 million) in the six months ended September 30, 2019 from Rs. 399,470 million in the six months ended September 30, 2018. This increase was primarily due to an increase in network usage by 5.85% to 1,593 billion minutes in the six months ended September 30, 2019 from 1,505 billion minutes in the six months ended September 30, 2018 and an increase in mobile data traffic by 87.20% to 9,349 billion MBs in the six months ended September 30, 2019 from 4,994 billion MBs in the six months ended September 30, 2018.

B2C services:

- *Mobile Services – India*: Our mobile services operations in India contributed total revenue of Rs. 218,481 million (U.S.$3,091 million) in the six months ended September 30, 2019, an increase of 5.4% from Rs. 207,325 million for the six months ended September 30, 2018. This increase was primarily due to an increase in mobile data usage per customer by 46.4% to 12.2 GBs in the six months ended September 30, 2019 from 8.4 GBs in the six months ended September 30, 2018 and an increase in mobile data traffic by 87.5% to 9,020 billion MBs in the six months ended September 30, 2019 from 4,810 billion MBs in the six months ended September 30, 2018.

- *Mobile Services – Africa*: Our mobile services operations in Africa contributed total revenue of Rs. 114,590 million in the six months ended September 30, 2019, an increase of 10.4% from Rs. 103,761 million for the six months ended September 30, 2018. This increase was primarily due to an increase in customer base by 10.4% to 103.9 million in the six months ended September 30, 2019 from 94.1 million in the six months ended September 30, 2018, an increase in network usage by 13.8% to 116.1 billion

minutes in the six months ended September 30, 2019 from 102.0 billion minutes in the six months ended September 30, 2018 and an increase in mobile data usage per customer by 56% to 1,651 MBs in the six months ended September 30, 2019 from 1,060 MBs in the six months ended September 30, 2018.

- *South Asia*: Our mobile services operations in South Asia contributed total revenue of Rs. 2,194 million (U.S.$31 million) in the six months ended September 30, 2019, an increase of 0.5% from Rs. 2,182 million for the six months ended September 30, 2018. This resulted primarily due to an increase in customer base of 17%.

- *Home Services*: Our home services segment contributed total revenue of Rs. 11,180 million (U.S.$158 million) in the six months ended September 30, 2019, a decrease of 1.5% from Rs. 11,352 million for the six months ended September 30, 2018.

- *Digital TV Services*: Our digital TV services segment contributed total revenue of Rs 15,282 million (U.S.$216 million) in the six months ended September 30, 2019, a decrease of 24.2% from Rs. 20,166 million for the six months ended September 30, 2018. This decrease resulted due to the alignment of accounting with the New Tariff Order.

B2B services:

- *Airtel Business*: Our Airtel Business segment contributed total revenue of Rs. 65,392 million (U.S.$925 million) in the six months ended September 30, 2019, an increase of 3.2% from Rs. 63,381 million for the six months ended September 30, 2018. The increase was primarily due to an increase in data revenue.

- *Tower Infrastructure Services*: Our Tower Infrastructure Services segment contributed total revenue of Rs. 33,237 million (U.S.$470 million) in the six months ended September 30, 2019, which was generally in line with the prior period, resulting in a small decrease of 2.7% from Rs. 34,155 million for the six months ended September 30, 2018.

Network operating expenses

Our network operating expenses decreased 17.68% to Rs. 126,471 million (U.S.$1,363 million) in the six months ended September 30, 2019 from Rs. 107,443 million in the six months ended September 30, 2018. This increase was primarily due to deployment of new sites resulting from the increase in investments incurred to strengthen our network.

EBITDA

Our EBITDA for the six months ended September 30, 2019 was Rs. 141,313 million (U.S.$1,999 million), an increase of 7.6% from Rs. 131,384 million recorded in the six months ended September 30, 2018, while our EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased in the six months ended September 30, 2019 to 33.80% from 32.89% in the six months ended September 30, 2018. These increases were primarily the result of higher net revenue flow through.

B2C services:

- *Mobile Services – India*: EBITDA related to our mobile services operations in India increased by 2.08% to Rs. 49,940 million (U.S.$706 million) in the six months ended September 30, 2019 from Rs. 48,923 million in the six months ended September 30, 2018, while EBITDA Margin decreased to 22.86% in the six months ended September 30, 2019 from 23.6% in the six months ended September 30, 2018 primarily due to higher revenue flow through which is partially offset by higher operating expenses associated with the increase in investments incurred to strengthen our network.

- *Mobile Services – Africa*: EBITDA related to our mobile services operation in Africa increased 12.07% to Rs. 44,840 million in the six months ended September 30, 2019 from Rs. 40,011 million in the six months ended September 30, 2018. EBITDA Margin on a reported currency basis increased to 39.13 % in the six months ended September 30, 2019 from 38.6 % in the six months ended September 30, 2018, primarily due to operating efficiencies.

- *South Asia*: EBITDA related to our mobile services operations in Sri Lanka decreased 87.5% to Rs. 5 million (U.S.$0.1 million) in the six months ended September 30, 2019 compared to EBITDA of Rs. 40 million in the six months ended September 30, 2018, while EBITDA Margin was 0.23% in the six months ended September 30, 2019 compared to 1.8% in the six months ended September 30, 2018. These changes resulted primarily due to lower net revenue flow through.

- *Home Services*: EBITDA related to our home services segment increased by 2.2% to Rs. 5,908 million (U.S.$84 million) in the six months ended September 30, 2019 from Rs. 5,783 million in the six months ended September 30, 2018. In addition, EBITDA Margin increased to 52.8% in the six months ended September 30, 2019 from 50.9% in the six months ended September 30, 2018, primarily due to lower operating expenses.

- *Digital TV Services*: EBITDA related to our digital TV services segment increased 28.76% to Rs. 10,263 million (U.S.$144 million) in the six months ended September 30, 2019 from Rs. 7,970 million in the six months ended September 30, 2018, while EBITDA Margin increased to 66.16% in the six months ended September 30, 2019 from 39.5% in the six months ended September 30, 2018. These increases were primarily due to change in method of accounting and an increase in customer base of 9.7%.

B2B services:

- *Airtel Business*: EBITDA related to our Airtel Business segment decreased by 1.42% to Rs. 20,851 million (U.S.$295 million) in the six months ended September 30, 2019 from Rs. 21,151 million in the six months ended September 30, 2018 while, EBITDA Margin decreased to 31.89% in the six months ended September 30, 2019 from 33.37% in the six months ended September 30, 2018. These decreases were primarily due to increase in operating expenses.

- *Tower Infrastructure Services*: EBITDA related to our Tower Infrastructure Services segment increased by 3.88% to Rs. 16,308 million (U.S.$231 million) in the six months ended September 30, 2019 from Rs. 15,698 million in the six months ended September 30, 2018, while EBITDA Margin increased to 49.07% in the six months ended September 30, 2019 from 46.0% in the six months ended September 30, 2018. These increases were primarily due to decrease in operating expenses primarily due to a decrease in network expenses.

Depreciation and amortization

Our depreciation and amortization increased by 13.13% to Rs. 117,453 million (U.S.$1,662 million) in the six months ended September 30, 2019 from Rs. 103,818 million in the six months ended September 30, 2018. This increase was primarily due to the impact of sustained capital expenditure spending aimed at enhancing our 4G capacities.

Finance costs

Our finance cost decreased by 5.0% to Rs. 55,610 million (U.S.$1,787million) in the six months ended September 30, 2019 from Rs. 58,524 million in the six months ended September 30, 2018.

Finance income

Our finance income decreased by 33.76% to Rs. 4,902 million (U.S.$69 million)in the six months ended September 30, 2019 from Rs. 7,401 million in the six months ended September 30, 2018. This decrease was primarily due to a decrease in investment by Bharti Infratel Limited.

Share of results of joint ventures and associates

Our profit from share of results of joint ventures and associates was Rs. 4,086 million (U.S.$58 million) in the six months ended September 30, 2019, an increase of 24.35% from a profit of Rs. 3,286 million in the six months ended September 30, 2018, primarily due to an increase in the share of JV of Indus in Infratel.

Exceptional items, net

We recorded net exceptional costs of Rs. 321,804 million (U.S.$4,552 million) in the six months ended September 30, 2019, relating primarily due to large license fee as a result of a judgment delivered by the Honorable Supreme Court of India in relation to a long outstanding industrywide case upholding the view considered by Department of Telecommunications in respect of the definition of Adjusted Gross Revenue and spectrum usage charges payable to the DoT (even though we believe that the SUC is to be paid only on AGR from wireless access subscribers); accelerated depreciation on 3G network equipment and operating costs on network re-farming and up-gradation program; an incremental provision pertaining to indemnities to certain investors of Airtel Africa plc which were determined on the basis of a prior settled methodology; and a credit relating to the re-assessment of levies based on a recent judgment. We recorded net exceptional income of Rs. 5,070 million in the six months ended September 30, 2018.

Tax expense / (credit)

We experienced a net income tax expense of Rs. 12,044 million (U.S.$170 million) in the six months ended September 30, 2019, an increase of 9.23% from a net income tax expense of Rs. 11,026 million in the six months ended September 30, 2018. The increase was mainly attributable to increase in tax liability of Africa entities by Rs. 2,384million (U.S.$34 million) offset with decrease in tax liability of India by Rs. 1,366 million (U.S.$19 million).

Net gains/ losses due to foreign currency translation differences

We recorded a gain from exchange differences on translation of foreign operations of Rs. 2,033 million (U.S.$29 million) in the six months ended September 30, 2019 compared to a loss of Rs. 8,280 million in the six months ended September 30, 2018. This gain was primarily due to strengthening of USD against INR on positive USD net assets. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see note 2 of the Group Consolidated Financial Statements for the year ended March 31, 2019 included elsewhere in this Offering Circular.

Fiscal year ended March 31, 2019 compared to fiscal year ended March 31, 2018

Revenue

Our revenue decreased 2.25% to Rs. 807,802 million (U.S.$11,427 million) in the fiscal year ended March 31, 2019 from Rs. 826,388 million in the fiscal year ended March 31, 2018. This decrease was primarily due to a decline in the customer base to approximately 404 million for the fiscal year ended March 31, 2019, from 414 million for the fiscal year ended March 31, 2018.

B2C services:

- *Mobile Services – India*: Our mobile services operations in India contributed total revenue of Rs. 415,540 million (U.S.$5,878 million) in the fiscal year ended March 31, 2019, a decrease of 10.18%

from Rs. 462,639 million for the fiscal year ended March 31, 2018. This resulted primarily from a decrease in ARPU.

- *Mobile Services – Africa*: Our mobile services operations in Africa contributed total revenue of Rs. 215,028 million (U.S.$3,042 million) in the fiscal year ended March 31, 2019, an increase of 12.54% from Rs. 191,073 million for the fiscal year ended March 31, 2018. This increase in revenues is primarily a result of total subscriber base growth of 10.7%, minutes of usage growth of 29.9%, data subscriber base growth of 20.4% with data usage growth of 65.3%. Trends in the underlying operations remained steady, primarily from the increase in voice and data usage due to the continued growth in our subscriber base in Africa.

- *South Asia*: Our mobile services operations in South Asia contributed total revenue of Rs. 4,436 million (U.S.$63 million) in the fiscal year ended March 31, 2019, an increase of 9.67% from Rs. 4,045 million for the fiscal year ended March 31, 2018. This resulted primarily from the increase in overall voice usage as well as due to increase in our subscriber base in South Asia, which increased by 14.1% to 2.6 million customers as at March 31, 2019.

- *Home Services*: Our home services segment contributed total revenue of Rs. 22,391 million (U.S.$317 million) in the fiscal year ended March 31, 2019, a decrease of 11.38% from Rs. 25,265 million for the fiscal year ended March 31, 2018. This decrease resulted primarily due to a decrease in ARPU.

- *Digital TV Services*: Our digital TV services segment contributed total revenue of Rs. 41,001 million (U.S.$580 million) in the fiscal year ended March 31, 2019, an increase of 9.13% from Rs. 37,570 million for the fiscal year ended March 31, 2018. This increase resulted primarily from growth in our digital TV subscriber base, which increased by 8.6% to 15.4 million customers as at March 31, 2019 compared to 14.2 million customers as at March 31, 2018.

B2B services:

- *Airtel Business*: Our Airtel Business segment contributed total revenue of Rs. 124,537 million (U.S.$1,762 million) in the fiscal year ended March 31, 2019, an increase of 9.66% from Rs. 113,566 million for the fiscal year ended March 31, 2018. The increase was primarily due to an increase in data revenue.

- *Tower Infrastructure Services*: Our Tower Infrastructure Services segment contributed total revenue of Rs. 68,185 million (U.S.$965 million) in the fiscal year ended March 31, 2019, an increase of 2.87% from Rs. 66,284 million for the fiscal year ended March 31, 2018. This resulted primarily from energy revenue, with an impact of sharing revenue declining due to co-location exits driven by operator consolidation. This drop was offset with 4G led additional demand, annual increments in our long term contracts with clients and exit charges received due to churn in co-locations.

Network operating expenses

Our network operating expenses increased 13.36% to Rs. 223,900 million (U.S.$3,167 million) in the fiscal year ended March 31, 2019 from Rs. 197,520 million in the fiscal year ended March 31, 2018. This increase was primarily due to the deployment of new sites resulting from an increase in investments to strengthen our network.

EBITDA

Our EBITDA for the fiscal year ended March 31, 2019 was Rs. 261,101 million (U.S.$3,694 million), a decrease of 13.91% from Rs. 303,279 million recorded in the fiscal year ended March 31, 2018, while its EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased in the fiscal

year ended March 31, 2019 to 32.32% from 36.70% in the fiscal year ended March 31, 2018. These decreases were primarily the result of a decrease in gross revenue and increase in operating expense.

B2C services:

- *Mobile Services – India*: EBITDA related to our mobile services operations in India decreased 37.83% to Rs. 93,480 million (U.S.$1,322 million) in the fiscal year ended March 31, 2019 from Rs. 150,374 million in the fiscal year ended March 31, 2018, while EBITDA Margin decreased to 22.50% in the fiscal year ended March 31, 2019 from 32.50% in the fiscal year ended March 31, 2018. These decreases resulted primarily due to a decrease in revenue**.**

- *Mobile Services – Africa*: EBITDA related to our mobile services operations in Africa increased 25.91% to Rs. 83,341 million (U.S.$1,179 million) in the fiscal year ended March 31, 2019 from Rs. 66,159 million in the fiscal year ended March 31, 2018, primarily due revenue increase by 12.5% and cost optimisation initiatives primarily focussed on redesign of processes and systems. EBITDA Margin on a reported currency basis increased to 38.76% in the fiscal year ended March 31, 2019 from 34.62% in the fiscal year ended March 31, 2018, primarily due to revenue growth coupled with operating efficiencies.

- *South Asia*: EBITDA related to our mobile services operations in South Asia increase 1487.5% to Rs. 127 million (U.S.$2 million) in the fiscal year ended March 31, 2019 compared to EBITDA of Rs. 8 million in the fiscal year ended March 31, 2018, while EBITDA Margin was 2.84% in the fiscal year ended March 31, 2019 compared to 0.20% in the fiscal year ended March 31, 2018. These changes resulted primarily due to an increase in revenue.

- *Home Services*: EBITDA related to our home services segment decreased 8.43% to Rs. 10,783 million (U.S.$153 million) in the fiscal year ended March 31, 2019 from Rs. 11,774 million in the fiscal year ended March 31, 2018. In addition, EBITDA Margin increased to 48.15% in the fiscal year ended March 31, 2019 from 46.60% in the fiscal year ended March 31, 2018, primarily due to a decrease in revenue resulting from low ARPU.

- *Digital TV Services*: EBITDA related to our digital TV services segment increased 10.29% to Rs. 15,685 million (U.S.$222 million) in the fiscal year ended March 31, 2019 from Rs. 14,221 million in the fiscal year ended March 31, 2018, while EBITDA Margin increased to 38.26% in the fiscal year ended March 31, 2019 from 37.85% in the fiscal year ended March 31, 2018.

B2B services:

- *Airtel Business*: EBITDA related to our Airtel Business segment decreased 4.53% to Rs. 40,480 million (U.S.$573 million) in the fiscal year ended March 31, 2019 from Rs. 42,401 million in the fiscal year ended March 31, 2018 while EBITDA Margin decreased to 32.51% in the fiscal year ended March 31, 2019 from 37.34% in the fiscal year ended March 31, 2018. This decrease was primarily due to an increase in operating expenses, resulting from an increase in network expenses.

- *Tower Infrastructure Services*: EBITDA related to our Tower Infrastructure Services segment decreased by 1.05% to Rs. 31,915 million (U.S.$451 million) in the fiscal year ended March 31, 2019 from Rs. 32,253 million in the fiscal year ended March 31, 2018, while EBITDA Margin decreased to 46.81% in the fiscal year ended March 31, 2019 from 48.66% in the fiscal year ended March 31, 2018. This decrease was primarily due to lower sharing revenue driven by operator consolidation led co-location churn.

Depreciation and amortization

Our depreciation and amortization increased 10.94% to Rs. 213,475 million (U.S.$3,020 million) in the fiscal year ended March 31, 2019 from Rs. 192,431 million in the fiscal year ended March 31, 2018. This slight

increase was primarily due to the impact of sustained capital expenditures relating to enhancing our 4G capacities.

Depreciation and amortization expenses associated with our operations in Africa increased by 2.47% to Rs. 31,234 million (U.S.$442 million) for the fiscal year ended March 31, 2019 from Rs. 30,480 million for the fiscal year ended March 31, 2018, primarily due to capital expenditure additions during the period.

Depreciation and amortization expenses associated with our operations in South Asia decreased by 6.27% to Rs. 1,196 million (U.S.$17 million) for the fiscal year ended March 31, 2019 from Rs. 1,276 million for the fiscal year ended March 31, 2018.

Depreciation and amortization expenses primarily associated with the Company's operations in India increased by 13% to Rs. 181,042 million (U.S.$2,561 million) for the fiscal year ended March 31, 2019.

Finance costs

Our finance costs increased 18.09% to Rs. 110,134 million (U.S.$1,558 million) in the fiscal year ended March 31, 2019 from Rs. 93,255 million in the fiscal year ended March 31, 2018. This increase was due to an increase in interest expense paid on borrowings associated with higher borrowings for fiscal year 2019.

Finance income

Our finance income increased 13.56% to Rs. 14,240 million (U.S.$201 million) in the fiscal year ended March 31, 2019 from Rs. 12,540 million in the fiscal year ended March 31, 2018. This increase was primarily due to an increase in income from Infratel.

Share of results of joint ventures and associates

Our gain from share of results of joint ventures and associates was Rs. 3,556 million (U.S.$50 million) in the fiscal year ended March 31, 2019, a decrease of 66.48% from a gain of Rs. 10,609 million in the fiscal year ended March 31, 2018, primarily due to a decrease in the Indus share of the joint venture, and an increase in Ghana and Bangladesh share of losses.

Exceptional items

We recorded exceptional gain of Rs. 29,288 million (U.S.$414 million) in the fiscal year ended March 31, 2019, mainly due to the creation of deferred tax asset in DTH and Nigeria, deconsolidation of Airtel Payment Bank Limited, credit pertaining to re-assessment of levies, based on a recent pronouncement related to the manner of determination of such levies, partially set off by charge on network re-farming and program upgrades and integration related costs pertaining to the business combinations consummated during the period.

We recorded exceptional cost of Rs. 7,931 million in the fiscal year ended March 31, 2018, relating primarily to charges towards costs on network re-farming and upgrade programs, translation impact in Nigeria due to the transition to market based exchange rates and some additional regulatory levies, partially offset by gains towards divestment of subsidiary assets and gains on account of actualization impact of divestment of entity.

Tax expense / (credit)

Our income tax expense changed 415.58% to credit of Rs. 34,193 million (U.S.$484 million) in the fiscal year ended March 31, 2019 from expense of Rs. 10,835 million in the fiscal year ended March 31, 2018. The change was mainly attributable to a decrease in PBT.

Net losses due to foreign currency translation differences

We recorded a loss from exchange differences on translation of foreign operations of Rs. 15,739 million (U.S.$223 million) in the fiscal year ended March 31, 2019 compared to a loss of Rs. 7,181 million in the

fiscal year ended March 31, 2018. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see Note 2.5 of the Group Consolidated Financial Statements for the year ended March 31, 2019.

Fiscal year ended March 31, 2018 compared to fiscal year ended March 31, 2017

Revenue

Our revenue decreased 13.44% to Rs. 826,388 million in the fiscal year ended March 31, 2018 from Rs. 954,683 million in the fiscal year ended March 31, 2017. This decrease was primarily due to a decline in mobile revenue in India owing to a decline in ARPU.

B2C services:

- *Mobile Services – India*: Our mobile services operations in India contributed total revenue of Rs. 462,639 million in the fiscal year ended March 31, 2018, a decrease of 18.19% from Rs. 565,511 million for the fiscal year ended March 31, 2017. This resulted primarily from decline in ARPU.
- *Mobile Services – Africa*: Our mobile services operations in Africa contributed total revenue of Rs. 191,073 million in the fiscal year ended March 31, 2018, a decrease of 12.98% from Rs. 219,568 million for the fiscal year ended March 31, 2017. The decrease in revenues was also attributable to divestment of Burkina Faso, Sierra Leone and Ghana, and change in accounting policy on account of adoption of IFRS 15 (revenues earned by the Company from distributors is measured at net consideration received from such distributors).
- *South Asia*: Our mobile services operations in Bangladesh and Sri Lanka contributed total revenue of Rs. 4,045 million in the fiscal year ended March 31, 2018, a decrease of 65.55% from Rs. 11,743 million for the fiscal year ended March 31, 2017. This resulted primarily from the demerger of the Bangladesh operations.
- *Home Services*: Our home services segment contributed total revenue of Rs. 25,265 million in the fiscal year ended March 31, 2018, a decrease of 8.19% from Rs. 27,518 million for the fiscal year ended March 31, 2017. This decrease resulted primarily from a decline in ARPU.
- *Digital TV Services*: Our digital TV services segment contributed total revenue of Rs. 37,570 million in the fiscal year ended March 31, 2018, an increase of 9.51% from Rs. 34,306 million for the fiscal year ended March 31, 2017.

B2B services:

- *Airtel Business*: Our Airtel Business segment contributed total revenue of Rs. 113,566 million in the fiscal year ended March 31, 2018, an increase of 3.78% from Rs. 109,429 million for the fiscal year ended March 31, 2017.
- *Tower Infrastructure Services*: Total revenue from our Tower Infrastructure Services segment was Rs. 66,284 million in the fiscal year ended March 31, 2018, an increase of 8.97% from Rs. 60,829 million for the fiscal year ended March 31, 2017.

Other income

Our other income for the fiscal year ended March 31, 2018 was Rs. 2,488 million, an increase of 106.30% from the Rs. 1,206 million recorded in the fiscal year ended March 31, 2017, primarily due to the reversal of liabilities in fiscal year ended March 31, 2018.

Network operating expenses

Our network operating expenses decreased 5.56% to Rs. 197,520 million in the fiscal year ended March 31, 2018 from Rs. 209,154 million in the fiscal year ended March 31, 2017. Network operating expenses for our Company and our subsidiaries excluding Africa decreased 3% to Rs. 153,078 million in the fiscal year ended 2018 from Rs. 156,192 million in the fiscal year ended March 31, 2017.

EBITDA

Our EBITDA for the fiscal year ended March 31, 2018 was Rs. 303,279 million, a 14.45% decrease from Rs. 354,504 million recorded in the fiscal year ended March 31, 2017, while its EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased in the fiscal year ended March 31, 2018 to 36.70% from 37.13% in the fiscal year ended March 31, 2017. Decreases were primarily the result of a decline in revenues.

B2C services:

- *Mobile Services – India*: EBITDA related to our mobile services operations in India decreased 32.95% to Rs. 150,374 million in the fiscal year ended March 31, 2018 from Rs. 226,674 million in the fiscal year ended March 31, 2017, while EBITDA Margin decreased in the fiscal year ended March 31, 2018 to 32.50% from 40.08% in the fiscal year ended March 31, 2017.

- *Mobile Services – Africa*: EBITDA related to our mobile services operations in Africa increased 26.87% to Rs. 66,159 million in the fiscal year ended March 31, 2018 from Rs. 52,083 million in the fiscal year ended March 31, 2017, primarily due to an cost optimization initiatives primarily focused on redesign of processes and systems. EBITDA Margin increased to 34.62% in the fiscal year ended March 31, 2018 from 23.72% in the fiscal year ended March 31, 2017.

- *South Asia*: EBITDA related to our mobile services operations in Bangladesh and Sri Lanka decreased 96.63% to Rs. 8 million in the fiscal year ended March 31, 2018 from Rs. 238 million in the fiscal year ended March 31, 2017, while EBITDA Margin was 0.20% in the fiscal year ended March 31, 2018 compared to 2.03% in the fiscal year ended March 31, 2017. These changes resulted primarily due to a decline in revenues.

- *Homes Services*: EBITDA related to our homes services segment decreased by 9.06% to Rs. 11,774 million in the fiscal year ended March 31, 2018 compared to Rs. 12,948 million in the fiscal year ended March 31, 2017. EBITDA Margin decreased to 46.60% in the fiscal year ended March 31, 2018 from 47.05% in the fiscal year ended March 31, 2017, primarily due to a decline in revenues.

- *Digital TV Services*: EBITDA related to our digital TV services segment increased by 16.38% to Rs. 14,221 million in the fiscal year ended March 31, 2018 from Rs. 12,219 million in the fiscal year ended March 31, 2017, while EBITDA Margin increased to 37.85% in the fiscal year ended March 31, 2018 from 35.62% in the fiscal year ended March 31, 2017. These increases were due to an increase in revenues.

B2B services:

- *Airtel Business*: EBITDA related to our Airtel Business segment increased by 25.59% to Rs. 42,401 million in the fiscal year ended March 31, 2018 from Rs. 33,761 million in the fiscal year ended March 31, 2017, while EBITDA Margin increased to 37.34% in the fiscal year ended March 31, 2018 from 30.85% in the fiscal year ended March 31, 2017. These increases were primarily due to an increase in revenues.

- *Tower Infrastructure Services*: EBITDA related to our Tower Infrastructure Services segment increased by 11.59% to Rs. 32,253 million in the fiscal year ended March 31, 2018 from Rs. 28,904 million in the

fiscal year ended March 31, 2017. However, EBITDA Margin increased to 48.66% in the fiscal year ended March 31, 2018 from 47.52% in the fiscal year ended March 31, 2017, primarily due to an increase in revenues.

Depreciation and amortization

Our depreciation and amortization decreased 2.68% to Rs. 192,431 million in the fiscal year ended March 31, 2018 from Rs. 197,730 million in the fiscal year ended March 31, 2017. This decrease was primarily due to divestment in South Asia and Africa. Depreciation and amortization expenses associated with our operations in India increased, while depreciation and amortization expenses associated with our operations in Africa decreased by 21.54% to Rs. 30,480 million for the fiscal year ended March 31, 2018 from Rs. 41,894 million for the fiscal year ended March 31, 2017, primarily due to divestment of Burkina Faso, Sierra Leone and Ghana. Depreciation and amortization expenses associated with our operations in South Asia decreased by 70% to Rs. 1,276 million for the fiscal year ended March 31, 2018 from Rs. 4,256 million for the fiscal year ended March 31, 2017, primarily due to the demerger of the Bangladesh operations.

Finance costs

Our finance costs decreased by 2.31% to Rs. 93,255 million in the fiscal year ended March 31, 2018 from Rs. 95,466 million in the fiscal year ended March 31, 2017. This decrease was primarily due to lower average currency fluctuation during the fiscal year ended March 31, 2018, as compared to fiscal year ended March 31, 2017.

Finance income

Our finance income decreased by 32.19% to Rs. 12,540 million in the fiscal year ended March 31, 2018 from Rs. 18,492 million in the fiscal year ended March 31, 2017. This decrease was primarily due to a decrease in income from Infratel.

Share of results of joint ventures and associates

Our gain from share of results of joint ventures and associates was Rs. 10,609 million in the fiscal year ended March 31, 2018, an increase of 1.53% from a gain of Rs. 10,449 million in the fiscal year ended March 31, 2017, primarily due to an increase in the Indus share of the joint venture.

Exceptional items

We recorded exceptional income of Rs. 7,931 million in the fiscal year ended March 31, 2018, relating primarily to charges towards costs on network refarming and upgrades, translation impact in Nigeria due to the transition to market based exchange rates, and some additional regulatory levies, partially offset by gains towards divestment of subsidiary assets and gains on account of the actualization impact of divestment of entity.

Tax expense / (credit)

Our income tax expense decreased 68.88% to Rs. 10,835 million in the fiscal year ended March 31, 2018 from Rs. 34,819 million in the fiscal year ended March 31, 2017. The decrease was mainly attributable to a decline in the profit before tax.

Net losses due to foreign currency translation differences

We recorded a loss from exchange differences on translation of foreign operations of Rs. 7,181 million in the fiscal year ended March 31, 2018 compared to a loss of Rs. 41,424 million in the fiscal year ended March 31, 2017. This change was primarily due to appreciation in the value of INR. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see Note 2.5(c) of the Group Consolidated Financial Statements for the year ended March 31, 2018.

Liquidity and Capital Resources

We believe that liquidity is its most important financial risk to manage, particularly in light of the capital intensive nature of our operations. Our principal source of funding has been, and is expected to continue to be, cash generated from operations, supported by funding from bank borrowings and the capital markets. In the fiscal years ended March 31, 2017, 2018 and 2019 and the six months ended September 30, 2019, we met our funding requirements, including capital expenditures, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations, equity issuances and proceeds from our U.S. dollar notes, Euro-denominated notes and Swiss Franc-denominated bonds, with the balance principally met using external borrowings, including both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). In the six months ended September 30, 2019, we also recorded an incremental provision for license fee and SUC of Rs. 110,257 million (U.S.$1,560 million) (net of tax of Rs. 57,893 million (U.S.$819 million)) and Rs. 76,538 million (U.S.$1,083 million) (net of tax of Rs. 39,812 million (U.S.$563 million)), respectively, as an estimate based on the AGR Ruling. We plan to use the net proceeds of the QIP Issue to partially fund additional payments that may be due in connection with the AGR Ruling. For further details, see "*Risk Factors—Risks Relating to Our Business—Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position*". See also "*Litigation*".

We focus on ensuring that we have sufficient committed loan facilities to meet short-term business requirements, after taking into account cash flows from operations and our holding of cash and cash equivalents, as well as any existing restrictions on distributions. Management believes that our committed loan facilities and cash generation will be sufficient to cover our likely short-term cash requirements.

We have an extensive capital expenditure program related to all aspects of our business, which we expect to fund through a combination of cash flow from operations and external borrowings. We may also consider further issuances of equity or debt instruments or convertible securities or other equity linked securities as a means to fund our capital expenditure program, although we currently have no definite plans to do so. See "*—Capital Expenditure.*"

Our principal sources of external financing include both secured and unsecured short-term and long-term facilities (in both rupees and other currencies), as well as proceeds from the issuance of our debt securities. See "*Description of Other Indebtedness.*" We are required to secure certain of our domestic borrowings, in line with established market practices in India. As at March 31, 2019, we had total debt of Rs. 1,254,283 million (U.S.$ 17,743 million), Rs. 3,071 million (U.S.$43 million) of this was secured debt and Rs. 1,251,212 million (U.S.$17,700 million) was unsecured debt. In addition, concurrently with the Issue, we expect to undertake the QIP Issue.

Due to the international nature of our operations and the multitude of currencies in which we earns revenues and cash flows, a significant portion of our debt is denominated in currencies other than the Indian rupee. These include debt denominated in the respective local currencies of various geographies in which we have operations (e.g., Nigerian Naira for its operations in Nigeria). As at March 31, 2019, 37.87% of our total debt was denominated in currencies other than Indian Rupee, principally in U.S. dollars, Euros and Nigerian Naira. As at March 31, 2019, we had total overdraft outstanding of Rs. 24,806 million (U.S.$ 351 million). See "*—Debt and Debt Funding*" below.

In addition, we had a negative working capital position as at September 30, 2019, and as at each of March 31, 2017, 2018 and 2019. Working capital is defined as current assets minus current liabilities.

As at September 30, 2019, we had cash and cash equivalents of Rs. 106,957 million (U.S.$ 1,513 million). We seek, in normal circumstances, to maintain a substantial cash and cash equivalents balances to provide us with financial and operational flexibility. Our cash is placed in bank fixed deposits, certificates of deposit, GoI securities, bonds issued by corporates with high credit ratings and debt mutual funds.

In our principal place of operations, India, exchange controls restrict the conversion of rupees into and from other currencies, primarily for capital account convertibility. The restrictions are not expected to have any material effect on our ability to meet its on-going obligations in respect of the Bonds.

Cash Flow Analysis

The following table sets forth our cash flow data for the periods indicated.

	Six Months ended September 30,				
	2018	**2019**	**2019**	**2019**	**2019**
		After Applying Ind-AS 116	**After Applying Ind-AS 116**	**Frozen GAAP**	**Without Applying Ind-AS 116**
	(Rs. in millions)	*(Rs. in millions)*	*(U.S.$. in millions)(1)*	*(Rs. In millions)*	*(U.S.$ in millions)(1)*
Net cash inflow from operating activities	88,516	149,122	2,110	123,345	1,745
Net cash (outflow) from investing activities	(149,112)	(113,110)	(1,600)	(113,110)	(1,600)
Net cash inflow/(outflow) from financing activities.....	43,051	8,469	120	34,246	484
Net increase/(decrease) in cash and cash equivalents during the period	(17,545)	44,481	629	44,481	629
Balance as at the beginning of the period	28,468	37,316	528	37,316	528
Effect of exchange rate changes on cash and cash equivalents.....	3,091	2,459	35	2,459	35
Balance as at the end of the period.....	14,014	84,256	1,192	84,256	1,192

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the six months ended September 30, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

	Fiscal year ended March 31,			
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		*(U.S.$ in millions)(1)*
Net cash generated from operating activities.....	282,799	298,538	197,880	2,799
Net cash used in investing activities	(306,044)	(279,676)	(285,009)	(4,032)
Net cash generated from / (used) in financing activities.....	(3,514)	19,205	94,638	1,339
Net increase/(decrease) in cash and cash	(26,759)	38,067	7,509	106

	Fiscal year ended March 31,			
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		*(U.S.$ in millions)*[1]
equivalents during the period				
Cash and cash equivalents as at beginning of the year	17,635	(9,880)	28,468	403
Effect of exchange rate changes on cash and cash equivalents	(756)	281	1,338	19
Cash and cash equivalents as at end of the year	(9,880)	28,468	37,315	528

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the fiscal year ended March 31, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

In order to allow meaningful comparison to prior periods, the commentary and variances below for the six months ended September 30, 2019 are presented without the application of Ind-AS 116.

Operating Activities

Net cash inflow from operating activities was Rs. 149,122 million (U.S.$2,110 million) for the six months ended September 30, 2019 compared to Rs. 88,516 million for the six months ended September 30, 2018. Net cash inflow in the six months ended September 30, 2019 was higher.

Net cash inflow from operating activities was Rs. 197,880 million (U.S.$2,799 million) for the fiscal year ended March 31, 2019 compared to Rs. 298,538 million for the fiscal year ended March 31, 2018. Net cash inflow in the fiscal year ended March 31, 2019 was lower.

Net cash inflow from operating activities was Rs. 298,538 million for the fiscal year ended March 31, 2018 compared to Rs. 282,799 million for the fiscal year ended March 31, 2017. Net cash inflow in the fiscal year ended March 31, 2018 was higher.

Investing Activities

Net cash outflow from investing activities was Rs. 113,110 million (U.S.$1,600 million) for the six months ended September 30, 2019 compared to Rs. 149,112 million for the six months ended September 30, 2018. Net cash outflow in the six months ended September 30, 2019 was lower.

Net cash outflow from investing activities was Rs. 285,009 million (U.S.$4,032 million) in the fiscal year ended March 31, 2019 compared to Rs. 279,676 million in the fiscal year ended March 31, 2018. Net cash outflow from investing activities during the fiscal year ended March 31, 2019 was higher.

Net cash outflow from investing activities was Rs. 279,676 million in the fiscal year ended March 31, 2018 compared to Rs. 306,044 million in the fiscal year ended March 31, 2017. Net cash outflow from investing activities during the fiscal year ended March 31, 2018 was lower.

Financing Activities

Net cash inflow from financing activities was Rs. 8,469 million (U.S.$120 million) for the six months ended September 30, 2019 compared to net cash inflow of Rs. 43,051 million for the six months ended September 30, 2018. Net cash inflow in the six months ended September 30, 2019 was lower.

Net cash inflow from financing activities was Rs. 94,638 million (U.S.$1,339 million) in the fiscal year ended March 31, 2019 compared to net cash inflow from financing activities of Rs. 19,205 million in the fiscal year ended March 31, 2018.

Net cash inflow from financing activities was Rs. 19,205 million in the fiscal year ended March 31, 2018 compared to net cash outflow from financing activities of Rs. 3,514 million in the fiscal year ended March 31, 2017. The cash provided by financing activities in the fiscal year ended March 31, 2018 consisted primarily of Rs. 197,644 million in borrowings (including short-term borrowings), as well as Rs. 57,189 million raised from the sale of our interest in Bharti Infratel. Proceeds from borrowings includes Rs. 30,000 million from the issuance of bonds, Rs. 15,000 million each from the issuance of 8.25% NCD Series I and 8.35% NCD Series II bonds during the fiscal year ended March 31, 2018. This was partially offset by, among other things, repayments of borrowings in the amount of Rs. 130,717 million during the fiscal year ended March 31, 2018. In the fiscal year ended March 31, 2017, net cash outflow from in financing activities was principally as a result of net repayment of borrowings and payment of interest and other finance charges, partially offset by proceeds of Rs. 258,584 million.

Capital Expenditure

Our operations are capital intensive and we require significant maintenance capital expenditure as well as additional capital spending to support its growth and development strategy.

The table below sets forth our capital expenditures, including for intangible assets such as licenses, spectrum bandwidth and software, for the periods stated.

	Capital Expenditures
	(Rs. in millions)
Year ended March 31, 2017	442,687
Year ended March 31, 2018	274,714
Year ended March 31, 2019	327,931
Six months ended September 30, 2019	94,839

The following tables summarize our capital expenditures, including for intangible assets, by segment for the fiscal years ended March 31, 2017, 2018 and 2019 and the six months ended September 30, 2019.

	For the year ended March 31,			**For the six months ended September 30,**		
	2017	**2018**	**2019**	**2019**	**2019**	**2019**
	(Rs. in millions)			*(U.S.$ in millions[1])*	*(Rs. in millions)*	*(U.S.$ in millions[1])*
Mobile Services – India	380,011	198,280	235,770	3,335	60,205	852
Mobile Services – South Asia	1,801	2,066	1,228	17	425	6

	For the year ended March 31,			For the six months ended September 30,		
	2017	**2018**	**2019**	**2019**	**2019**	**2019**
	(Rs. in millions)			*(U.S.$ in millions[1])*	*(Rs. in millions)*	*(U.S.$ in millions[1])*
Mobile Services – Africa	25,235	28,366	50,846	719	20,617	292
Homes Services	19,649	11,129	8,931	126	2,192	31
Airtel Business	17,142	14,263	18,986	269	2,740	39
Digital TV Services	8,608	10,277	8,791	124	4,488	63
Tower Infrastructure Services	9,829	11,307	9,107	129	4,172	59
Others	19	267	41	1	—	—
Unallocated	1,597	6,257	—	—	—	—
Eliminations/ adjustments	(21,204)	(7,498)	(5,769)	(82)	—	—
Total	442,687	274,714	327,931	4,639	94,839	1,342

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the six months ended September 30, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

We expect to fund our budgeted capital expenditures principally through a combination of cash from operations and external borrowings. The figures in our capital expenditure plans are based on management's estimates and have not been appraised by an independent organization. Since capital commitments that have been approved but not committed to contract may be subject to change, and because we may from time to time determine to undertake additional capital projects, actual capital expenditures in future years may be more or less than the amounts shown above. There can be no assurance that we will execute its capital expenditure plans as contemplated at or below estimated costs.

Contractual Obligation for Spectrum

Our Company is an active participant in the periodic spectrum auctions held in India.

The following table shows our contractual payment obligations by maturity for the spectrum licenses it won in the October 2016 and April 2015 auctions.

October 2016 auction

	As of September 30, 2019				
	Less than 1 Year	**1 to 2 Years**	**2 to 5 Years**	**More than 5 years**	**Total**
	(Rs. in millions)				
Annual payment	9,774	9,774	29,321	107,509	156,378
Interest	7,418	7,199	20,068	41,926	76,611
Principal	2,356	2,575	9,253	65,583	79,767

April 2015 auction

	As of September 30, 2019				
	Less than 1 Year	**1 to 2 Years**	**2 to 5 Years**	**More than 5 years**	**Total**
			(Rs. in millions)		
Annual payment	27,458	27,458	82,375	247,126	384,419
Interest	20,228	19,505	53,416	88,994	182,143
Principal	7,231	7,954	28,959	158,133	202,276

As of September 30, 2019, we had total spectrum deferred payment liability of Rs. 442,164 million (U.S.$6,255 million).

Via a press release dated November 20, 2019, the Union Cabinet approved the proposal for Mitigating financial stress being faced by the Telecom Services Sector whereby Department of Telecommunication will give an option to the Telecom Service Providers (TSPs) to defer payment of the spectrum auction instalments due for 2020-21 & 2021-22, either for one or both years. These deferred amounts will be spread equally in the remaining instalments to be paid by TSPs. Interest as stipulated while auctioning of the concerned spectrum will however be charged so that Net Present Value is protected.

As of September 30, 2019, considering such deferral, the total payout of interest liability on deferred spectrum payment may increase. This is based on understanding of the press release dated November 20, 2019 while a formal demand from DoT has not been received.

Debt and Debt Funding

Our Company runs a centralized treasury function. We have stable relationships with a large variety of debt providers, principally commercial banks. In addition, we raise money in the capital markets through the issue of debt securities. For more details of our outstanding debt, see "*Description of Other Indebtedness.*"

As at March 31, 2019, after taking into account the effect of interest rate swaps, 71.35% of our total debt carried a fixed interest rate. As at March 31, 2019, the proportion of our total debt that was short-term debt was 30.77% and the ratio of secured debt to unsecured debt was 0.13%.

Our debt obligations as at March 31, 2017, 2018 and 2019 are set forth below:

Non-Current Borrowings

	As at March 31,			
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		*(U.S.$ in millions)*[1]
Secured				
Term loans	11,474	16,836	1,403	20
Vehicle loans	31	29	10	0
Total	11,505	16,865	1,413	20
Less: current portion	(4,322)	(14,498)	(1,386)	(20)
Less: Interest accrued but not due	(130)	(111)	(24)	0

	As at March 31,			
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		*(U.S.$ in millions)*[1]
Total secured loans, net of current portion debt	7,053	2,256	3	0
Unsecured				
Term loans	69,067	71,011	175,551	2,483
Non-convertible bonds[1]	373,765	389,558	253,741	3,589
Non-convertible debenture	-	30,068	32,322	457
Deferred payment liability	439,204	455,602	466,191	6,595
Finance Lease obligation	57,089	48,831	47,721	675
Total	939,125	995,070	975,526	13,800
Less: current portion	(42,740)	(119,848)	(70,346)	995
Less: interest accrued but not due	(7,065)	(28,058)	(32,729)	463
Total unsecured loans, net of current portion debt	889,320	847,164	872,451	12,342
Total	896,373	849,420	872,454	12,342

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the fiscal year ended March 31, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

Current borrowings and current maturities of long term borrowings

	As at March 31,			
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		*(U.S.$ in millions)*[1]
Secured				
Term loans	—	—	—	—
Bank overdraft	663	5,060	1,682	24
Total	663	5,060	1,682	24
Add: current portion of long term debt	4,322	14,498	1,386	20
Total secured loans, including current portion debt	4,985	19,558	3,068	43
Unsecured				
Term loans	92,084	76,816	193,988	2,744
Bank overdraft	22,034	14,358	23,124	327
Commercial paper	14,280	33,507	91,826	1,299

	As at March 31,			
	2017	**2018**	**2019**	**2019**
		(Rs. in millions)		*(U.S.$ in millions)*[1]
Total	128,948	124,681	308,938	4,370
Add: current portion of long term debt	42,740	119,848	70,346	995
Less: interest accrued but not due	(169)	(172)	(523)	(7)
Total unsecured loans, including current portion debt	171,519	244,357	378,761	5,358
Total	176,504	263,915	381,829	5,401

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the fiscal year ended March 31, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

Our secured loans are secured by charges over various fixed assets and other assets in certain overseas subsidiaries.

We had total overdraft outstanding of Rs. 22,701 million (U.S.$321 million) as at September 30, 2019.

The following table sets forth information with regard to our total debt by currency, in terms of fixed or floating rate as at March 31, 2019. The details below are gross of debt origination costs and fair value adjustments with respect to the hedged risk:

	Currency of borrowings as at March 31, 2019		
	Total Borrowings	**Floating rate borrowings**	**Fixed rate borrowings**
		(Rs. in millions)	
Indian rupee	780,990	202,123	578,867
U.S. Dollar	347,607	122,425	225,182
Euro	71,763	13,779	57,984
Swiss Franc	24,282	—	24,282
Japanese Yen	14,027	14,027	—
Central African CFA Franc	4,333	—	4,333
West African CFA Franc	6,251	—	6,251
Others	7,896	7,830	66
Total	1,257,149	360,184	896,965

Our Company's loan agreements and other debt arrangements contain a number of covenants that could potentially affect our ability to draw down funds, grant security interests and effect other transactions. These covenants are generally similar to covenants contained in loan agreements and debt arrangements of similarly

situated issuers, and include cross-default provisions, negative pledge provisions and limitations on certain sale-and-leaseback transactions. In addition, our term loan facilities contain a number of financial covenants. See "*Description of Other Indebtedness.*"

Maturity of Borrowings

The table below summarizes the maturity profile of our Company's borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost and fair value adjustments with respect to the hedged risk.

Maturity	**As at March 31,**		
	2018	**2019**	**2019**
	(Rs. in millions)		*(U.S.$ in millions)*[1]
Within one year	264,253	382,037	5,404
Between one and two years	59,169	139,628	1,975
Between two and five years	298,655	302,569	4,280
Over five years	499,576	432,915	6,124
Total	1,121,653	1,257,149	17,784

Hedge of net investment in foreign operation

During the fiscal year ended March 31, 2019, we formally designated, for accounting purposes, certain Euro borrowings as a hedge against net investments in subsidiaries in four African countries where the local currency is pegged to the Euro. Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income, net of income taxes, to offset the change in the value of the net investment being hedged. A foreign exchange loss of Rs. 1,754 million (U.S.$25 million) was recognized against other comprehensive income in the fiscal year ended March 31, 2019, compared to a loss of Rs. 8,024 million in the fiscal year ended March 31, 2018.

Hedge of cash flows

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to a recognised item ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in profit or loss within finance income / finance costs. The amounts accumulated in equity are re-classified to the profit and loss in the periods when the hedged item affects profit / (loss). A foreign exchange loss of Rs. 193 million (U.S.3 million) was recognized against other comprehensive income during the six months ended September 30, 2019, compared to Rs. 655 million in the six months ended September 30, 2018 pertaining to such hedges.

Off Balance Sheet Arrangements and Contingent Liabilities

As of September 30, 2019, except as disclosed in Note 9 to our Company's Interim Condensed Financial Statements for the six months ended September 30, 2019, we had no other contingent liabilities or off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency rate risk, interest rate risk and other price risks, such as equity risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity analyses in the following sections relate to our position as of September 30, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2019.
- Our activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. We use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. We transact our business both (i) in local currency and (ii) in currencies other than Indian Rupee, which is primarily in U.S. dollars. Our Company has obtained foreign currency loans and has imported equipment and is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to U.S. dollars. We may use foreign exchange option contracts, swap contracts or forward contracts towards hedging operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, have varying maturities depending upon the primary host contract requirement and our risk management strategy.

Foreign currency sensitivity

The following table demonstrates the sensitivity to reasonably possible changes in the exchange rates for U.S. dollars, Euros, Swiss Francs and other currencies, with all other variables held constant, of our profit before tax (due to changes in the fair value of monetary assets and liabilities, including foreign currency derivatives). The impact on our equity is due to change in the fair value of intra-group monetary items that form part of net investment in foreign operation and other foreign currency monetary items designated as a hedge of net investment in foreign operations or cash flow hedge of a highly probable forecast transactions.

	Currency of borrowings as at March 31, 2019		
	Change in currency exchange rate	**Effect on profit before tax**	**Effect on Equity (OCI)**
		(Rs. in millions)	
U.S. Dollar	+5%	(10,269)	(9,109)
	-5%	10,269	9,109
Euro	+5%	(2,368)	(1,590)
	-5%	2,368	1,590
Others	+5%	(905)	—
	-5%	905	—

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. Our Company enters into interest rate swaps and options, where we agree with other parties to exchange, at specified intervals, the difference between the fixed contract rate interest amounts and the floating rate interest amounts calculated by reference to the agreed notional principal amounts. These swaps are undertaken to hedge underlying debt obligations. As at March 31, 2019, after taking into account the effect of interest rate swaps, 71.35% of our borrowings were at a fixed rate of interest, compared to 84.92% as of March 31, 2018.

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on the floating rate portion of our loans and borrowings, after considering the impact of interest rate swaps.

	Currency of borrowings as at March 31, 2019	
	Increase/ decrease in basis points	**Effect on profit before tax**
	(Rs. in millions)	
Indian Rupee	+100	(2,021)
	-100	2,021
U.S. Dollar	+25	(306)
	-25	306
Euro	+25	(34)
	-25	34
Others	+100	(219)
	-100	219

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Most of our in-country floating interest rate loans use "bank rate/Marginal Cost of Lending Rate" benchmarks, and the interest on these loans does not change except at "re-set" intervals, typically three to six months apart. A bank rate benchmark is a rate that is specific to the lending bank, rather than the London Interbank Offered Rate ("**LIBOR**") or other commonly used benchmarks, and is dependent on the lending bank's own asset and liability portfolio, internal cost of funds, which generally moves with India's larger interest rate environment.

Our Company maximizes use of customer payments received and excess cash by investing in relatively liquid assets such as various debt instruments and debt mutual funds. These are also susceptible to market price risk, mainly arising from changes in interest rates, which may impact the return and value of such investments.

Price Risk

Our Company's investments, mainly in debt mutual funds and bonds, are susceptible to market price risk arising from uncertainties about future values of the investment securities. We not believe we are exposed to any significant price risk. For more details, please see *"Risks Relating to the Securities and the Issue–After this Issue, the price of the Securities may be volatile."*

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits or investments with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to our established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms except in the case of balances due from trade receivables in the Airtel Business segment, which are generally on 7-day to 90-day credit terms. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. We believe we have limited concentration of credit risk as our customer base is widely distributed both economically and geographically. As at March 31, 2019, the aging analysis of trade receivables is as follows:

		Past due but not impaired				
	Neither past due nor impaired (including unbilled)	**Less than 30 days**	**30 to 60 days**	**60 to 90 days**	**Above 90 days**	**Total**
			(Rs in millions)			
Trade Receivables as at March 31, 2019...	12,548	12,109	6,765	5,183	6,401	43,006

The requirement for impairment is analyzed at each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by our treasury function in accordance with Board-approved policy. Investments of surplus funds are made only with approved

counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. We monitor ratings, credit spreads and financial strength on at least a quarterly basis. Based on our on-going assessment of counterparty risk, we adjust our exposure to various counterparties.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future financial obligations without incurring unacceptable losses.

Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and debentures. We also focus on diversifying our financing with sources such as bilateral loans with various banks, commercial papers and bond issuances in the domestic and international capital markets.

The table below summarizes the maturity profile of our financial liabilities based on contractual undiscounted payments as at March 31, 2019:

As of March 31, 2019	Carrying amount	On demand	Less than 6 months	6 to12 months	1 to 2 years	More than 2 years	Total
				(Rs. in millions)			
Interest bearing borrowings[(1)(2)]	1,287,702	24,802	309,374	158,297	207,658	1,104,386	1,804,517
Financial derivatives	(10,037)	—	(10,601)	(2,073)	(145)	2,782	(10,037)
Other liabilities[(1)]	188,518	2,622	114,247	10,649	9,804	51,196	188,518
Trade and other payables[(2)]	280,031	—	280,031	—	—	—	280,031
Total	1,746,214	27,424	693,051	166,873	217,317	1,158,364	2,263,029

Notes:

(1) Includes contractual interest payment based on the interest rate prevailing at the end of the reporting period and adjustment for the impact of interest rate swaps over the tenor of the borrowings.

(1) Interest accrued but not due of Rs. 33,419 million as of March 31, 2019 has been included in interest bearing borrowings and excluded from trade and other payables.

As of March 31, 2019	Carrying amount	On demand	Less than 6 months	6 to12 months	1 to 2 years	More than 2 years	Total
				(U.S.$ in millions)[(1)]			
Interest bearing borrowings[(2)(3)]	18,216	351	4,376	2,239	2,938	15,623	25,527
Financial derivatives	(142)	—	(150)	(29)	(2)	39	(142)
Other liabilities[(2)]	2,667	37	1,616	151	139	724	2,667
Trade and other payables[(3)]	3,961	—	3,961	—	—	—	3,961
Total	24,702	388	9,803	2,361	3,074	16,386	32,013

Notes:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the fiscal year ended March 31, 2019 have been provided at a rate of U.S.$1.00 = Rs. 70.69.

(2) Includes contractual interest payment based on the interest rate prevailing at the end of the reporting period and adjustment for the impact of interest rate swaps over the tenor of the borrowings.

(3) Interest accrued but not due of approximately U.S.$ 473 million as of March 31, 2019 has been included in interest bearing borrowings and excluded from trade and other payables.

The disclosed derivative financial instruments in the above table represent fair values of the instrument. However, those amounts may be settled gross or net.

Seasonality

Our Company's revenues from operations in India and South Asia are typically lower during the monsoon season, which usually falls in the second quarter of the fiscal year. Our revenues from operations in Africa are typically lower during the fourth quarter of the fiscal year, during which there are fewer festivals and holidays as well as fewer reporting days overall compared to the third quarter.

Summary of Significant Accounting Policies, Estimates and Forthcoming Changes

Our Company's summary of significant accounting policies, estimates and forthcoming changes is set out in notes 2, 3 and 4 of the Group Consolidated Financial Statements for the year ended March 31, 2019 included elsewhere in this Offering Circular.

Material Developments after September 30, 2019

Supreme Court of India ruling

The Supreme Court of India (the "**Supreme Court**") delivered a judgment on October 24th, 2019, in relation to a long outstanding industrywide case, which upheld the view considered by the Department of Telecommunications ("**DoT**") in respect of the definition of Adjusted Gross Revenue. The Supreme Court has provided a period of three months to the affected parties to pay amounts due to the DoT and submit compliance thereof. Due to the October 24, 2019 AGR Ruling, telecom services companies are now liable to pay the DoT's complete demands, which also includes interest, penalty and interest on penalty. The telecom service companies have been asked to self-assess and pay the amount due.

Additionally, several of the affected parties, including us, have filed review petitions against the Supreme Court's order dated October 24, 2019. The outcome on the review petition is pending.

Spectrum Deferred Payment

The telecom service providers have been engaged in talks with the Government of India and the DoT to request relief in the form of staggered payment or interest and/or penalty waivers as a result of financial stress in the telecom industry. On November 20, 2019, the Government approved the telecom service providers' request for relief regarding deferred payment of the spectrum dues. As per the Cabinet Decision, the DoT will provide an option to the telecom service provides to either defer the payment of the spectrum auction instalments due for either or both calendar year 2020–21 and 2021–22. These deferred amounts will be spread equally in the remaining instalments to be paid by the telecom service providers. However, interest as stipulated while auctioning of the concerned spectrum will nonetheless be charged so that NPV is protected.

Credit Ratings Revisions

Our Company has seen revisions to our credit rating after September 30, 2019. On October 30, 2019, Fitch placed our long-term foreign currency issuer default rating of BBB- on Rating Watch Negative. Furthermore, S&P placed our long-term issuer credit rating on CreditWatch with negative implications on October 31, 2019.

On December 5, 2019, S&P reaffirmed our previously issued long-term issuer credit rating of BBB- and kept our issue ratings on debt issued or guaranteed on CreditWatch with negative implications. We aim to resolve the CreditWatch around January 22, 2020. In addition, on November 25, 2019, ICRA downgraded our long-term rating to [ICRA]AA- and reaffirmed our short-term rating at [ICRA]A1+ with the rating remaining under watch with negative implications.

Key Performance Indicators

The following table sets forth our Company's key performance indicators as at and for the nine months ended December 31, 2019:

	As at and for three months ended December 31, 2019
Mobile Services India	
Voice	
Minutes on the network *(in millions)*	758,897
Data	
Data Customer Base *(in thousands)*	138,443
Of which 4G data customers *(in thousands)*	123,793
Total MBs on the network *(million MBs)*	5,547,223
Data usage per customer *(MBs)*	13,928
Homes Services	
Homes Customers *(in thousands)*	2,352
Net additions *(in thousands)*	2
Digital TV Services	
Digital TV Customers *(in thousands)*	16,308
Net additions *(in thousands)*	101
Monthly Churn *(%)*	1.8%
Census Towns *(numbers)*	7,906
Non-census Towns and Villages *(numbers)*	786,719
Population Coverage *(%)*	95.3%
Optic Fibre Network *(R KMs)*	299,592
Homes Services- Cities covered *(numbers)*	103
Airtel Business - Submarine cable systems *(numbers)*	9
Digital TV Services	
Districts Covered *(numbers)*	639
Coverage *(%)*	99.8%

INDUSTRY OVERVIEW

THE TELECOMMUNICATIONS INDUSTRY

The following information relating to the telecom industry has been provided for background purposes only. While the Directors believe the third-party information included herein to be reliable, we have not independently verified such third-party information. We confirm that all third-party data contained in this Offering Circular has been accurately reproduced and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Unless otherwise indicated, information contained in this Offering Circular has been obtained or derived from publicly available information as well as various industry publications and sources. The industry and market data used in this Offering Circular have not been independently verified by us, the Managers or any of their affiliates or advisors and therefore their accuracy and completeness are not guaranteed and their reliability cannot be assured. Data from these sources may also not be comparable. Accordingly, investment decisions should not be based solely on such information. Investors should read this Industry section in conjunction with the more detailed information contained in this Offering Circular, including the 'Risk Factors' and Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Offering Circular includes industry related information from a report published by CRISIL Research, a division of CRISIL Limited. CRISIL Research has consented to the use of such information in the Offering Circular subject to the following disclaimer by CRISIL Research:

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This Offering Circular also includes certain industry related information from the report "Africa telecommunications wireless, data and mobile money trends" dated May 2019 published by Delta Partners. Delta Partners has consented to the use of such information in this Offering Circular subject to the following disclaimer by Delta Partners:

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OVERVIEW OF INDIA TELECOMMUNICATIONS INDUSTRY

India Macroeconomic Overview

According to the Crisil report titled 'Overview on Indian Telecom Industry' dated December 30, 2019 (the "CRISIL Report"), India's economy is the 3rd largest globally in terms of GDP rankings and purchasing power parity estimates and is one of the fastest growing in the world. India's GDP has increased from Rs 87.4 trillion for the fiscal year ended March 31, 2012 to Rs 140.8 trillion for the fiscal year ended March 31, 2019, which represents a CAGR of 7.1%. India's per capita income, a broad indicator of living standards, has recorded a CAGR of 5.5% between fiscal year ended March 31, 2012 and fiscal year ended March 31, 2019.

According to the CRISIL Report, India has a population of approximately 1.3 billion people and its population growth has remained fairly stable, recording a CAGR of approximately 1% between fiscal year ended March 31, 2011 and fiscal year ended March 31, 2017. According to the United Nations report 'World Urbanization Prospects: The 2018 Revision' dated May 16, 2018 (the "United Nations Report"), India's population is expected to continue to grow at a CAGR of 1% over the next decade. The United Nations Report estimates that India will surpass China to become the world's most populous country by 2030 with a population of 1.5 billion. The share of India's population that lives in urban areas, in relation to its total population, is expected to increase from 31% in 2010 to approximately 40% by 2030.

Indian Telecom Industry

According to the CRISIL Report, India is currently the world's second-largest telecommunications market with 1,195.24 million wireless and wireline subscribers. The Telecom Regulatory Authority of India ("TRAI") estimates that the India's overall tele-density as of September 30, 2019 was 90.52%, while the rural and urban tele-density stood at 57.59% and 160.63%, respectively. As per TRAI, telecommunications operators in India earned gross revenues of Rs. 2,336.3 billion during the fiscal year ended March 31, 2019.

The telecommunications sector in India has witnessed exponential growth over the last few years due to factors such as affordable tariffs, wider service availability, the roll out of new facilities and services such as Mobile Number Portability (MNP), 3G and 4G and evolving consumption patterns of subscribers.

Internet and broadband penetration in the country has increased steadily. Smartphones have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks will help accelerate market transformation. According to the GSMA Intelligence, as of September 30, 2019, India is the second largest telecommunication market in the world in terms of connections with the second largest smartphone markets and the largest based on minutes of use per connection. The number of internet subscribers in India (both broadband and narrowband) stood at 665.31 million as of June 30, 2019 as per TRAI.

Indian Telecommunications Services industry can be broadly divided into Wireless, Wireline and Enterprise services.

- **Wireless services**: include mobile calling, SMS, wireless broadband, video conferencing service and OTT
- **Wireline services:** traditional landline calling services and wired broadband service.
- **Enterprise services:** services that offer network connectivity across various locations and users in an organization and include fibre leasing, tower colocation, Virtual Private Network (VPN), VSAT,

National Long Distance (NLD), International Long Distance (ILD), Domestic Leased Circuits (DLC), International Private Leased Circuit (IPLC), data centers and DTH.

Evolution of telecommunications industry in India

In the 1990s the entire telecommunications sector in India was directly owned, controlled and operated by the government of India (the "**Government**"). This was gradually liberalized by allowing private sector participation, beginning with the telecommunications manufacturing sector, which was deregulated first, and followed by the provision of value added services ("**VAS**") such as paging services, by private sector participants.

The Government gradually recognized the importance of the telecommunications sector in the country's economic growth and the lack of existing resources to support the industry. This led to the implementation of the National Telecom policy in 1994 ("**NTP-1994**"), which was designed to gradually bring in Private investment to achieve the growth. In 1999, the Government recognized the necessity to separate the policy wing of the Department of Telecommunications ("**DoT**") from its operations wing to create a level playing field for private operators and implemented the National Telecom policy, 1999 ("**NTP-1999**") . NTP-1999 also directed the separation of the policy and licensing functions of the DoT from the service provision functions. In line with this, the Government created Bharat Sanchar Nigam Limited ("**BSNL**") in 2000 to operate as the operations wing in the public sector.

The Government then issued unified licenses to select operators to provide basic and cellular services in India through a unified access regime. Prior to this, basic and cellular operators were issued separate licenses to operate and provide respective services.

As part of the unified licensing, the Government no longer controlled telecommunications technology, which was left to the market forces thus benefitting consumers through price competition and the rapid adoption of telecommunications services. Further, unified licensing also simplified the procedure of obtaining licenses, thereby maximizing flexibility and the efficient utilization of resources for technological development.

NTP-1999 facilitated the migration of the licensees from a fixed licence fee regime to a revenue arrangement scheme from as of August 1, 1999. Under the new scheme a licence fees was collected as a proportional tax on the service provider's revenue.

In 2001, a licence for basic telephone services using wireless in local loop ("**WLL**") technology was issued. This laid the foundation for wireless mobile adoption in India and was the first time that the first-come-first-serve scheme was implemented for issuing licences.

In 2003, the DoT enacted a universal access service licensing scheme on the recommendation of TRAI, under which an access provider could offer fixed or mobile services under the same license using any technology. This was a key step due to the rapid evolution of telecommunications technologies and any sort of restriction on the technologies used could have delayed the affordability of telecommunications services.

The introduction of an auction process for spectrum allocation in 2010 represents an important milestone in spectrum management policies in India. For the first time, spectrum in the 2100 MHz and 2300 MHz bands was assigned through an online auction designed to discover a market price for 3G/ BWA spectrum. The auction was implemented to enable efficient use of spectrum, avoid hoarding, stimulate competition and promote the roll out of 3G and broadband services.

Finally, the National Telecom Policy, 2012 ("**NTP-2012**") introduced a unified licensing regime, under which an operator having a license could provide any service (Fixed/Wireless/NLD/ILD/VSAT etc.). However, the license also delinked allocation of spectrum and had to be obtained by separate procedure.

Wireless technologies require the use of frequencies that are scarce and have to be well managed for optimal use. Improper use of frequencies can degrade the quality of service or require large guard bands. In India, allocating and managing spectrum has often been at the core of disputes between the operators and the state. India has, over time, moved away from the subjective administrative assignment to a market based auction mechanism to assign spectrum under NTP-2012. By 2016, the spectrum management regime in India had become much more flexible compared to the past and to a large extent these measures helped address issues of transparency and scarcity in the market for spectrum in telecom.

The reforms and liberalization after NTP-1999 have attracted a large inflow of foreign investments to India. The Government also increased the Foreign Direct Investment ("**FDI**") limit from 74% to 100% in 2013.

Summary of important recent regulatory actions

Deferring of zero Interconnect Usage Charges ("IUC") till December 2020

TRAI on September 19, 2017 had reduced the IUC for wireless to wireless voice calls to 6 paisa per minute effective October 01, 2017 from 14 paisa per minute. It also announced that, effective January 1, 2020, IUC will be scrapped and the industry will move to a bill and keep (BAK) regime. However, on December 18, 2019, TRAI decided to postpone implementation of Zero-IUC regime by one more year till December 2020 considering the persistence of asymmetric traffic. The move is a positive for incumbent telecommunications companies like Bharti Airtel and Vodafone Idea who have Net IUC inflows making a significant contribution to their operating margins.

Honorable Supreme Court order on AGR definition

Telecommunications services companies pay revenue share in the form of licence fees at 8% of Adjusted Gross Revenue ("**AGR**") and also spectrum usage charges at rates ranging from 3-5% of AGR from wireless access subscribers. AGR, as defined by the DoT, includes telecommunications service revenue as well as non-core revenue. The Cellular Operators Association of India ("**COAI**") challenged this definition in 2003, arguing that AGR was to include only revenue from core licensed telecommunications services.

A ruling by the Telecom Disputes Settlement and Appellate Tribunal ("**TDSAT**") in 2015 passed on an order which held that AGR should include revenue from non-core sources such as rent, profit on sale of fixed assets, dividend, and interest. However, it exempted a large number of streams from the definition, such as capital receipts, bad debt, forex fluctuations, sale of scrap, and waiver of late fee. The telecom service providers and the Union filed appeals before the Supreme Court challenging the decision of the TDSAT. In 2016, the Honorable Supreme Court passed an interim order stating that while the DoT can continue to raise demands as per its understanding, however, the DoT cannot enforce any demand until the final determination in the matter. Based on the said interim orders, and given the favourable orders of the TDSAT, the telecom service providers did not make provisions against the complete DoT demands.

The Honorable Supreme Court vide its judgment dated October 24, 2019 has now upheld the stand of the DoT and overturned the 2015 ruling of the TDSAT. With this, the telecom players are liable to pay the demands of the DoT which includes Interest, penalty and Interest on penalty. The telecom service providers have been asked to self-assess the total dues and pay the same within 3 months of the order (i.e 23rd January, 2020) and report compliance. According to the Crisil Report, the total license fee outstanding for all current and former operators is estimated at over Rs. 926,420 million.

Several of the affected parties, including Bharti Airtel and Vodafone Idea have filed review petitions against the Honorable Supreme Court's order dated October 24, 2019. While the outcome on the review petition is awaited, companies in the Indian telecommunication industry are engaged in talks with the Government and the DoT to seek relief in the form of staggered payments or interest and/or penalty waivers.

Estimated licence fee outstanding

Company	Pending Dues (Rs mm)
Vodafone Idea	283,090
Bharti Airtel	216,820
Reliance Communication	164,560
BSNL	20,990
MTNL	25,370
Reliance Jio	130
Others	215,460
Total	926,420

Source: Industry estimates, CRISIL Research

Deferred payment relief and relaxation of spectrum cap

On March 19, 2018, the DoT issued the License Amendment for all the UAS Licensees, and allowed the extension of spectrum auction payment period from 10 years to 16 years. The move helped the telecommunications companies increase cash flow and provided relief in terms of lowering of regulatory capital expenditure incurred by them during their fiscal years. In the same License Amendment, DoT also increased the overall spectrum holding cap from 25% to 35% in a circle. It also removed the intra-band cap of 50% holding in a circle and imposed a 50% cap on the combined spectrum holdings in the sub-1 GHz band (700, 800, and 900 MHz bands) per circle compared with the earlier individual band cap. This move resulted in accelerated consolidation in the industry as it provided better exit opportunities to smaller players who found it unsustainable to run the operations after the price war initiated by one of the players, being the latest entrant.

Moratorium on spectrum payments

On November 22, 2019, the Government as a form of relief package announced a moratorium of 2 years i.e. fiscal year ending March 2021 and 2022 on the deferred spectrum payments. There was no change in the overall tenure of payments but reduction in the number of instalments.

International Termination Charges

In January 2018, the TRAI reduced the international termination charges ("**ITC**") payable by international long-distance operators to the access provider, on whose network the call terminates, from Rs 0.53 per minute to Rs 0.30 per minute effective from February 01, 2018. As per the Regulator's view, the ITC is believed to have resulted in higher grey market utilization and also to make video/voice calls through relatively cheaper over-the-top ("**OTT**") apps such as WhatsApp, Facebook, Viber and Skype. This negatively impacted the national telecommunications company's topline. The DoT's decision to slash ITC was aimed at creating a level playing field for telecommunications companies. This has been challenged by some of the operators before the High Court of Mumbai.

Penalty on call drop

In August 2017, the TRAI issued stringent guidelines to lessen call drops and devised a graded penalty scheme with a fine of up to Rs 1 million in case operators fail to meet the benchmark. The financial disincentive imposed by the regulator ranges of Rs 100,000 to Rs 500,000. If an operator fails to meet the benchmark in consecutive quarters, the penalty amount is increased 1.5 times, and doubled in the third

consecutive month. This increased the penalty on dropped calls, which was previously Rs 50,000 per violation.

The methodology for assessment of call drop rate also changed to a percentile basis instead of the earlier methodology of average of call drop from all towers. In addition, the measurement was made more granular, from the circle level to mobile towers in a circle. The new guidelines required the rate of dropped calls handled by a network to be 2% or less. Similarly, during busy hours of the day, not more than 3% of call drops should be on 90% of mobile towers in a telecommunications circle.

Key performance indicators trends

Subscriber base

The wireless subscriber base in India saw a significant jump in the fiscal years ended March 31, 2017 and 2018 as a result of a drop in tariffs after the entry of a new telecommunications company in September 2016. According to the CRISIL Report, however, the number of wireless subscribers dropped by over 22 million during fiscal year ended March 31, 2019 after the existing operators such as Vodafone Idea and Bharti Airtel introduced minimum recharge plans in a bid to improve ARPU. This resulted in subscribers deactivating their non-primary sims and switching to primary sims. According to Crisil report, consolidation of subscribers due to merger of Vodafone India and Idea Cellular led to further fall in overall subscriber base.

According to the CRISIL Report, the number of wireline subscribers has been on a slow decline over the last 5 years. The downtrend in the wireline subscriber base can largely be attributed to dwindling subscriptions in rural areas, where rising affordability is enabling greater adoption of mobile services.

Pan-India subscriber trend (wireless and wireline):

(in mm)	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**Q1FY2020**	**Q2FY2020**
Wireline	26.6	25.2	24.4	22.8	21.9	21.2	21.5
Wireless	969.9	1,033.6	1,170.2	1,183.4	1,161.8	1,165.5	1,173.7
Total	996.5	1,058.8	1,194.6	1,206.2	1,183.7	1,186.7	1,195.2

Source: CRISIL Research, TRAI

Wireless tele-density

Wireless tele-density witnessed a healthy rise during the fiscal ended March 31, 2017 with an addition of over 130 million subscribers. The end of the free services offered by new entrant during the fiscal year ended march 31, 2018, followed by the introduction of minimum recharge plans, led subscribers to drop their second sim and resulted to a decrease in tele-density, especially in urban areas. Rural tele-density, however, has largely remained stagnant as rural areas have had higher subscriber churn through new subscriber additions.

Wireless tele-density trend (Urban and Rural):

	FY2015	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**Q1FY2020**	**Q2FY2020**
Urban	143.1%	148.7%	166.7%	161.2%	155.5%	156.4%	156.2%
Rural	47.8%	50.9%	56.5%	58.7%	57.1%	56.7%	57.3%
Total	77.3%	81.4%	91.1%	91.1%	88.5%	88.5%	88.9%

Source: CRISIL Research, TRAI

Voice usage

Voice usage largely remained stagnant between fiscal years ended March 31, 2014 and 2017. Offer for free voice calls by telecommunications companies led to a surge in voice usage in the industry post fiscal years ended 2017.

Voice usage trend (minutes per user per month):

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020
Minutes p.m.[1]	381	380	377	486	649	701

Source: CRISIL Research, TRAI

Note:

(1) Includes GSM, CDMA and LTW.

Internet subscribers

According to the CRISIL Report, internet subscribers have more than doubled between fiscal years ended March 31, 2015 and 2019. This can be attributed to wireless broadband penetration due to lower mobile data tariffs, proliferation of low-cost data handsets, a rise in network coverage of high-speed data services, growing preference among users for on-the-move internet access, availability of customized content on various OTT apps and government initiatives under Digital India.

The wired broadband space has remained stagnant as most of the internet consumption has been met through mobile phones. According to the CRISIL report, India's wired broadband market is highly underpenetrated with only seven connections per hundred households in comparison to the United States, the United Kingdom, France, and Japan which each have 30-50% penetration levels. According to the CRISIL report, the wired broadband space is likely to see greater adoption going ahead driven by increasing competitive intensity following the entry of newer players, data offloading requirements of major telecommunications companies and television content bundling.

Pan-India internet subscriber trend (wired and wireless):

(in mm)	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Wired							
- Wired narrowband	3.6	3.5	3.3	3.3	3.3	3.2	NA
- Wired broadband	15.5	17.0	18.2	18.0	18.4	18.5	19.01
Wireless							
- Wireless narrowband	198.5	176.6	137.6	80.0	66.1	45.0	NA
- Wireless broadband	84.8	145.4	263.0	393.2	547.7	598.6	606.4
Total internet subscribers	302	342	422	494	635	665	NA
Internet subs. per 100 population	24.1	27.0	32.9	38.0	48.5	50.5	NA

Source: CRISIL Research, TRAI

Data usage

As a result of low mobile tariffs and an increase in digital literacy, data usage has seen a tremendous jump in the last five years. The increasing popularity of OTT apps such as YouTube, Amazon Prime, Netflix, etc. has caused widespread video based consumption resulting in much higher data consumption.

Data consumption trend (MB per subscriber p.m.)

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020
MB per subscriber p.m.	100	147	1,000	4,993	8,292	10,004

Source: CRISIL Research, TRAI

ARPU

The Indian telecommunications industry is one of the lowest cost service providers globally. Despite significant consolidation in recent past, efforts by telecommunications companies to ensure access to services to lower income population segments has kept Indian telecommunications industry's ARPU as one of the lowest in the world. Increased competitive intensity and free services offered by the new telecommunications company since September 2016 led to further decline in ARPU. According to the CRISIL Report, the Indian telecommunications industry has moved up in the global telecommunications affordability index over the last few years and mobile data pricing in India is currently the lowest globally with an average price of 1GB data for approximately Rs. 4 (U.S.$ 0.06) in 2018-19 (based on average annual pricing of 1.5 GB per day packs).

Telecommunications operators in India announced increase in tariffs in December 2019, subsequent to the recent order on AGR, which is expected to drive ARPU recovery. The quantum of hikes on various popular packs is anywhere between 30-40%. Further, the increase of smartphones and 4G subscribers is expected to result in improvement in ARPU going forward.

Industry ARPU trend (INR per subscriber p.m.):

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
INR per subscriber p.m.(1).....	156	154	140	114	108	109	109

Source: CRISIL Research

Note:

(1) Industry ARPU is calculated as volume weighted average ARPU of individual players.

Gross revenue

The Indian telecommunications industry's revenue trajectory has been impacted over the past two years but is expected to recover with the assistance of tariff hikes. According to the CRISIL Report, Revenues are expected to grow due to the recent announcement of price hikes by all the telecommunications companies, subsequent to the recent order on AGR. The quantum of hikes on various popular packs is anywhere between 30-40%. However, the increase may be partially offset by the increased subscriber churn as consumers are expected to start switching to primary SIM.

Industry gross revenue trend:

(in Rs. bn)	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Industry gross revenue..	2,545	2,587	2,744	2,553	2,336	616	620

Source: CRISIL Research, TRAI

Profitability

Operating margins of the industry also fell in the last 3 fiscal years due to aggressive price wars and efforts by the players to retain their market shares. According to the CRISIL Report, the consolidation in the Industry is expected to drive an increase in pricing power. The improvement in realisations and increased number of high ARPU 4G customers will support margins in the future. Moreover, heavy capital expenditure incurred by the telecommunication companies especially on network over the last few years will lead to higher EBITDA margins on incremental revenues.

Industry operating margin trend:

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
EBITDA margins(1).....	33.0%	33.7%	32.5%	27.1%	24.0%	28.7%	29.9%

Source: CRISIL Research

Note:

(1) Industry operating margin is the volume weighted average margins of individual players.

Competitive landscape

The Indian telecommunications industry has witnessed significant consolidation over the last 6 years leading to significant fall in overall competitive intensity. The industry has witnessed the entry of only one new player over this period against the exit or merger of 10 entities. Currently, there are only 4 telecommunications companies operating in the Indian market including the government owned BSNL/ MTNL. This is largely similar to most developed markets globally and is more than technologically superior countries such as China, Germany and South Korea, who only have 3 operators.

Indian telecommunications operator landscape:

Indian telecommunication operators (Dec 2013)		**Indian telecommunication operators (Dec 2019)**
Bharti Airtel	Vodafone India	Bharti Airtel
Idea Cellular	BSNL/MTNL	Vodafone Idea
Loop Mobile	Virgin Mobile	Reliance Jio
Videocon Cellular	MTS India	BSNL/MTNL
Aircel Cellular	Telenor India	
Tata Teleservices	Reliance Communication	

Source: CRISIL Research

According to the TRAI, the 3 largest telecommunications operators in the country (Vodafone Idea, Reliance Jio and Bharti Airtel) accounted for approximately 90% of the subscriber market share and approximately 91% of revenue market share for the three months ended September 30, 2019.

Subscriber market share

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Bharti Airtel.....	22.3%	24.3%	23.4%	25.7%	28.0%	27.4%	27.9%
Reliance Jio	NA	NA	9.3%	15.8%	26.4%	28.4%	30.3%
Vodafone Idea(1).....	33.4%	36.1%	34.6%	36.7%	34.0%	32.8%	31.7%
Others	44.3%	39.6%	32.8%	21.9%	11.6%	11.4%	10.1%

Source: TRAI CRISIL Research

Notes:

(1) Subscriber market share based on wireless subscriber data as reported by TRAI.

(2) Subscriber market share for Vodafone Idea for the period FY15-FY18 is cumulative subscribers for Vodafone and Idea

(3) Data may vary with company reports as the methodology of calculating active/ inactive subscribers differs across companies

(4) Subscriber market share for Bharti Airtel includes subscribers of Telenor fiscal 2019 onwards

(5) Subscriber market share for Bharti Airtel includes subscribers of TATA Teleservices Q2 FY2020 onwards

Revenue market share

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Bharti Airtel.....	27.5%	28.0%	28.4%	27.5%	27.5%	29.0%	29.3%
Reliance Jio	NA	NA	NA	12.5%	25.7%	31.2%	32.9%
Vodafone Idea(1).....	42.0%	43.3%	42.1%	38.7%	31.1%	30.0%	28.8%
Others	30.4%	28.6%	29.5%	21.3%	15.8%	11.0%	9.0%

Source: CRISIL Research

Notes:

(1) Revenue market share for Vodafone Idea for the period FY15-FY18 is cumulative subscribers for Vodafone and Idea

(2) Revenue market share for Bharti Airtel includes revenue of Telenor FY2019 onwards

(3) Revenue market share for Bharti Airtel includes revenue of TATA Teleservices Q2 FY2020 onwards

(4) Data may vary with company reports as the methodology of calculating revenue market share differs across companies

Circle wise revenue market share

Telecom circle	Total(1)		Bharti Airtel(2)			Reliance Jio			Vodafone Idea			BSNL/ MTNL		
	Subs (mm)(3)	Revenues (Rs. mm)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)
Andhra Pradesh	87.6	23,946	28.6	34%	1	28.2	39%	2	20.8	19%	3	10.0	8%	4
Assam	24.0	5,731	8.3	31%	1	7.5	51%	2	5.6	13%	3	2.7	5%	4
Bihar	85.2	15,375	35.8	31%	1	26.4	60%	2	18.0	7%	3	5.0	2%	4
Delhi	53.7	17,181	15.2	29%	3	17.3	48%	2	19.0	13%	1	2.2	8%	4
Gujarat	68.7	14,122	10.9	12%	3	22.2	34%	2	29.6	44%	1	6.1	9%	4
Haryana	28.3	9,067	4.3	8%	4	8.8	76%	2	10.1	11%	1	5.0	6%	3
Himachal Pradesh	10.8	3,863	3.4	18%	1	3.3	73%	2	1.2	3%	3	2.9	7%	4
J & K	11.3	2,424	5.4	41%	1	3.6	49%	2	1.1	2%	4	1.2	7%	3
Karnataka	69.1	15,126	28.3	61%	1	19.4	8%	2	14.0	20%	3	7.3	10%	4

Telecom circle	Total[1]		Bharti Airtel[2]			Reliance Jio			Vodafone Idea			BSNL/ MTNL		
	Subs (mm)[3]	Revenues (Rs. mm)	Subs (mm)	RMS (%)[4]	Rank [5]	Subs (mm)	RMS (%)[4]	Rank [5]	Subs (mm)	RMS (%)[4]	Rank [5]	Subs (mm)	RMS (%)[4]	Rank [5]
Kerala	44.9	11,376	5.5	14%	4	8.4	12%	3	20.1	52%	1	10.9	22%	2
Kolkata	26.4	9,064	6.4	16%	3	9.7	62%	1	8.5	19%	2	1.7	2%	4
Madhya Pradesh	75.4	9,834	14.9	26%	3	26.8	29%	2	27.4	36%	1	6.4	9%	4
Maharashtra	93.7	16,260	15.5	26%	3	27.9	9%	2	43.3	57%	1	7.1	8%	4
Mumbai	38.8	18,300	9.6	16%	3	13.3	49%	2	14.7	21%	1	1.2	14%	4
North East	12.3	10,279	5.2	10%	1	3.3	84%	2	2.3	3%	3	1.5	2%	4
Orissa	32.9	7,060	12.0	28%	1	11.1	57%	2	4.1	6%	4	5.8	9%	3
Punjab	40.1	9,673	10.2	26%	3	13.0	41%	1	11.3	21%	2	5.6	12%	4
Rajasthan	65.7	11,058	21.2	39%	2	22.8	39%	1	15.5	18%	3	6.1	4%	4
Tamil Nadu	82.7	23,138	25.3	36%	1	21.9	33%	3	23.2	25%	2	12.2	6%	4
U.P.(E)	100.3	13,812	30.4	32%	2	25.6	43%	3	32.7	23%	1	11.6	2%	4
U.P.(W)	65.1	14,354	13.2	15%	3	18.3	58%	2	27.7	20%	1	5.9	7%	4
West Bengal	56.7	11,639	16.0	22%	3	16.4	49%	2	22.3	23%	1	2.1	6%	4

Source: TRAI reports as of September 2019, CRISIL Research

Notes:

(1) Includes Subscribers and Revenue for Reliance Communication

(2) Bharti Airtel numbers includes subscribers as well as revenues for TATA Teleservices and Telenor

(3) Subscriber data may vary with company reports as the methodology of calculating active/ inactive subscribers differs across companies

(4) Revenue Market Share (RMS) is based on AGR numbers as reported by TRAI. RMS may vary with company reports as the methodology of calculating revenue market share differs across companies.

(5) Rank is calculated on the basis of numbers of subscribers

Existing operators such as the Bharti Airtel have managed to retain their market leadership in several telecommunications circles.

Growth drivers

Increasing smartphone penetration

According to International Data Corporation, India has seen a substantial rise in smartphone adoption over past decade, and has registered a CAGR of over 50% between the fiscal years ended March 31, 2011 and 2019. Despite the rapid growth rate, 50% of the telecommunications subscribers in India are yet to switch to smartphones. As the smartphone adoption rate rises, people on legacy technologies upgrade to 4G or higher versions, leading to an increase in customer-pay-outs and resulting in higher revenues for telecommunications operators.

Low rural Tele-density

Indian telecommunications subscriber distribution is quite skewed and is characterised by high urban tele-density and low rural tele-density. Rising rural income provides a significant opportunity for the telecommunications industry. According to the CRISIL Report, a 10% rise in rural tele-density could add approximately 100 million telecommunications subscribers.

Demographic advantage

According to the CRISIL Report, India is set to become the world's youngest country by 2020, with 64% of its population in the working age group. This demographic potential offers India an unprecedented edge with increase in mobile data penetration.

Rise of OTT video applications

OTT apps such as YouTube, Amazon prime video, Netflix, etc. have seen a widespread proliferation among the Indian audience creating a huge incremental demand for data. According to the Nokia MBIT report of 2018, video based consumption accounts for over 68% of total internet consumption in India. Video, instant messaging, video calls, online gaming, music streaming, e-commerce and online news will support higher data usage.

Overview of telecommunications towers industry in India

Tower companies provide the entire range of tower infrastructure that is required by wireless telecommunications service providers to offer mobile telephony services to their subscribers. Tower infrastructure refers to equipment such as towers, shelters, power regulation equipment, battery banks, diesel generator sets ("**DG Sets**"), air conditioners, fire extinguishers and a security cabin, which are required at a site where such towers are installed. There are generally two types of towers; Ground Based Towers ("**GBTs**") and Roof Top Towers ("**RTTs**"). Telecommunications tower infrastructure is primarily divided into active infrastructure, passive infrastructure and backhaul.

- **Active infrastructure:** consists of electronics that power wireless networks such as radio antennas, base transceiver stations ("**BTS**"), cell sites and cables.
- **Passive infrastructure:** telecommunications tower companies set up an entire range of passive infrastructure to be used by telecommunications operators to offer services to their subscribers. Companies either build the towers themselves or outsource its construction. Additionally, they also procure equipment such as power regulation systems; battery back-ups; diesel generator (DG) sets; and air-conditioners from different suppliers. Passive infrastructure does not play any role in carrying wireless signals, but it is a vital part of the network as it ensures operationality of active components.
- **Backhaul:** Backhaul is a process of transferring data, using a viable medium (optic cables or air-waves), from one point to another. While wireless operators have traditionally used microwaves as backhaul in India, they are increasingly moving to optic fibre-based links.

Competitive landscape

Currently, Indus Towers, American Tower Corp ("**ATC**"), Bharti Infratel, Reliance Jio Infratel and GTL Infrastructure are the key players in the Indian telecommunications towers space. Together they command over 70% share of India's approximately 5.6 lakh towers as of June 30, 2019.

According to the CRISIL Report, the merger of Indus Towers and Bharti Infratel is expected to create the world's second-largest mobile tower operator, with over 163,000 towers and approximately 30% tower market share in India. India's other telecommunications companies (Tower Vision and Ascend Telecom Infrastructure) have a comparatively small portfolio totaling approximately 15,000.

Company wise installed tower base:

Company name	Total installed towers
Reliance Jio Infratel	~130,000

Company name	Total installed towers
Indus Towers	123,799
ATC	75,073
Bharti Infratel	40,636
GTL Infra	~27,500
BSNL + MTNL	~75,000
Reliance Infratel	~43,600
Tower Vision	~8,400
Ascend Telecom Infra	6,459
Others	~27,000
Total	557,543

Source: Industry reports, CRISIL Research

Notes: Number of installed towers for GTL Infra, Reliance Infratel and Tower Vision as of March 31, 2019 and as of June 30, 2019 for remaining companies

Over the past two years, the tower industry has witnessed a series of acquisitions as telecommunications operators divest their tower assets and raise funds to meet investment needs or pare debt. Investments in the tower business have come from independent operators as well as asset management companies.

Key deals in the telecommunications towers space

YEAR	PLAYER	TARGET COMPANY	NUMBER OF TOWERS
2007	Quippo Telecom	Spice Communications	875
2009	ATC	Transcend Infrastructure	330
2010	GTL Infra	Aircel Tower	17,500
2010	ATC	Essar Group	4,630
2015	ATC	KEC International	381
2015	ATC	Viom	42,500
2017	KKR, CPPIB	Airtel (stake in Bharti Infratel)	9,337
2018	ATC	Vodafone	10,100
2018	ATC	Idea	9,900

Source: TRAI, Industry reports, CRISIL Research

The tower industry is expected to undergo a structural change over the medium term led by consolidation and exits in the telecommunications space. Telecommunications companies may look to monetise their tower assets to strengthen their capital structure and the tower industry may consolidate further. Post consolidation, the market is expected to have three to four large telecommunications tower companies, apart from telecommunications operators with captive towers.

Revenue

According to the CRISIL Report, rent revenue in the telecommunications towers industry recorded a stable CAGR of 7-8% between fiscal years ended March 31, 2013 and 2018 due to strong BTS additions across

technologies (2G, 3G and 4G) and major network roll-outs over the last few years. Rent revenue grew by approximately 3% during the fiscal year ended March 31, 2019 due to losses from overlapping exiting tenancies.

Annual industry revenue:

	FY2015	FY2016	FY2017	FY2018	FY2019
Revenue (in Rs. bn)	260	272	299	329	339

Source: CRISIL Research

Capacity

According to the CRISIL Report, the overall BTS number grew at a CAGR of approximately 20% between the fiscal years ended March 31, 2015 and 2019. This was a result of massive expansion across technologies (2G, 3G and 4G), as operators were primarily focusing on gaining incremental subscriber market share. With 4G being introduced, the spike in data usage and traffic due to significant reduction in data tariffs also led to incremental BTSs being added by tower companies.

According to the CRISIL Report, the installed BTS ecosystem in the towers industry is expected to undergo another change in the mix of 2G, 3G, and 4G BTS. In fiscal year ended March 31, 2019, the number of 2G and 3G BTSs decreased by approximately 23% and 37%, respectively, as telecommunications companies pushed subscribers to switch to 4G. This trend is expected to continue, as telecommunications service providers encourage subscribers to migrate from 2G and 3G to 4G.

Annual BTS installed base:

	FY2015	FY2016	FY2017	FY2018	FY2019
BTS (in '000s)	865	1,139	1,458	1,688	1,944

Source: CRISIL Research

Investments

According to the CRISIL Report, the telecommunications towers industry witnessed exponential growth in construction and upgradation capital expenditure between fiscal years ended March 31, 2016 and 2019 owing to massive network expansion and 4G rollout. During this period, over 806,000 BTSs were cumulatively added to roll out 3G and 4G services.

The tower industry is likely to see a shift in capital expenditure composition going forward. Capital expenditures would be dominated by maintenance and upgradation capital expenditures. The share of green capital expenditures will grow as a result of a shift towards grid and solar power in the long term. Construction capital expenditure is expected to decrease as operators use existing vacancies on towers to expand and improve the quality of service. Moreover, telecommunications companies will likely use alternate technologies such as small cells and multiple-input and multiple-output to augment capacity.

Annual investments in the telecom towers industry:

	FY2015	FY2016	FY2017	FY2018	FY2019
Investments (in Rs. bn)	59	105	110	107	117

Source: CRISIL Research

Operating margins

According to the CRISIL Report, consolidation in the telecommunications sector has resulted in overlapping of tenancies across telecommunications towers in several circles. While telecommunications service providers such as Aircel, Telenor and Reliance Communications, exited in the fiscal year ended March 31 2018, approximately 38,000 co-locations exits from Vodafone-Idea have occurred in fiscal year ending March 31, 2019 and quarter ending June 30, 2020.

According to the CRISIL Report, the sector's overall operating margin ranged from 40% to 43% between fiscal years ended March 31, 2015 and 2019. In fiscal year ended March 31, 2019, operating margin contracted by 260 bps due to the exit of tenancies by various telecommunications companies. Higher co-location exits during fiscal year ended March 31, 2019 resulted in a drop of approximately 8% in rent revenue per tower. Exit penalties are expected to only partially offset the decline in revenue.

Industry operating margin trend:

	FY2015	FY2016	FY2017	FY2018	FY2019
EBITDA margin (%)	44.4%	43.9%	43.3%	43.0%	40.4%

Source: CRISIL Research

Overview of Enterprise Data Services industry in India

Snapshot

According to the CRISIL Report, revenue of enterprise data services ("**EDS**") are expected to grow at a CAGR of 4% to 5% over the next five years, to approximately Rs 175 billion by fiscal year ended March 31, 2024. Among the segments, VPN is forecast to grow faster, followed by VSAT and DLC segments. Growth will be prominently volume driven, as the prices of the services have been on a downward trend owing to availability of substitutes and the intensifying competition.

Industry revenue trend:

(INR bn)	FY2015	FY2016	FY2017	FY2018	FY2019
VSAT	13	14	14	14	13
IPLC	11	11	11	11	11
DLC	46	42	60	69	81
VPN	29	33	36	38	42

Source: CRISIL research

Most telecommunications companies provide an entire range of EDS offerings. End-users prefer service providers with wide network coverage across cities and countries and those who provide complete end-to-end solutions. Price, quality of service and timelines are key differentiators. Users typically opt for a provider offering connectivity and bandwidth at competitive prices. Timely customer support and overall customer relationship management also influence choices.

Apart from integrated telecommunications companies with a nationwide fibre network (such as Reliance Jio, Bharti Airtel, Tata Communications) that also cater to high-bandwidth corporate users, there are numerous non-integrated telecommunications companies that serve small and medium enterprises. These telecommunications companies lease the backbone infrastructure from integrated telecommunications companies, and provide last-mile connectivity through a wireless medium or leased fibre.

Key growth drivers

According to the CRISIL Report, the increase in out-of-office communication requirements is boosting demand for EDS. With technology being used to connect extended enterprise segments such as vendors, clients, and clearing and forwarding agents, bandwidth requirements are expected to keep rising. The need for data on-the-go is emerging as a key requirement for companies. End-user sectors such as IT and IT-enabled services, banking and financial services, manufacturing, retail and logistics take up a bulk of available bandwidth. Opening of in-flight cellular and internet connectivity and increasing e-governance push by the government through various initiatives (such as Digital India) will also boost demand for EDS. Among service lines, demand for VPN and VSAT will grow faster than other connectivity solutions, given that enterprises are looking for on-the-go wireless services. Higher discounts are also being offered by telecommunications companies in high-data speed offerings in order to retain existing clients.

VPN

New and existing companies have rapidly adopted the VPN over the past few years. Given its easy installation, fast scalability and ease of customisation, VPN has found ready acceptance. According to the CRISIL Report, VPN holds significant market share in the EDS segment, accounting for 30-35% of the segment's revenue in fiscal year ended March 31, 2018.

The retail sector is another important end user of VPN. With rapid expansion in the number of retail outlets across categories such as hypermarkets, department stores, and specialty stores, high enterprise bandwidth is expected in this sector. Supermarkets and department stores are usually connected via VPN and synchronize every transaction directly with their head office. Healthcare, airlines, and travel are other sectors rapidly deploying VPN connectivity.

As existing users are likely to see consolidation and shift to higher bandwidth services, SMEs are expected to provide opportunities in terms of volume. Most of this is expected to be in the low bandwidth space of speed less than or equal to 2 Mbps.

VSAT

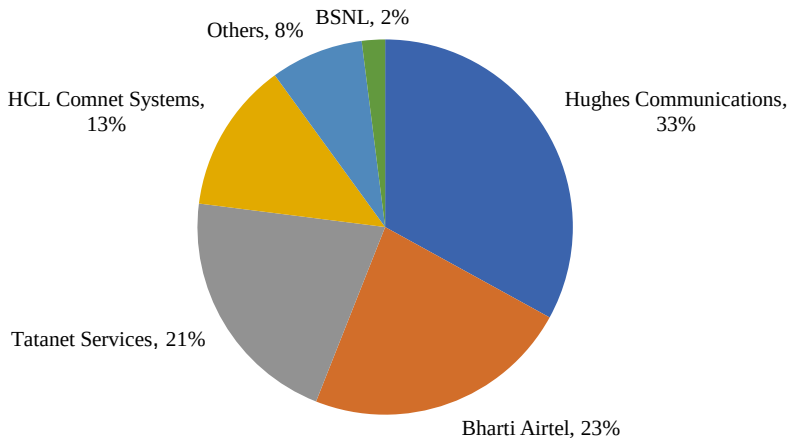
VSAT is expected to marginally increase its share over the next five years, due to the need to connect rural areas where availability of other network services is low. Growth of automated teller machines in rural areas and an increase in e-governance projects will help the segment survive. Further, newer opportunities such as in-flight connectivity solutions will drive demand for VSAT services. Additionally the Government has launched a proposal to connect retail outlets of oil marketing companies for real time monitoring which would predominantly use VSAT.

Indian VSAT telecommunications companies are classified as commercial and government/defence users. Currently, the companies that are active in the VSAT space are: Bharti Airtel, BSNL, HCL Comnet, Tatanet, Hughes, Infotel Satcom, and Planetcast Media. According to the CRISIL Report, the industry is consolidated, with Hughes, Airtel and Tatanet account for approximately 85% of total subscribers and 82% of the total VSAT revenue as of March 31, 2019.

In May 2019, Bharti Airtel and Hughes Communications India Limited, a subsidiary of Hughes Network Systems, LLC entered into an agreement to combine their VSAT operations in India. According to Crisil Report, the combined entity is expected to benefit from enhanced scale, improved operational efficiencies and wider market reach. The combined entity will be well positioned to leverage the demand for secure connectivity in a rapidly growing digital economy especially ahead of launch of in-flight connectivity (IFC)

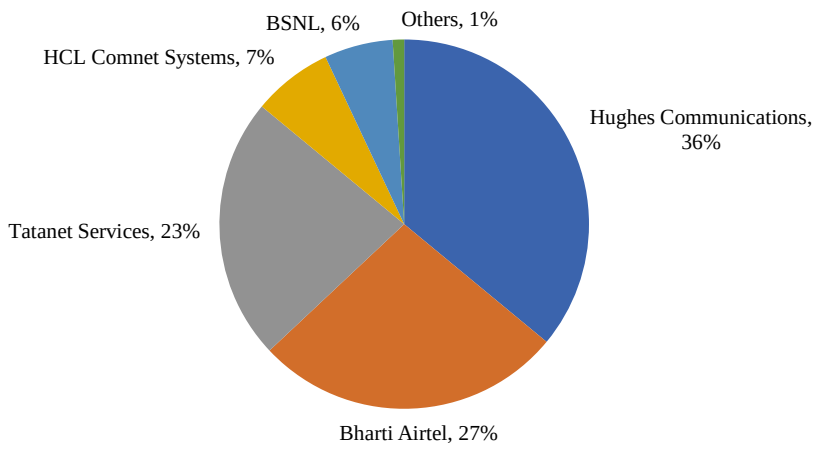
services in India. According to Crisil Report, the combined entity is expected to be a market leader with a subscriber market share of ~64%.

Top three players account for bulk of revenue market share (fiscal 2019)



Source: TRAI, CRISIL Research

Top three players account for ~85% of subscriber market share (fiscal 2019)



Source: TRAI, CRISIL Research

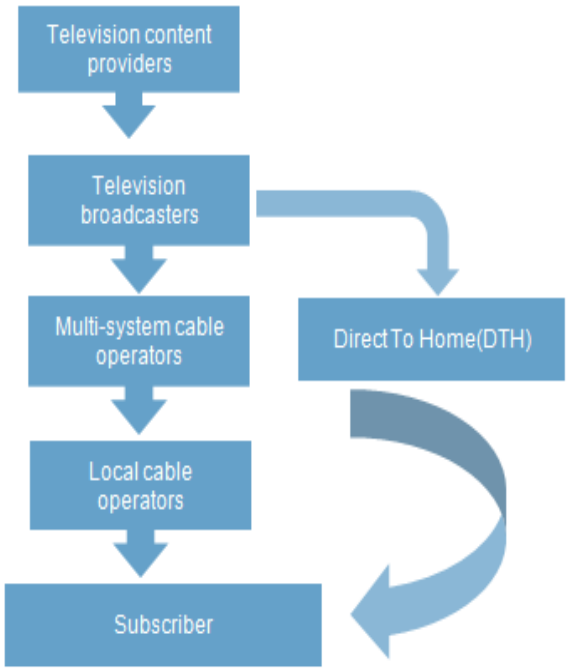
Overview of DTH industry in India

Snapshot

The television value chain is comprised of content providers, broadcasters, distributors and subscribers. The content providers supply content either on a commissioned or sponsored basis. Broadcasters uplink content supplied by providers to a satellite for broadcasting into TV homes. There is intense competition amongst them as entry barriers are low and viewers have plenty of options. The distributor links broadcasters with end consumers. According to the CRISIL Report, there are around 5,000 multi-system cable operators ("**MSOs**") and 60,000 local cable operators ("**LCOs**") in the Indian market. This is a highly fragmented and unorganised chain. LCOs tend to under-report subscribers particularly in smaller towns, given the lack of addressable systems. MSOs, in turn, control a number of LCOs and act as a link between the LCOs and broadcasters.

DTH operators also fall in this category of Distributors. Key DTH operators in the Indian television industry include TATA Sky, Dish TV India and Airtel Digital TV. The DTH industry in India is highly concentrated. According to the CRISIL Report, Dish TV, Tata Sky and Airtel accounting for 40%, 25% and 22% subscriber share, respectively, for the fiscal year ended March 31, 2019.

Television value chain



Source: Crisil Research

Subscribers

Rising penetration in rural markets and saturation in urban markets where MSOs and LCOs are more prevalent has helped DTH gain market share over the past five years. According to the CRISIL Report, market share of DTH increased to an all-time high of 44% during the fiscal year ended March 31, 2019.

During the first two phases of digitisation covering large cities, the majority of former analogue subscribers opted for digital cable as against DTH. This could be primarily attributed to their earlier subscription with cable operators and the operators' aggressive pricing (subsidised box and discounted channel pack rate).

This trend reversed during the third phase of digitisation when DTH telecommunications companies gained higher subscribers than cable operators despite the latter having a substantial subscriber base in some regions. Subscribers also moved to DD Free Dish, the free-to-air satellite television service owned and operated by Prasar Bharati, leading to a spike in its subscriber base. Considering the limited presence of cable operators and relatively high costs involved in setting up infrastructure in Phase IV areas (e.g., Andhra Pradesh and Tamil Nadu), DTH operators would benefit more in these regions.

Subscriber market share:

	FY2015	FY2016	FY2017	FY2018	FY2019
DTH.....	29%	40%	42%	39%	44%
Cable.....	71%	60%	58%	61%	56%

Source: CRISIL Research

ARPU

According to the CRISIL Report, subscriber payouts for MSO have been traditionally much lower than the DTH. This ensured customer stickiness to MSOs even as DTH players slowly gained traction. To increase market share during the digitisation of set-top box phase in fiscal year ended March 31, 2016, DTH telecommunications companies tariffs which led to a surge in subscriber base as LCOs struggled with the implementation of new technologies. The ARPU of DTP has grown at a steady pace after the digitisation phase.

According to the CRISIL Report, the implementation of new tariff order ("**NTO**") by TRAI during the three months ended December 31, 2018 caused pay-outs to almost reach an inflection point, which will favour DTH telecommunications companies moving forward. The immediate consequence was the significant churn of 5 million subscribers from MSOs. This along with increased pay-outs resulted in a rise in ARPU of MSOs during the fiscal year ended March 31, 2019. DTH players saw their ARPU stay almost flat during the same period. The CRISIL Report estimates that increased payouts under the NTO regime will increase ARPU of both cable operators and DTH players. Growth in the ARPU of MSOs will be higher as a result of improved realisations from LCOs under the NTO.

ARPU for DTH businesses:

	FY2015	FY2016	FY2017	FY2018	FY2019
INR per subscriber per month	5	209	214	236	230

Source: CRISIL Research, TRAI

Revenue

According to the CRISIL Report, revenue for the DTH grew at healthy pace of 12.2% CAGR over the past 5 years, led by increase in subscriber base as ARPU remained stagnant. ARPU and subscribers are expected to drive revenues in the future. Further, a significant part of the MSO subscriber churn will move to DTH as the amount paid by subscribers to DTH and MSOs has reached an inflection point under the NTO.

Revenue for DTH businesses:

	FY2015	FY2016	FY2017	FY2018	FY2019
Revnues (in Rs. bn)	124	147	163	174	183

Source: CRISIL Research, TRAI

OVERVIEW OF AFRICA TELECOMMUNICATIONS INDUSTRY

Africa macroeconomic overview

According to the report published by Delta Partners named 'Africa telecommunications wireless, data and mobile money trends' dated May 2019 (the "**Delta Partners Report**"), Africa is one of the world's fastest growing regions, whether measured by GDP growth, population and urbanisation growth, or in terms of rising income levels and an increasing middle class. The IMF World Economic Outlook Database forecasts African nominal GDP to grow at a CAGR of 6.9% from 2018 to 2023. According to the Delta Partners Report, nominal GDP of the countries in which the Group operates in Africa (namely Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda) is estimated to grow at a CAGR of 10.5% from 2018 to 2023, making these markets the fastest growing region globally compared to 7.1% in Asia Pacific, 4.2% in the Middle East and North Africa, 4.4% in Latin America, 3.9% in North America and 3.3% in Europe. The GDP in the countries in which the Group operates totaled US$671 billion in 2017. Africa is the continent with the world's fastest growing population. According to the report by the United Nations, Department of Economic and Social Affairs, Population Division (2019) *'World Population Prospects 2019'* (the "**United Nations Report**"), 19.3% of the population in Africa is between the ages of 15 and 24 years as of 2019, compared to 15.5% in Asia, 16.7% in Latin America and the Caribbean, 13.1% in North America and 10.4% in Europe, and the median age as of 2020 in Africa is 19.7 compared to 32.0 in Asia, 31.0 in Latin America and the Caribbean, 38.6 in North America and 42.5 in Europe, respectively. The total population in Africa was over 1.0 billion mark in 2010, reached ~1.2 billion in 2015 and is estimated by the United Nations to reach ~2.5 billion by 2050. In the longer term, beyond 2050, Africa is expected to be the only major region globally where population growth still remains substantial, as forecast by the United Nations.

According to the Delta Partners Report, the 14 countries in which Airtel Africa operates had a total population of 563 million as of 2018, representing around 53% of the population of Sub-Saharan Africa. The population in these countries is forecasted to grow at a CAGR of 2.9% between 2018 and 2023, GDP is expected to grow at a CAGR of 10.5% and the average rate of urbanisation (non-weighted percentage annual rate of change between 2015 and 2020 est.) between 2015 and 2020 is estimated to be 3.9% according to the Delta Partners Report.

Similar to the expected increase in population and urbanisation, the middle class in Africa is expected to experience growth. According to the report "*The Deloitte Consumer Review – Africa: a 21st century view*" published by Deloitte LLP in 2014 (the "**Deloitte Report**"), the African middle class is defined as people with earnings between US$2 to US$20 per day. Africa's middle class was approximately 376 million individuals in 2013 and the growth of Africa's middle class is forecast to continue, with the African middle class expected to reach 582 million by 2030, representing 34% of the total African population according to the Deloitte Report. Projections over the longer term see the middle class accounting for 1.1 billion people, or 42% of the African population by 2060.

Urbanisation and an expanding middle class are drivers of increased household consumption in Africa. According to the McKinsey Global Institute report '*Lions on the move II: realizing the potential of Africa's economies – 2016*' (the "**McKinsey Report**"), household consumption across Africa has grown 56% from US$910 billion in 2005 to US$1,420 billion in 2015 and is forecast to increase 45% to US$2,065 billion in

2025. These statistics position Africa as the second fastest region behind Asia in terms of household consumption growth. Population growth and rapid urbanisation coupled with a growing middle class are expected to continue to drive the need for infrastructure projects across Africa. According to the McKinsey Report, infrastructure spending in Africa is expected to almost double from US$80 billion per year in 2015 to US$150 billion per year in 2025, with 68% to be spent on power and transportation and the remainder to be spent on the water and telecommunications sectors.

Mobile market overview

The African mobile market, specifically Sub-Saharan Africa, is characterised by low but increasing mobile connectivity. According to the Delta Partners, mobile penetration (calculated as total connections over population) in Sub Saharan Africa was 76% as of 2018, compared to 103% global average, 116% in Western Europe, 104% in Asia Pacific and 103% in Latin America. According to the Delta Partners Report, mobile connectivity in the countries where the Group operates in Africa is forecast to increase at a CAGR of 10.1% between 2018 and 2023, reaching 574 million connections by 2023, compared to 354 million in 2018. Mobile revenues in the countries where the Group operates in Africa have grown at a steady CAGR of 8.6% between 2016 and 2018, estimated at US$12.8 billion in 2018. Between 2018 and 2023, mobile revenues are forecast to continue growing at a similar rate to reach US$20.8 billion by 2023.

According to the Delta Partners Report, the opportunity in mobile services in Africa is further supported by the relative affordability of smartphones and access to the expanding 3G/LTE connectivity in Africa which is expected to drive consumption of smartphones in Africa, with smartphone penetration expected to increase from 23% in 2018 to 56% in 2023 across the countries where we operate (excluding Chad). This in turn provides a sizable data opportunity in the Group's markets, with data subscribers expected to triple between 2018 and 2023 growing from 101 million in 2018 to 325 million in 2023, with Nigeria in particular expected to deliver significant data subscriber growth as operators race to become the leading 4G network. According to the Delta Partners Report, the market in Africa is expected to more than double revenue between 2018 and 2023, reaching US$6.0 billion at the end of 2023 from US$2.6 billion in 2018, increasing its share in overall mobile revenues from 20% in 2018 to 29% in 2023.

The Sub-Saharan African mobile landscape is dominated by a few large multinational operators competing against smaller regional telecommunications companies across different markets. Key telecommunications companies include Airtel, MTN (competing with Airtel in Congo B, Nigeria, Rwanda, Uganda and Zambia), Vodacom (competing with Airtel in DRC, Kenya, and Tanzania), Orange (competing with Airtel in DRC, Madagascar and Niger), Tigo (competing with Airtel in Chad and Tanzania) and Maroc Telecom (competing with Airtel in Gabon and Niger).

Mobile money market overview

The Sub-Saharan African market is characterised by limited access to formal financial institutions with limited banking infrastructure. According to the Delta Partners Report, there were only 7.4 bank branches for every 100,000 adults in Sub-Saharan Africa as of 2017. In Sub-Saharan African countries, less than half of the population has a bank account, which places the region significantly below other emerging market regions including Latin America and emerging Asian markets. The average banked population in the countries where the Group operates in Africa (excluding Seychelles) has stagnated at 30% between 2014 and 2017, while other emerging economies have seen an increase in coverage. For example, coverage in Indonesia increased from 36% in 2014 to 48% in 2017, while in India coverage has increased from 53% to 80% in the same period, according to Delta Partners.

This resulted in growth opportunities in MFS. Sub-Saharan Africa has among the lowest rates of financial banking penetration, and mobile-money is expected to remain at the forefront of financial inclusion in the region. The penetration rate for MFS (total registered mobile money users / total population) varies across the

countries where the Group operates in Africa, with markets like Kenya having over 60% penetration, while other markets such as Nigeria, are newly embracing the mobile money opportunity, which adopted a new regulating framework for mobile money users in October 2018. Further growth in mobile money adoption is likely to come from new use cases including inter-operability, payments, cross-border transactions, bill payments and other financial services.

According to the Delta Partners Report, mobile money is forecast to deliver CAGR of 31.2% in terms of registered accounts and 25.5% in terms of revenue between 2018 and 2023. Registered accounts are estimated to grow from 91 million in 2018 to 353 million in 2023 and mobile money revenue is estimated to grow from US$1.2 billion in 2018 to US$3.6 billion in 2023. Nigeria is poised to evolve from a negligible market to the largest single market in the region in terms of subscriptions driven by the government passing a new regulatory framework on mobile money in October 2018.

OUR BUSINESS

Overview

We are a leading provider of telecommunications services with operations in 18 countries across Asia and Africa. According to GSMA Intelligence, as of September 30, 2019, we have the second largest subscriber base globally. Based on TRAI reported revenue, for the quarter ended September 30, 2019, we have a revenue market share of approximately 31.4% calculated on the basis of gross revenue and we rank second in overall revenue market share in India. Further, as at September 30, 2019, we served an aggregate of over 411million customers globally.

We provide telecommunication services under wireless and fixed line technology, national and international long-distance connectivity, broadband, VSAT and digital TV services, and complete integrated telecommunication solutions to our enterprise customers. All these services are rendered under a unified brand "*airtel*." "Airtel Money" (known as "*Airtel Payments Bank*" in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. We also deploy and manage passive infrastructure pertaining to telecommunication operations through our subsidiary, Bharti Infratel. As of September 30, 2019, Bharti Infratel also owned 42% of Indus Towers, a joint venture entity. Bharti Infratel and Indus Towers are passive infrastructure service providers in India. Globally, we operate with a fibre network covering over 250,000 Rkm (excluding India) and in India, our national long distance infrastructure provides a pan-India reach with 294,867 Rkms of optical fiber as of September 30, 2019.

For the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, our total consolidated revenue was Rs. 954,683 million, Rs. 826,388 million, Rs. 807,802 million (U.S.$11,427 million), Rs. 399,470 million and Rs. 418,692 million (U.S.$5,923 million), respectively. Our consolidated net income for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, was Rs. 42,414 million, Rs. 21,835 million, Rs. 16,875 million (U.S.$239 million), Rs. 7,288 million and Rs. (252,223) million (U.S.$(3,568) million), respectively. Our consolidated EBITDA for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was Rs. 354,504million, Rs. 303,279 million, Rs. 261,101 million (U.S.$3,694 million), Rs. 131,384 million and Rs. 172,914 million (U.S.$2,446 million), respectively. Our EBITDA margin for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was 37.13%, 36.70%, 32.32%, 32.89% and 41.30%, respectively. As at March 31, 2017, 2018 and 2019 and September 30, 2019, our total assets were Rs. 2,332,652 million, Rs. 2,505,816 million, Rs. 2,751,975 million (U.S.$38,930 million) and Rs. 3,356,226 million (U.S.$47,478 million), respectively.

History

Our Company was founded and promoted by Bharti Telecom Limited, a company incorporated under the laws of India. Our Company was incorporated on July 7, 1995 in Delhi in India for the purpose of promoting telecommunications services.

Our Company obtained its certificate of commencement of business on January 18, 1996. Our Company first issued its equity shares publicly in February 2002 and was listed on the NSE and the BSE on February 18, 2002. Our Company had a market capitalization of Rs. 1,885 billion as at September 30, 2019.

Competitive Strengths

We believe that the following factors contribute to our strong competitive position:

Presence in large and attractive markets

We are present in the Indian, South Asian and African markets, where demand for telecommunication services is expected to rise as these economies expand and penetration of telecommunication services increase.

According to the GSMA Intelligence, as of September 30, 2019, India is the second largest telecommunication market in the world in terms of connections with the second largest smartphone market and the largest based on minutes of use per connection. The number of internet users in India is expected to grow significantly. India is expected to have approximately 840 million internet users by 2022 (approximately 60% of the population) up from 357 million in 2017 according to Cisco Visual Networking Index; Forecast in Trends 2017-2022 ("**Cisco VNI**"). Smartphones have become the predominant gateway to the internet for customers across age groups and geographies, and rapidly proliferating 4G networks will help accelerate market transformation. According to Cisco VNI, smartphones are expected to account for 38% of all networked devices by 2022 as compared to 26% in 2017. Data usage of smartphones in 2022 is expected to average 17.5 GB/month, which represents an increase from 3.5 GB/month in 2017 according to Cisco VNI, and the average fixed broadband speed is forecast grow from 9.5 mbps in 2017 to 31.2 mbps in 2022. According to the GSMA Intelligence, in India there were approximately 770 million unique wireless customers and approximately 550 million 4G phone users in September 2019 and unique mobile internet penetration was approximately 37%. For the six months ended September 30, 2019, we ranked second in the telecommunications market in India, with a revenue market share of approximately 31.4%, compared to 31.3% for the six months ended September 30, 2016 according to TRAI.

Given India's population size of approximately 1.3 billion people, the telecommunication industry in India has experienced varying levels of growth in voice and data traffic respectively. According to TRAI and the CRISIL Report, the total number of wireless and wireline subscribers in India region increased from 996.5 million for the year ended March 31, 2015 to 1,183.7 million for the year ended March 31, 2019. Voice usage in India grew from 381 minutes per subscriber per month for the year ended March 31, 2015 to 649 minutes per subscriber per month for the year ended March 31, 2019 according to the CRISIL Report. The increasing popularity of video streaming applications such as YouTube, Amazon Prime Video and Netflix combined with subscribers' ability to make cheap video and voice calls through applications such as WhatsApp, Facebook, Viber and Skype have caused a significant increase in data consumption over the last five years. According to the CRISIL Report, the average monthly data usage per subscriber in India has increased from 100 MB for the year ended March 31, 2015 to over 9.2 GB for the year ended March 31, 2019.

According to TRAI, the subscriber distribution is quite skewed in India and is characterised by high urban tele-density and low rural tele-density. Rising rural income provides a significant opportunity for the telecommunications industry and we believe that we benefit from strong growth potential in rural and semi-urban markets. According to the TRAI, the overall telecommunications penetration in India, represented by the number of telephones per 100 people, was 90.5%, of which urban penetration was 160.6% and rural penetration was 57.6% as of September 30, 2019. A 10% rise in rural tele-density could add approximately 100 million telecommunications subscribers according to the CRISIL Report.

Mobile services have also become a platform of choice for creating, distributing and consuming innovative digital solutions in Africa.

According to the Delta Partners Report, the 14 countries in which Airtel Africa operates had a total population of 563 million as of 2018, representing around 53% of the population of Sub-Saharan Africa. The population in these countries is forecasted to grow at a CAGR of 2.9% between 2018 and 2023, GDP is expected to grow at a CAGR of 10.5% between 2018 and 2023 and the average rate of urbanisation (non-weighted percentage annual rate of change between 2015 and 2020 est.) between 2015 and 2020 is estimated to be 3.9% according

to the Delta Partners Report. For the six months ended September 30, 2019, 38.9%, 35.2% and 25.9% of our revenue in Africa originated from Nigeria, East Africa and the rest of Africa, respectively.

Mobile devices are now the primary means through which large number of internet users in sub-Saharan Africa accesses the internet. The opportunity in mobile services is further supported by the lack of legacy fixed broadband infrastructure in Sub-Saharan Africa and the increasing affordability of smartphones in emerging markets, particularly in Africa. The African mobile market, specifically Sub-Saharan Africa, is characterised by low but increasing mobile connectivity. According to the Delta Partners Report, mobile penetration in Africa is forecasted to increase at a CAGR of 10.1% between 2018 and 2023, reaching 574 million connections by 2023 in the countries in Africa where we operate. Mobile revenues in the countries in Africa where we operate have grown at a steady CAGR of 8.6% between 2016 and 2018 according to the Delta Partners Report, and are expected to reach US$20.8 billion by 2023.

According to the Delta Partners Report, the opportunity in mobile services in Africa is further supported by the relative affordability of smartphones and access to the expanding 3G/LTE connectivity in Africa which is expected to drive consumption of smartphones in Africa, with smartphone penetration expected to increase from 23% in 2018 to 56% in 2023 across the countries where we operate (excluding Chad). According to the Delta Partners Report, the Sub-Saharan African market is characterised by limited access to formal financial institutions with limited banking infrastructure. According to the Delta Partners Report, there were only 7.4 bank branches for every 100,000 adults in Sub-Saharan Africa as of 2017. In Sub-Saharan African countries, less than half of the population has a bank account resulting in growth opportunities for mobile money accounts according to the Delta Partners Report. According to the Delta Partners Report, mobile money is forecasted to deliver CAGR of 31.2% in terms of registered accounts and 25.5% in terms of revenue between 2018 and 2023.

Established leadership position and large subscriber base

We are a leading provider of telecommunications services with operations in 18 countries across Asia and Africa. According to GSMA Intelligence, as of September 30, 2019, we have the second largest subscriber base globally. Based on TRAI reported revenue, for the quarter ended September 30, 2019, we have a revenue market share of approximately 31.4% calculated on the basis of gross revenue and rank second in overall revenue market share in India. As of September 30, 2019, we had 326 million customers with a subscriber market share of 27.7% according to TRAI. Additionally, according to GSMA Intelligence, we were Africa's second largest mobile operator based on subscriber base and the world's second largest mobile operator by subscriber base as of September 30, 2019.

According to TRAI, we were the largest operator in nine telecommunication circles in terms of the number of mobile telecommunication subscribers as of September 30, 2019 – namely, Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu and Kashmir, Karnataka, North East, Orissa and Tamil Nadu – the second largest operator in two telecommunication circles – namely, Rajasthan and Uttar Pradesh East – and the third largest operator in nine telecommunication circles – namely, Delhi, Gujarat, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, West Bengal and Uttar Pradesh West. According to TRAI, as of June 30, 2019, we were the third largest operator in the digital TV service business and as of September 30, 2019, we are the largest private wired broadband service provider.

We believe that our established leadership position allows us to capitalize on any growth opportunities in the future.

Extensive telecommunication infrastructure built out to support future growth

As of September 30, 2019, our Company's mobile telecommunication operations covered 95.3% of the population in India according to GSMA Intelligence. During the six months ended September 30, 2018 and

September 30, 2019, customers spent 1,377.25 billion minutes and 1,453.75 billion minutes, respectively, on our network in India, and consumed 4,810,942 million megabytes and 9,020,291 million megabytes, respectively, from our network in India. We continue to invest in building data capabilities to provide an excellent network to our customers, and had approximately 190,860, 298,000 and 417,600 mobile broadband base stations at the end of fiscal year 2017, 2018 and 2019, adding approximately 220,000 mobile broadband base stations in the last two years. The consolidated capital expenditure investment for the year ended March 31, 2019 was Rs. 327,931 million (U.S.$4,639 million), which represented 40.6% of revenue for the year ended March 31, 2019. As of September 30, 2019, we had an aggregate of 1,731.40 MHz of unpaired spectrum (including the 142.50 MHz of unpaired spectrum acquired from Tata with effect from July 1, 2019) across the 22 telecommunication circles.

We are addressing capacity at hotspots by deploying a combination of Massive Multiple-Input Multiple-Output ("**MIMO**") technology and sector splitting. We deploy small cells in high traffic areas. We have also largely reallocated our 900 MHz band spectrum in selected circles for use in 4G services, which we believe will provide deeper in-building 4G coverage for better VoLTE and data experience. We have further initiated a reallocation of our 2,100 MHz band spectrum for use in 4G services.

In order to cater for the exponential growth in data demand, we have been investing in fiber, backhaul and transmission. Our optical fiber cable transmission network, both owned and through indefeasible rights of use arrangements with other telecommunication operators, extends to approximately 294,867 Rkms in India as of September 30, 2019. Given the significant growth in data consumption, the need for more extensive fiber network is becoming critical. We have established a dedicated fiber company, Telesonic Networks Limited, which we expect to provide the requisite India based fiber network. These investments resulted in our Company being named as the "*fastest mobile network in India*" by Ookla consecutively for the last three speed test awards. Also, as per the Opensignal Awards India: Mobile Network Experience Report October 2019 (**"Opensignal October 2019 Report"**), Airtel has been rated as the network with the India's best video experience and fastest download speed.

As of September 30, 2019, our Company's global fiber network runs across 250,000 Rkms, covering 50 countries and five continents, which, while serving our enterprise solutions business, also enables our Company to bring data closer to India and reduce latency for our customers. At the Indian Mobile Congress 2019, we demonstrated live 5G network. The ultra-low latency of the 5G network provides new opportunities for various industries, as it enables time and cost efficiency.

We are one of the largest providers of tower and related infrastructure in India, based on the number of towers. Bharti Infratel owns and operates and the number of towers owned or operated by Indus that are represented by Bharti Infratel's 42% equity interest in Indus. As of September 30, 2019, we had 185,582 network towers in India, of which 181,825 towers are mobile broadband towers. In Africa, as of September 30, 2019, we had 21,936 network towers, of which 18,274 towers are mobile broadband towers.

Extensive distribution and service network

We maintain an extensive sales and distribution network covering both rural and urban geographies across India, with over 1 million retail outlets taking our range of product offerings to end consumers. These outlets are serviced by approximately 11,000 distribution partners. Retail outlets are digitally empowered to sell Airtel services to the customers using "*Mitra Application*."

We believe our exclusive retail footprint is a key differentiator, including for supporting high value subscribers and products such as mobile internet. Our exclusive retail footprint is an integral part of our customer acquisition and engagement strategy, designed to bring the Airtel brand closer to our customers.

We also have a growing digital distribution presence through the *Airtel Thanks* app which comprises of three different aspirational tiers, namely the silver, gold and platinum tiers. The digital distribution channel is cost-efficient compared to traditional channels and enhances customer experiences. Our distribution reach is further expanded by approximately 12,000 dedicated promoters who promote Airtel products in device selling outlets**.** As at September 30, 2019, *My Airtel* application had over 30.2 million subscribers.

Experienced management team with strong execution track record and backed by global investors

We believe that we benefit significantly from having an experienced management team, including Mr. Sunil Bharti Mittal, our Chairman, Mr. Gopal Vittal, our Managing Director and Chief Executive Officer (India and South Asia) and Mr. Badal Bagri, our Chief Financial Officer (India and South Asia) and other management personnel.

Our management team has been involved in the telecommunication industry in India for a significant period. During this time, our management team has developed sector-specific knowledge and operational expertise and an in-depth understanding of the key opportunities and risks associated with our business. Their expertise in the industry is reflected in our ability to maintain our position as a leading telecommunication operator in India, despite significant competition and new entrant in the market. We have capitalized on the emerging opportunities and completed the acquisitions of Bharti Digital Networks Limited and Telenor India. On July 1, 2019, our Company also successfully completed the merger of the consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited with our business. Further, we have entered into a scheme of amalgamation and arrangement for the merger of Bharti Infratel with Indus Towers. See "*—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. The combined company is proposed to be named Indus Towers Limited and shall remain listed on the Indian stock exchanges. We believe that the experience of our management provides us with an advantage in commercial negotiations with suppliers and customers, identifying cost and operational efficiencies, anticipating and avoiding potential execution roadblocks, completing expansion and roll out plans on time and within budget.

In the third quarter of fiscal year 2019, six leading global investors, including Warburg Pincus, Temasek, SingTel and SoftBank Group International, invested US$1.25 billion in Airtel Africa Plc, our subsidiary and our holding entity of the Africa operations, through a primary equity issuance. Further, Qatar Investment Authority, the sovereign wealth fund of the State of Qatar, has invested US$200 million through a primary equity issuance in Airtel Africa Plc. In June 2019, we also concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceeds of U.S.$674 million.

We believe that the knowledge and expertise generated by the experience of our management team will prove to be a crucial advantage as we look to expand and develop our business. We also maintain strong corporate governance practices.

Strong brand presence

We offer our services under our flagship brand "*airtel*" which is widely recognized in India, Sri Lanka and Africa, where we operate. We support the "*airtel*" brand with extensive market research and a focused marketing strategy in India, Sri Lanka and Africa, including national and regional television advertisement campaigns as well as campaigns in mixed-media and over-the-top media platforms, including print, outdoor and digital. We believe that the strength of our brand "*airtel*" and our advertising campaigns have contributed significantly to our strong market position, subscriber growth and loyalty and have helped us to further fortify the "*airtel*" brand.

We believe that we have been able to strengthen our brand equity through our segmented marketing strategies that we create with the help of external marketing and advertising agencies across geographies and

demographic variables. In 2018, we launched the campaign "*Sab Kuch Try Karo, Fir Sahi Chuno*" and in 2019, we launched "*Sahi Chuno, Quality Chuno*" campaign, both of which demonstrate our confidence in our product offerings. We further strengthened our customer rewards program though the Airtel Thanks program that offers a range of rewards to approximately 150 million customers based on ARPU and loyalty. Further, our marketing strategy in India focusses on customers at a district level, which allows us to prioritize, track and develop performance on a micro level. We do so by dividing the Indian market into 244 priority districts based on their economic potential (4G market size of district), capital efficiency (revenue per tower of district) and brand affinity (Airtel 4G share in district).

The focus of our Company's communication is to highlight the benefits of our products and services to our customers. Further, our strong brand presence is backed by an extensive distribution footprint in India and Africa across rural and urban areas. We also have a growing digital distribution presence through the *Airtel Thanks* application.

Our brand excellence has been widely recognized. It was honored in the categories of "*Best Brand Loyalty Marketing Campaign*" and "*Excellence in CSR – Best Organization Transformation*" at the "Asian Customer Engagement Forum and Awards" in 2017. We were ranked second in the "*Brand Finance India 100 (2018)*", an annual report on the most valuable Indian brands. We were also ranked fourth in the "*BrandZ Top 75 Most Valuable Indian Brands 2018 and 2019*" reports. Airtel was rated as the "*fastest mobile network*" in India by "Ookla" consecutively for the last three speed test awards. We have also been recognised as the network providing India's Best Video Experience and India's Fastest Download Speeds, as per the Opensignal Report. Through this, we have extended our network positioning from being the fastest network to providing best video experience, to differentiate ourselves from our competition.

Strategy

The key elements of our strategy are:

Growth of 4G subscriber market share in the mobile telecommunication industry

We operate in the highly competitive mobile telecommunication industry in India, which has grown significantly in recent years. According to the CRISIL Report, the growth in the number of data subscribers of mobile telecommunication services is expected to increase due to a significant increase in mobile data usage and interest in digital content and smartphone penetration. According to TRAI, we were one of the leading mobile telecommunication operators in India in terms of number of mobile telecommunication subscribers as of September 30, 2019. We intend to leverage such position to increase our market share of the primary 4G SIM slot through attractive bundled pricing plans, partnerships with content companies for bundling their services with our services and an increase in upgrades through device partnerships and offers. For example, in fiscal year 2018, we launched "*Mera Pehla Smartphone*" initiative to introduce affordable 4G smartphones bundled with Airtel mobile network in the Indian market. We intend to consider more such opportunities to grow our share of high ARPU customers.

We also launched a loyalty program "*Airtel Thanks*" to ensure customers have an incentive to upgrade to higher value plans by providing various offers and benefits. The "*Airtel Thanks*" program is a structured rewards program launched in fiscal year 2019 that is designed to deliver exclusive benefits and rewards to Airtel Mobile customers. The loyalty platform feeds on real-time events in a customer's lifecycle. The analytics of the platform runs real time mapped to each customer profile backed with an open API that is tied to partnership with 3rd party service provider for any provisional billing. The platform is integrated with a scalable model of own subscription engine and provisional billing engine for prompt activation of any service.

Further, we have also adopted various measures to lock-in post-paid customers through initiatives such as handset security, free music and TV, free Amazon prime membership, data roll-over, affordable financial services, among others, beyond the traditional services.

In Africa, we aim to increase our mobile revenue market share through increasing our smartphone network, data penetration, introduction of new products and addition of quality customers.

Invest in our telecommunication network to enhance user experience and deliver a differentiated value proposition to our customers

We are focused on delivering premium, high-speed and reliable telecommunication services to our customers. We have successfully grown our aggregate telecommunication customer base from approximately 357 million as of March 31, 2016 to over 411 million as of September 30, 2019 and intend to continue to retain our existing customer base and grow our market share by offering high speed and reliable mobile telecommunication services at competitive prices and providing high-quality customer support services.

During this period, our data customer base grew from approximately 58 million as of March 31, 2016 to over 124 million as of September 30, 2019 in India. Our consolidated capital expenditures amounted to Rs. 185,310 million and Rs. 94,839 million (U.S.$1,342 million) for the six months ended September 30, 2018 and 2019, respectively.

Airtel was rated as the "*fastest mobile network*" in India by Ookla consecutively for the last three speed test awards. We intend to enhance our telecommunication network user experience by improving our network quality through digitization and using more self-healing and self-evolving networks using newer generation technologies. For example, to further strengthen our 4G network, we have upgraded the 3G services in eight circles i.e. Maharashtra (excluding Mumbai) and Goa, Kolkata, Punjab, Haryana, Karnataka, Madhya Pradesh and Chhattisgarh, Kerala, Gujarat and re-farmed the 2100 Mhz band for expanding our 4G capacity. We have deployed L2100 technology to complement our existing 4G services. The re-farming of 3G spectrum for 4G will boost the network's capacity, ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, especially during intracity and intercity transit for 4G smartphone customers. In addition, we have launched *Airtel Wi-Fi Calling*, a Voice-Over Wi-fi service, which is designed to enhance voice calling experience for Airtel smartphone customers while indoors. The technology will be initially available in six circles and will be subsequently rolled out across India. There will be no extra charge for Airtel Wi-Fi Calling. We believe that these investments would enable us to maintain our continued excellence in customer experience and network quality. As per the Opensignal October 2019 Report, Airtel has been rated as the network with the fastest download speed experience and also winner in terms of video experience on the network.

Further, in fiscal year 2018, we announced the deployment of "Massive Multiple-Input Multiple-Output" ("**MIMO**") in partnership with Huawei, Ericcson and Nokia as a part of Airtel's ongoing network transformation program.

While we utilize various advanced technologies to deliver our services and operate our network, we intend to continue to invest in our network and technology infrastructure in order to improve our existing technology systems and implement advanced technology systems that may be developed. This will enable us to continue to deliver high quality, market leading and competitive service offerings, which will drive our growth.

Focus on developing high growth revenue streams such as apps with digital media content, enterprise, broadband, digital TV and mobile payment bank ("MPS") businesses, among others

We intend to rapidly grow the Homes Services business and to expand digital TV services business. Accordingly, it has been investing in increasing our subscribers to accelerate the broadband business.

Pursuant to the Ministry of Information and Broadcasting's digitization plans, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services and migration from standard definition to high definition boxes have increased consumption of smart TVs and high definition services, offering more opportunities to service operators like our Company.

Strong economic growth, aided by shift to digital and on-demand business models with a growing need for any time anywhere connectivity for enterprises and the GoI's push for digitization, are fueling demand for telecommunication services from enterprises. Our Company's enterprise strategy is to increase our share of wallet of existing customers and gain new customers by launching new enterprise platforms, thereby increasing our revenue market share. Small and medium-sized enterprises ("**SMEs**") are increasing with digital India and start up India initiatives. We enable emerging enterprises and start-ups through understanding their business needs and offering specific vertical value propositions. We intend to continue to adopt the ready business solution approach entitling SMEs to scale faster and enhance their operational efficiencies, making their business responsive to customers. We also have a robust portfolio and roadmap of cloud applications targeting SMEs, small or home office and start-ups, providing them scalable and upgradable solutions with reduced upfront investments and unique payment platforms. We also enter into partnerships to grow our business. For example, Bharti Airtel Services Limited entered into a strategic alliance with Symantec Asia Pacific Pte. Ltd. ("**Symantec**") to serve the growing cyber security requirements of businesses in India, providing protection and for prevention of online threats.

We also launched Airtel Home - a digital quad-play platform that simplifies the customer experience for homes that use multiple Airtel services. "Airtel Home" allows customers to bundle multiple Airtel services – broadband, postpaid and DTH - as a single account with a unified interface. Customers also get one bill and premium customer support as a part of the package.

We intend to ensure the "*Wynk Music*", "*Airtel Xstream*" and "*Airtel Books*" applications hold market leading positions by focusing on user preferences. With respect to "*Wynk Music*", we intend to launch industry-first features packaged into a highly intelligent product that understands user music preferences and customizes the user's experience using machine-learning and artificial intelligence. According to App Annie, Wynk Music is the number one music streaming application in India with high daily active users on all smartphones within the month of October 2019. To enhance user experience in the India market and globally, we are planning for "*Wynk Music*' to include technology integrations and alliances to create a seamless, multi-platform music streaming experience that caters to the latest music trends, build social communities around users and artists, invest in original and exclusive content, and introduce vernacular interfaces and expansion of regional content library. With respect to "*Airtel Xstream*", we intend to establish stronger partnerships with premium video content providers to unlock further value for our customers, provide live sports streaming, expand the regional content library, integrate rich and exclusive content across genres and languages and introduce technological innovations for a more immersive user experience. *"Airtel TV"* has over 90 million user downloads in India. We believe that such measures in our applications will be significant drivers for revenues.

We are also one of India's leading providers of data center services, including co-location, managed services and cloud solutions, through our Subsidiary, Nxtra Data which comprises of 10 large data centers, 119 edge data centers and four upcoming data centers. We are investing in Internet of Things ("**IoT**") platforms, and telco-grade networks to drive IoT in the country.

In Africa, our Company's aim for Airtel Money is to run the business as an independent monetizable unit. Once incorporated, we seek to make Nigerian Payments Bank a catalyst for our growth in Africa. We are also adding adjacent revenue streams to capture new business opportunities like fixed wireless business, enterprises and data centers.

Focus on digitization and cost optimization

We are focused on disciplined investment and prudent cost controls. Cost optimization is an integral part of our growth strategy to deliver shareholder value. We aim to deliver savings in operating expenses through targeted cost saving programs with a range of initiatives across different functions. These include zero based budgeting with fresh look at all cost items to avoid redundant costs, focused initiatives on reducing low utilization sites, simplifications to reduce waste and drive efficiency in administrative costs. We also periodically negotiate appropriate contracts including outsourcing arrangements and annual maintenance contracts with our technology and equipment vendors. Among other elements of our optimized cost structure, we outsource various non-core supplies, service and support functions in discrete parcels to multiple specialized providers, while retaining a high-level of centralized reporting and control. We also engage in new requests for proposal processes at the end of such contract terms, to allow us to re-evaluate the cost and performance of each active network partner or vendor, and to form new partnerships or vendor relationships, as necessary. We also seek to minimize our dependence on any single network provider by working with multiple vendors.

In addition, we extensively focus on network cost optimization programs, such as indoor to outdoor conversions of sites leading to reduction in energy cost, and off-net to on-net link conversion for enterprise customers leading to lower bandwidth charges.

We use technology to drive down costs, including through infrastructure sharing, adopting disruptive technologies, use of increased automation, including customer service automation and the use of digital tools and interfaces such as chatbots and webchats with our customers (as well as executive dashboards for account summaries and individual products, including through our *Airtel Thanks* application), and digitization, such as through our "*Green Bill*" initiative, which has resulted in lowering our billing costs, product and communication simplification, improved predictive analytics and reduced travel and outbound tele-calling. In addition, we continue to expand "Project Leap" with sustained investments targeted towards building data capacities and the 4G network across the country. We expanded our 4G services and other technological investments aimed to enhance consumer experience to Andaman and Nicobar Islands as well as to Lakshadweep Islands.

In Africa, we aim to ensure cost optimization through ensuring greater utilization of assets that are already deployed and expenses that are already incurred. In addition, we also focus on controlling and saving costs through measures, such as moving away from offline channels to online distribution, and churn reduction. With high fixed costs, operating leverage will play out on new revenue streams and we aim to ensure that incremental EBITDA earned on incremental revenue generated is greater than the existing EBITDA margin.

Focus on deleveraging and maintaining financial flexibility

Our Company's aggregate net debt (defined as the long-term debt, net of current portion plus short-term borrowings (exclusive of the debt origination and bond fair value hedge), current portion of long-term debt and lease liabilities minus cash and cash equivalents) amounted to Rs. 998,950 million, Rs. 1,001,060 million, Rs. 1,129,899 million (U.S.$15,984 million) and Rs. 1,181,065 million (U.S.$16,708 million) as of March 31, 2017, 2018 and 2019 and September 30, 2019, respectively. As of September 30, 2019, our net debt to EBITDA ratio was 3.42, including lease obligations. Our debt profile is spread across local and overseas sources of funds to mitigate interest rate risks and to create natural hedges. We have a healthy currency mix of debt having issued US$, EUR and CHF denominated bonds in the international debt capital markets as well as debt in local currencies including INR, XAF, UGX, RWF, NGN, LKR and XOF. Under our Company's risk management policy that has been approved by the Board, we may continue to enter into hedging and derivative transactions to reduce the interest rate and current fluctuation risk. We remain focused on maintaining a healthy leverage ratio and deleveraging through a mix of strategic and organic initiatives.

As part of our strategic initiatives, we concluded a rights issue of approximately 1,134 million fully paid up equity shares that raised Rs. 249,390 million in May 2019 and utilized the proceeds materially towards deleveraging our balance sheet. In June 2019, we also concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceed of U.S.$674 million. Prior to the initial public offering ("IPO") of Airtel Africa plc, it raised U.S.$1.45 billion through a pre-IPO placement to certain investors between October 2018 and January 2019. Between 2015 and 2018, we have sold shares in Bharti Infratel for an aggregate amount of over U.S.$2.1 billion. In addition, we raised Rs. 16,238 million (US$235 million) through a stake sale in our DTH business to Warburg Pincus. We realized approximately US$3 billion in Airtel Africa Plc through tower sale in eight countries and divestment of operations in two countries. We have raised over U.S.$11 billion of equity capital since September 2014. Additionally, one of our subsidiaries, Network i2i raised a total of U.S.$ 750 million through an issuance of perpetual securities in October 2019. The proceeds of these transactions were used to reduce debt and fund growth of operations.

We aim to maintain an efficient capital structure with high balance sheet flexibility. We seek to continue to manage our borrowing costs with a focus on cost effective financing and refinancing structures, including our repayment tenors and the balance between our fixed and floating rate instruments. We will continue to maintain a measured and careful balance between fixed and floating rate debt.

Airtel Africa Plc maintains a reasonably conservative policy in respect of liquidity and leverage. In line with this principle, and as pursuant to its dividend policy in Africa, "surplus" cash is to be distributed to its respective shareholders, subject to leverage thresholds.

Business Operations

We are a leading integrated provider of telecommunication services with presence in 18 countries, including India and Sri Lanka, 14 countries in Africa and associates and joint ventures in Bangladesh and Ghana. We served over 411 million customers globally as of September 30, 2019. We retain a diversified service portfolio which includes mobile, voice and data solutions, using 2G, 3G and 4G technologies, fixed line services, broadband services, digital TV services and an integrated suite of telecommunication solutions for our enterprise customers.

We also provide long-distance connectivity in India, Africa and the rest of the world. All these services are rendered under a unified brand "airtel." "Airtel Money" (known as "Airtel Payments Bank" in India) extends our product portfolio to our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa. We are also a leading provider of passive infrastructure and offer services through our subsidiary, Bharti Infratel and Bharti Infratel's 42.0% ownership interest in Indus Towers.

India

B2C Services

- *Mobile Services (India):* These services include pre- and post-paid wireless voice services, international roaming and interconnect revenue paid to us by other telecommunications providers. We also include data communications services, including 2G, 3G and 4G data services, and other VAS for mobile subscribers.
- *Homes* Services: We provide fixed-line telephone and broadband services for homes in 100 cities across India. These services include Digital Subscriber Line ("**DSL**") based broadband internet and local, national and international long distance telephone services provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment

(i.e., switch) to the subscriber's premises. Fixed telephone lines, broadband (via DSL) and Internet Protocol TV ("**IPTV**") services are provided to homes while fixed telephone line, internet leased line and MPLS services are provided to offices.

- *Digital TV Services*: These services comprise television programming provided via a digital signal and received on a digital set top box and related services, which are provided under our DTH platform. Features include high-definition HD digital TV services with 3D capabilities and Dolby surround sound, choice of packages comprising different channels, interactive features such as on-demand viewing, and a choice of set top boxes, including an HD recorder box, which may be instructed to record programs via a mobile handset or the internet.

Airtel B2B Services

- *Airtel Business*: These services include domestic and international long distance communication, information communication technology ("**ICT**") services, provided to the service providers of cellular or fixed line services, internet services and broadband services, as well as transmission bandwidth, VSAT-based communications, voice, data, network integration, data centers, managed services, enterprise mobility applications, digital media services and other network solutions to the GoI and corporate customers.

- *Passive Infrastructure Services*: These services include setting up, operating and maintaining wireless communication towers. They are provided by our subsidiary, Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% interest. Upon completion of the Indus Merger, we would no longer own majority stake in passive infrastructure services (that it previously had access to via our subsidiary). See "*—Passive Infrastructure Services—The Indus Merger*" for further information.

South Asia (except India)

In Sri Lanka, we operate across 25 administrative districts with distribution network of over 48,000 retailers. We offer 3.5G services across major towns in Sri Lanka.

Africa

We operate in 14 countries across Africa, namely Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

In Africa, we offer a comprehensive offering targeting the full spectrum of subscribers, from high value to mass market. Our voice services include local, national and international calls made within our footprint and internationally. The mobile voice business line also includes interconnect revenue, which is paid to us by other telecommunications operators when their customers utilize our network for interconnection purposes. Mobile data services comprise 2G, 3G and 4G data services, messaging (SMS) and other VAS for mobile subscribers, which may be bundled with our voice service offerings. Airtel Money offers mobile banking opportunities to customers in all of our 14 African countries of operation. Given the low penetration of traditional banking services in our countries of operation, Airtel Money provides an opportunity for us to extend financial services and products to underserved populations.

The following sets out certain metrics about our offerings in Africa:

	Six months ended September 30,					
	2018			2019		
	Voice	Data	Mobile Money	Voice	Data	Mobile Money
Airtel Africa						
Subscriber base *(millions)*	94.1	27.1	12.9	103.9	31.9	15.5
ARPU *(U.S.$)*	1.7	2.1	1.4	1.6	2.4	1.6
Revenue *(U.S.$ millions)*	953	323	103	956	434	146*

** Pre inter-segment elimination*

Further details relating to our business segments are provided below.

Mobile Services

Our mobile operations are at the core of our business. While voice communication services will remain a significant revenue generator for the medium-term, we expect our mobile data and mobile money business lines to be increasingly significant drivers of revenue growth in the longer term. Our customer bases as of March 31, 2017, March 31, 2018 and March 31, 2019, September 30, 2018 and September 30, 2019 were 372 million, 414 million, 404 million and 448 million and 411 million, respectively. Total minutes on network for the year ended March 31, 2017, March 31, 2018 and March 31, 2019 were 1,549 billion, 2,159 billion and 3,070 billion, respectively, and for the six months ended September 30, 2018 and September 30, 2019 were 1,505 billion and 1,593 billion. Further, the data consumed (in MB) by our customers for the year ended March 31, 2017, March 31, 2018 and March 31, 2019 was 900 billion, 4,174 billion and 12,162 billion, respectively and for the six months ended September 30, 2018 and September 30, 2019 was 4,810 billion and 9,020 billion approximately.

As at September 30, 2019, Airtel Payments Bank has a total user base of 47 million and active users in payments bank of 9.9 million.

India

We offer 2G, 3G and 4G wireless services in India. As at September 30, 2019, we had 326 million mobile subscribers, which represents a customer market share of 27.7%, according to TRAI. We had an active mobile customer base of 279.4 million as of September 30, 2019, as compared to 332.8 million customers as of September 30, 2018. We have experienced sustained growth in our 4G subscriber base, representing 65.7 million, 86.8 million and 103.1 subscribers as of September 30, 2018, March 31, 2019 and September 30, 2019, respectively. Our mobile services offerings include post-paid, pre-paid, roaming, internet and other value added services through our extensive sales and distribution network covering more than 1 million retail outlets.

As at September 30, 2019, our network covered 7,906 census towns and 786,268 non-census towns and villages in India, covering a geographic area in which approximately 95.3% of the country's population is located. As of September 30, 2019, we hold spectrums across various spectrum bands (800MHz, 900MHz, 1800MHz, 2100MHz and 2300MHz) aggregating to the total of 1,731.40 MHz of unpaired spectrum (including the 142.50 MHz of unpaired spectrum acquired from Tata with effect from July 1, 2019) across the 22 licensed service areas, and hold approximately 28% share of spectrum at a pan India level.

Our spectrum acquisition strategy aims at enhancing our position in India's fast growing data segment. In 2018, the Department of Telecommunications ("**DoT**") granted an in-principle approval for our Company's

acquisition of Telenor India and transferred all assets and liabilities belonging to the Indian unit of Norway's Telenor to our Company. The acquisition will boost our 4G spectrum holdings, fortify our network capacity and augment our revenue.

In 2019, we also completed the amalgamation of Bharti Digital Networks Private Limited. On April 10, 2019, the DoT granted an in-principle approval for the merger of the consumer mobile business of Tata Teleservices Limited ("**TTSL**") and Tata Teleservices (Maharashtra) Limited ("**TTML**"). Subsequently, following the order by the Telecom Disputes Settlement and Appellate Tribunal directing the DoT to take the merger on record and the approval of the schemes of arrangement by NCLT, Delhi and NCLT, Mumbai, we announced that the schemes of arrangement under which all customers, assets, spectrum and agreed liabilities of the consumer mobile businesses of TTSL and TTML have now merged with our Company with effect from July 1, 2019. These acquisitions have strengthened our Company's spectrum portfolio and are in line with our commitment to expanding our network.

South Asia

We began our mobile services offering in Bangladesh in November 2010. In 2017, we merged our business operations in Bangladesh with Robi Axiata Limited, where we acquired a 25% equity interest in the entity. Robi Axiata Limited is the second largest mobile phone operator of Bangladesh. Our mobile services offering in Sri Lanka, "Airtel Lanka", operates across 25 administrative districts with distribution network of over approximately 48,000 retailers.

Africa

As at September 30, 2019, we were active in 14 countries in Africa with a total subscriber base in Africa of approximately 103.9 million customers. According to the Delta Partners Report, as of December 2018 we either ranked first or second in terms of the number of subscribers in 12 out of the 14 countries where we operate, which include Nigeria, Malawi, the DRC, Kenya, Zambia, Chad, Tanzania, Gabon, Uganda, Congo (Brazzaville), Madagascar, Niger, Seychelles, and Rwanda. In July 2019, we concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceeds of U.S.$674 million. We have established our Africa headquarters in the United Kingdom.

The following table sets out certain operational metrics about our service offerings:

				Quarterly Ended
Parameters	**Unit**	**September 30, 2019**	**March 31, 2019**	**September 30, 2018**
Total Customers Base (Consol)	000's	411,424	403,645	448,062
INDIA				
Mobile Services				
Customer Base	000's	279,430	282,640	332,764
Net Additions	000's	2,613	(1,585)	(11,800)
Monthly Churn	%	2.1	2.8	4.1
Average Revenue Per User (ARPU)	₹	128	123	100
Average Revenue Per User (ARPU)	US$	1.8	1.7	1.4
Revenues				
Mobile Services	₹ Mn	108,118	104,870	100,704

Voice

Parameters	Unit	Quarterly Ended September 30, 2019	March 31, 2019	September 30, 2018
Minutes on the network	Mn	716,642	731,187	693,061
Voice Usage per customer	min	848	858	686
Data				
Data Customer Base	000's	124,242	115,147	97,666
Of which 4G data customers	000's	103,111	86,808	65,731
As % of Customer Base	%	44.5	40.7	29.4
Total MBs on the network	Mn MBs	4,828,577	3,705,034	2,660,297
Data Usage per customer	MBs	13,116	11,048	9,221
Homes Services				
Homes Customers	000's	2,350	2,270	2,213
Net Additions	000's	8	25	24
Average Revenue Per User (ARPU)	₹	777	815	847
Average Revenue Per User (ARPU)	US$	11.1	11.5	12.1
Digital TV Services				
Digital TV Customers	000's	16,207	15,392	14,779
Net additions	000's	181	391	133
Average Revenue Per User (ARPU)	₹	162	233	232
Average Revenue Per User (ARPU)	US$	2.3	3.3	3.3
Monthly Churn	%	1.6	0.8	1.3

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Mobile Services				
Census Towns	Nos	7,906	7,906	7,904
Non-Census Towns & Villages	Nos	786,268	786,192	786,129
Population Coverage	%	95.3	95.3	95.3
Optic Fibre Network	Rkms	294,867	280,534	263,507
Network towers	Nos	185,582	181,079	171,031
Of which Mobile Broadband towers	Nos	181,825	172,627	154,531
Total Mobile Broadband Base stations	Nos	461,891	417,613	347,642
Digital TV Services				
Districts Covered	Nos	639	639	639
Coverage	%	99.8	99.8	99.8

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Bharti Infratel Standalone				
Total Towers	Nos	41,050	40,388	39,946
Total Co-locations	Nos	76,176	76,341	78,275
Key Indicators				

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Sharing Revenue per sharing operator per month	₹	46,095	42,143	38,687
Average Sharing Factor	Times	1.86	1.91	2.06
Indus Towers				
Total Towers	Nos	124,692	123,546	124,230
Total Co-locations	Nos	231,500	229,483	229,136
Key Indicators				
Average Sharing Factor	Times	1.86	1.86	2.02
Bharti Infratel Consolidated				
Total Towers	Nos	93,421	92,277	92,123
Total Co-locations	Nos	173,406	172,724	174,512
Key Indicators				
Average Sharing Factor	Times	1.86	1.88	2.04

	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Africa				
Customer Base	000's	103,881	98,851	94,096
Net Additions	000's	4,211	929	2,903
Monthly Churn	%	4.5	5.4	4.8
Average Revenue Per User (ARPU)	US$	2.8	2.7	2.7
Voice				
Minutes on the network	Mn	60,795	52,866	52,357
Voice Average Revenue Per User (ARPU)	US$	1.6	1.7	1.7
Voice Usage per customer	min	199	179	189
Data				
Data Customer Base	000's	31,910	30,024	27,113
As % of Customer Base	%	30.7	30.4	28.8
Total MBs on the network	Mn MBs	1,62,394	120,674	88,808
Data Average Revenue Per User (ARPU)	US$	2.5	2.2	2.1
Data Usage per customer	MBs	1,748	1,375	1,113
Network towers	Nos	21,936	21,059	20,060
Of which Mobile Broadband towers	Nos	18,274	16,426	15,280
Total Mobile Broadband Base stations	Nos	40,187	32,501	26,338

We are focused on the strategic divestment of our tower operations across our footprint in order to focus on our core subscriber-facing operations. We have divested more than 9,200 tower sites across Nigeria, Uganda, Zambia, Kenya, DRC, Niger, Congo and Rwanda since 2014. As at September 30, 2019, we had a tower portfolio of over 4,400 towers. though identifying suitable divestment opportunities continues to be a strategic priority. In February 2019, Telkom Kenya Limited ("**Telkom Kenya**"), announced its intention to merge its mobile operations, enterprise, and carrier business with Airtel Kenya, our operating subsidiary in Kenya. In consideration thereof, Telkom Kenya will acquire a shareholding in Airtel Kenya. Airtel Kenya will be renamed "*Airtel-Telkom*" upon completion of the transaction.

As at September 30, 2019, the mobile services offering through Airtel Africa Plc included approximately 103.9 million customers across the 14 African countries in which we have operations. We have also launched mobile commerce services in 14 African countries.

As part of our strategy to leverage the opportunity to extend banking services to underserved populations and increase non-voice revenue, we have rolled out Airtel Money across 14 countries in Africa. We believe Airtel Money offers mobile banking opportunities to many customers in Africa who may not utilize traditional banking services and those in rural areas who may not have access to such services. We have undertaken marketing and educational campaigns in Africa to ensure customers are aware of and understand our Airtel Money service. Our mobile money service, Airtel Money, is growing its customer base across Africa. The total customer base using the Airtel Money platform increased by 20.2% to 15.5 million as at September 30, 2019 as compared to 12.9 million as at September 30, 2018.

We also facilitate access to microloans from third-party loan providers in certain countries and intend to roll this service out across our footprint. Where available, Airtel Money subscribers can dial the Airtel Money USSD code for instant access to loans from our third-party partners. We provide our loan partners with certain permitted customer data, for use in assessing an applicant's creditworthiness and in ultimately making a lending decision. Airtel Kenya launched mobile money interoperability on April 10, 2018. Customers of the operator are now able to seamlessly transfer or receive money across networks for no extra charge.

We are in the process of implementing Airtel Money Virtual Card Number ("**VCN**") services. VCN refers to soft (non-plastic) equivalents of debit or pre-paid scheme cards for online merchant payments. The VCN will be linked with a customer's Airtel Money wallet as a source of funds, providing customers an additional channel to access their funds from their Airtel Money wallet. The card will supplement the existing pay bill and merchant payment solutions and enhance customers' e-commerce experience. We expect VCN services will provide a global platform for Airtel Money and further enhance the market perception that MFS are a viable alternative or supplement to traditional banking facilities.

On October 9, 2019, we announced a partnership with Master-card, which will give Mobile Money customers the ability to make online payments globally with their Mobile Money Master-card virtual card.

Homes Services

Our homes services business segment offers a range of services including fixed-line telephone services providing local, national and international long distance voice connectivity, as well as broadband internet access through DSL and IPTV services. These various services are provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment to the subscriber's premises.

As at September 30, 2019, we provided homes services in 100 cities in India. Our homes services business segment had 2.35 million customers as at September 30, 2019, representing a growth of 0.3% as compared to 2.21 million customers as at September 30, 2018.

Our homes services business segment focuses on developing our services in cities with high revenue potential, such as New Delhi, Mumbai, Kolkata and Chennai. In October 2016, we expanded 'V-Fiber' technology for our customers after we became the first operator to deploy Vectorization in India. This technology enables the customers to experience internet speeds of up to 100 Mbps. In the fiscal year 2020, we launched our ultra-fast broadband offering - Airtel Xstream Fibre, which offers speed upto 1Gbps. It also offers landline calling along with exclusive Airtel Thanks benefits. We have also launched "Airtel Wi-Fi Calling", a Voice-Over Wi-fi service, designed to enhance voice calling experience for Airtel smartphone customers indoors. This technology was initiated for customers in six circles followed by its roll out in the rest of the country subsequently.

The revenue from homes services business segment was Rs. 11,180 million (U.S.$158 million) for the six months ended September 30, 2019, Rs. 22,391 million (U.S.$317 million) for the fiscal year ended March 31, 2019 and Rs. 25,265 million for the fiscal year ended March 31, 2018.

Digital TV Services

Through our "Airtel Digital TV" service launched in October 2008, we are one of five operators to provide DTH services in India. We currently offer both standard and high definition digital TV services with 3D capabilities and Dolby surround sound. We currently offer a total of 640 channels, including 84 HD channels, 7 international channels and 4 interactive services.

As at September 30, 2019, Airtel Digital TV reached 16.2 million customers, an increase of 5% as compared to March 31, 2019. We are focused on increasing our DTH distribution presence across India, and had coverage in 639 districts in India as at September 30, 2019. We distribute the majority of our DTH service offerings through our mobile services retail outlets.

We have also invested in technologies to improve signal quality and consistency. In addition, we have launched "*Airtel Pocket TV*", a mobile application which enables customers to watch TV programs while on the move. We are also the first to release feature films on a digital TV platform. In 2017, "*Airtel Internet TV*" won the "*Tech Peripheral of the Year*" award at the NEXA NDTV Gadget Guru Awards. In September 2019, we launched "*Airtel Xstream Fibre*" in 15 cities. "Airtel Xstream Fibre" is an ultra-fast broadband connection that will benefit both home and business establishments. We also launched our converged digital entertainment play: Airtel Xstream, which offers a range of connected devices, applications and services. As part of the Airtel Xstream device portfolio, we launched an android based OTT smart stick and an Android based 4k Hybrid Smart Box that offers satellite TV and OTT content. Airtel also launched Airtel Xstream app, which is a revamped version of Airtel TV app (earlier Airtel Pocket TV). The revenue from digital TV services business segment was Rs. 15,282 million (U.S$216 million) for the six months ended September 30, 2019, as compared to Rs. 41,001 million (U.S.$580 million) for the fiscal year ended March 31, 2019 and Rs. 37,570 million for the fiscal year ended March 31, 2018.

Airtel Business

Our Airtel Business segment changed its name from "Enterprise Services" in 2012.We deliver end-to-end telecommunication solutions to the GoI, large companies and carrier customers in India by serving as the single point of contact for all telecommunication needs. We provide a full suite of communication services, including data, voice, network integration, data center and managed services, enterprise mobile applications and digital media. Data center and managed services include managed hosting, storage, business continuity, data security and cloud services. Digital media services provide a centralized online media management and distribution platform that links all content owners and production facilities with other users and enables them to store, forward, share and trade multiple versions of produced content to multiple platforms across the globe. We also provide wholesale voice and data services to Indian and international telecommunication carriers. We are a trusted communications partner to some of India's leading organizations, helping them to meet the challenges of growth.

We own a developed national and international long distance network infrastructure, including submarine cable and satellite connectivity, enabling us to provide connectivity services both within India and internationally. We also operate 10 large data centers and 119 edge data centers, and have four upcoming data centers. We own 30 international cables and 7 cable landing stations. Our Company's international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and investments in new cable systems such as the Asia-America Gateway, India Middle East and Western Europe, Unity North, Europe India Gateway and East Africa Submarine System, or EASS. These

investments have expanded our Company's global network to over 250,000 Rkms, covering 50 countries across five continents. We also provide terrestrial express connectivity to neighboring countries including Nepal, Bhutan and Bangladesh.

In May 2019, we announced an agreement to combine our Very Small Aperture Terminal ("**VSAT**") satellite communications operations in India with Hughes Communications India Ltd, a company that is in the business of broadband satellite networks and services. The combined entity will benefit from enhanced scale, improved operational efficiencies and wider market reach and will be able to introduce new VSAT and related technologies to deliver a wider range of quality products and services. The scheme of arrangement is pending sanction from the appropriate authorities.

In addition, we acquired the Indian leg of Gulf Bridge International India – Middle East – Europe submarine cable with an aim to consolidate our global network leadership and serve the increase in data demand in emerging markets such as India, Gulf and Africa.

Bharti Airtel Services Limited has entered into a strategic alliance with Symantec Asia Pacific Pte. Ltd. to serve the cyber security requirements of businesses in India. Pursuant to the terms of the agreement, Bharti Airtel Services Limited is the exclusive managed security services partner for Symantec in India and distributes Symantec's enterprise security software.

The revenue from Airtel business segment was Rs. 65,392 million (U.S.$925 million) for the six months ended September 30, 2019, as compared to Rs. 124,537 million (U.S.$1,761 million) for the fiscal year ended March 31, 2019 as compared to Rs. 113,566 million for the fiscal year ended March 31, 2018.

Passive Infrastructure Services

Passive infrastructure services include setting up, operating and maintaining towers. Towers comprise the non-active components of a wireless telecommunications infrastructure network, including the tower structure, shelters, industrial air conditioners, diesel generators, batteries, switch mode power supplies and voltage stabilizers.

We deploy, own and manage passive infrastructure pertaining to telecommunication operations through our subsidiary Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% interest in. Indus Towers is a joint venture, owned by Bharti Infratel, Vodafone Group, Vodafone-Idea and Providence (together with Vodafone Group and Vodafone-Idea, the "**Other Indus Shareholders**"), at 42.00%, 42.00%, 11.15% and 4.85%, respectively, as of September 30, 2019.

Bharti Infratel and Indus Towers provide services on a non-discriminatory basis to all telecommunication service providers in India. Taking into consideration its proportionate interest in Indus Towers, Bharti Infratel is among the largest providers of passive infrastructure services in India, as measured by the number of towers.

As at September 30, 2019, Bharti Infratel operated 41,050 towers in 11 telecommunication circles and Indus Towers operated 124,692 towers in 15 telecommunication circles. As at September 30, 2019, Bharti Infratel had 76,176 co-locations for a sharing ratio of 1.86, while Indus Towers had 231,500 co-locations for a sharing ratio of 1.86. Taking into consideration Bharti Infratel's proportionate ownership of Indus Towers, Bharti Infratel owned and maintained 93,421 towers with 173,406 co-locations for a sharing ratio of 1.86 as at September 30, 2019.

The revenue from the tower infrastructure services segment was Rs. 33,935 million (U.S.$480 million) for the six months ended September 30, 2019, as compared to Rs. 68,185 million (U.S.$965 million) for the fiscal year ended March 31, 2019 and as compared to Rs. 66,284 million for the fiscal year ended March 31, 2018.

The Indus Merger

In April 2018, Bharti Infratel and Indus Towers announced their intention to merge and create a pan-India tower company with an estimated combined revenue of Rs. 254 billion, with over 163,000 towers post completion. This was followed by a scheme of amalgamation and arrangement submitted before the NCLT, Chandigarh on August 31, 2018. The merged entity will (i) fully own the combined businesses of Bharti Infratel and Indus Towers, (ii) change its name to Indus Towers and (iii) continue to be listed on the Indian Stock Exchanges.

The merger structure provides Vodafone-Idea the option to elect to receive cash, via an all-cash transaction, or shares, via an all-stock transaction at a merger ratio in exchange its their respective shareholding. Providence has the option to receive cash for 3.35% of its 4.85% shareholding in Indus (in the event of a cash election by Vodafone-Idea) and in case of a share election by Vodafone-Idea, it has the option to receive cash for its entire 4.85% shareholding in Indus. The cash election and merger ratio will be subject to pre-closing adjustments.

The Competition Commission of India, Securities and Exchange Board of India and the National Company Law Tribunal have all approved the Indus Merger. The Department of Telecommunications' approval for enhancement of foreign direct investment limit is outstanding as of the date of this Offering Circular.

Upon the Indus Merger becomes effective, our Company's shareholding is expected to reduce from our current 53.5% ownership in Bharti Infratel to a range between 37.2% and 33.8% depending on whether there is an all cash election or all share election or a combination of the two. However, as intimated by Bharti Infratel Limited to the Stock Exchanges on October 24, 2019, it is expected that the dilution of equity stake held by the current shareholders of Bharti Infratel shall be lower vis-à-vis the illustrative shareholdings set out above. Accordingly, Bharti Infratel would be accounted for as an equity method investee by our Company, rather than a Subsidiary, and therefore, would no longer be consolidated on a line-by-line basis in our Company's financial statements. This change in accounting method will have an impact on the presentation of our Company's financial statements and results of operations and consequently, our Company's future financial statements will not be comparable with our Company's historical financial statements, including the Audited Consolidated Financial Statements included in this Offering Circular.

Given the delay in procuring the approval of the Department of Telecommunications, the long stop date for effectuating the scheme has been extended until February 24, 2020, on the basis of agreements on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme.

Subject to the completion of the Indus Merger, we propose to divest our entire investment in (post-merger) Indus Towers. However, there is no assurance that our investment will be sold. Although we would no longer own (post-merger) Indus Towers, we plan to still continue our master service agreement with Indus Towers as a customer. See "*—Network Partners and Joint Ventures—Network Partners—Passive Infrastructure Partners*" for further information.

Engineering / IT Platforms

Airtel is a highly digital organization with deep emphasis on using technology to provide a brilliant customer experience and deep insights for our businesses. We have over the years adopted a diversified approach towards developing and maintaining our business and enterprise IT and engineering systems. A large part of Digital Airtel is based on deep technology platforms that are developed in-house by our diverse engineering talent in Airtel XLabs. Most of these are based on the latest open source technologies and built for our large scale and volumes. Airtel XLabs also leverages a lot of deep machine learning and AI technologies in order to build deep business and consumer insights and allow for a personalized experience for our customers.

Our digital platforms have extensive reach and are focused on both serving customers and building new technology-led revenue streams.

Network Partners and Joint Ventures

Strategic Equity Partners

We have a strategic alliance with SingTel which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. As at September 30, 2019, SingTel held approximately 35.17% of our Company's shares through direct and indirect ownership.

In addition, we continue to retain a strategic relationship with our subsidiary, Airtel Africa Plc, which was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange and the Nigeria Stock Exchange and on the Official Trading List of the Nigerian Stock Exchange in July 2019. See "*—Strategy—Focus on deleveraging and maintaining financial flexibility*."

Equipment and Technology Partners

We have strategic partnerships in all areas including equipment and technology, building upon the unique outsourcing business models that we have pioneered. We believe our business models have enabled us to partner with global leaders who share our objective of co-creating innovative and tailor made solutions for the markets in which we operate.

Engineering/ IT Partners

Airtel also uses key partners to provide some telecom and technology products and services. We have deep partnerships with technology companies like Amdocs, Oracle, Ab Initio, IBM, VMWare, Avaya, HP etc. We engage with these partners on a need basis and on a shorter term contracts. This is in contrast to the earlier engagement model where there was a very high dependence on a select few system integrators and OEMs and avoids any lock-ins for a longer duration, giving the flexibility to change if needed. We also use a lot open source software so this approach has allowed us to deploy and run, with agility and efficiency, our various engineering and IT systems including but not limited to, operations support systems ("**OSS**"), business support systems ("**BSS**"), financial systems, reporting and analytics across India and Sri Lanka.

Customer Care Partners

Our Company's call center partners are HGS, Karvy DigiKonnect, Wipro, Accenture, BPO convergence and Cogent, amongst others, providing a strong customer experience through dedicated contact center operations. Our Company's existing call center technology partners are Avaya, Wipro and Cisco, providing interactive voice response and call routing and handling technology.

Content and Value Added Partners

We work with globally recognized organizations such as Comviva, OnMobile, Google and Spice Digital, among others, providing each of our customers with a unique experience in value added services. We have revenue sharing agreements in place with most of these content partners.

One of our key technological investments was the creation of a content provisioning platform that could provide our customers access to premium content from providers such as Amazon Prime, Netflix and Zee5. In 2018, Netflix announced an expansion of their partnership with our Company in India through which subscribers of select Airtel Postpaid and V-Fiber Home Broadband plans would receive a complimentary Netflix subscription for three months. Subsequent to the three months subscription, the subscribers would be able to pay for their Netflix subscription seamlessly, using their Airtel postpaid or home broadband bill. The expanded partnership strengthens our differentiated and digital content portfolio while giving Netflix access

to a wider pool of customers. In November 2018, we announced a content partnership with an on-demand video streaming platform, Hoichoi, to offer Bengali digital content to Airtel Xstream users.

Network Partners

Our network partners include active network partners, Passive Infrastructure Services partners and IT partners. The active network partners supply, implement, integrate, deploy and maintain our mobile network. The Passive Infrastructure Services partners provide and maintain passive infrastructure at sites such as towers, shelters and other equipment needed to provide energy to our mobile equipment. IT partners provide services related to our customer-facing and internal IT requirements.

We continue to expand network capacity and take actions for enhancing user experience. We have started converting 3G spectrum to 4G spectrum, and have split the sector technology for 4G to increase network capacity and improve the user experience. We are using four spectrum bands for 4G network. In September 2017, we announced the deployment of massive MIMO (pre-5G technology) in partnership with Huawei Telecommunication India and subsequently with three other partners and the first round of deployment was started in Bangalore and Delhi and is now being expanded to all circles.

Active Network Partners

The key agreements with the active network partners include equipment supply contracts and service contracts. The equipment supply contracts cover the supply of hardware, software and other electronic equipment required to set up and expand our mobile network. The service contracts provide for the planning, designing, implementation, integration, deployment and maintenance of the equipment deployed under the equipment supply contracts.

We have minimized our dependence on any single network partner to provide critical network services by obtaining ownership of equipment deployed by our network partners under the equipment supply contracts and utilizing GSM, 3G or 4G technology that can be set up and maintained with standardized components, allowing equipment installed by one partner to be integrated, expanded and maintained by another competing partner. This enables our Company to enter into short-term, non-exclusive contracts with network partners and separate service contracts from equipment supply contracts. We engage in a new request-for-proposal process at the end of each contract term, which allows our Company to continually re-evaluate the cost and performance of each active network partner and form new partnerships as necessary.

We worked with our network partners to purchase network equipment and capacity on an actual need basis, rather than at a box rate basis for installed equipment which set capacity amounts that may or may not reflect actual requirements. To ensure quality of service, payments to the network partners are adjusted based on quality of service metrics. We provide usage projections and quality of service objectives to be met by each network partner and we pay based on usage and quality of service parameters once we begin to use the capacity, thereby matching equipment and capacity purchases with capacity needs and quality of service.

Fiber Network Partners

In Africa, we engage reputed vendors to lease shared fiber capacity or to build fiber capacity that is exclusive to us to cater to both mobile data as well as fixed enterprise data customers. These vendors provide expertise in building and maintaining fiber networks and generally have an existing, multinational presence in Africa. For ongoing maintenance of our enterprise equipment, such as routers, we engage either the OEM or local market maintenance vendors with expertise in the relevant equipment. We believe that these partnerships allow us to efficiently access sufficient fiber capacity while leveraging the expertise of third-party vendors to maintain the relevant equipment and fiber, thereby allowing us to focus on customer facing activities in relation to our products and services.

Passive Infrastructure Partners

The passive infrastructure for our mobile network amongst others are provided by Bharti Infratel and Indus Towers. Passive infrastructure includes the telecommunication site to install the active network equipment, the passive infrastructure located at each such site, including but not limited to the tower, shelter, diesel generator sets, air conditioners and electrical power and civil works. Indus Towers is a joint venture with other mobile network operators in India. For more information on Indus Towers, see "*—Business Operations—Passive Infrastructure Services.*"

We have entered into master service agreements with Indus Towers and Bharti Infratel. These master service agreements are long term and are reviewed periodically. Infrastructure services at individual site are typically for a minimum period of five years and can be voluntarily terminated prior to expiration of its term for a pre-determined mutually agreed exit fee. If the master service agreement is to be terminated, all service orders / agreements made under it should be pre-terminated. In relation to infrastructure services at the site, we pay monthly charges along with energy charges. If additional mobile network operator(s) share the same Passive Infrastructure Services, our Company's charges gets reduced according to the terms of the master service agreement, based on the number of operators sharing the Passive Infrastructure Services. As of September 30, 2019, we provided passive infrastructure services in Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states with Bharti Infratel and in Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra and Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal telecommunication circles of India with Indus Towers and in Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) telecommunication circles of India with both Bharti Infratel and Indus Towers. In Africa, we entered into master service agreements with Ericsson and NSN for the maintenance of our passive infrastructure. After completion of the Indus Merger, we are planning to divest our entire investment in (post-merger) Indus Towers. Although our Company would no longer own Indus Towers, we plan to still continue our master service agreement with Indus Towers as a customer. See "*—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information.

Licenses and Regulations

The operation of telecommunications networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and/or regulatory authorities. Operating licenses of our Company and our subsidiaries specify the services we can offer and the frequency spectrum they can utilize for wireless operations. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. The operating licenses are generally renewable upon expiration. However, there is no assurance that they will be renewed or that any renewal on new terms will be commercially acceptable to our Company and our subsidiaries. See "*Risk Factors—Risks Relating to Our Business—The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations*" and "*Risk Factors—Risks Relating to Our Business—Our telecommunications licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect our business, prospects, financial condition, cash flows and results of operations".*

We hold mobile network licenses and access spectrum in all 22 mobile telecommunication circles. The band wise spectrum holding (in unpaired terms) as of September 30, 2019 is as follows:

1. 800 & 900 MHz Band - 255.3 MHz
2. 1800 MHz Band - 566.1 MHz
3. 2100 MHz Band - 340.0 MHz
4. 2300 MHz Band - 570.0 MHz

The total quantum of spectrum as of September 30, 2019 was 1,731.40 MHz (including the 142.50 MHz of unpaired spectrum acquired from Tata with effect from July 1, 2019 in 800 MHz, 1800 MHz and 2100 MHz bands).

We inherited a number of licenses across our various African operations when we acquired Zain Africa B.V., primarily relating to authorization by local authorities to use frequency spectrum, operate public telecommunications networks and offer public telecom services. We currently hold multiple licenses in Africa, permitting our Company to offer telecom, broadband and mobile money services across our footprint in Africa.

Customers and Distribution Network

We serve customers across numerous constituencies through our Indian and international networks, including individuals, small and medium enterprises, large companies, other carriers and governments. As at September 30, 2019, we served an aggregate of over 411 million customers globally. In India, we have the third largest wireless services customer base, with approximately 326 million mobile subscribers as at September 30, 2019, which represents a customer market share of 27.7%, according to TRAI. In Africa, our subscriber base comprised 103.88 million customers as at September 30, 2019. According to the CRISIL Report, the telecommunications market in India is characterized by high phone penetration and high usage. Conversely, the telecommunications market in Africa is characterized by relatively low mobile penetration, low usage and high ARPU according to the Delta Partners Report and GSMA Intelligence.

We believe our strong distribution network is a critical part of our business and a key reason for our large customer base. As at September 30, 2019, we had over 1 million retail outlets in India and over 48,000 retail outlets in Sri Lanka offering our products, many of which have established relationships with us. As we have done in India, Airtel Africa is developing a wide distribution presence in Africa, introducing convenient services such as electronic recharge options as well as augmenting its distribution base to increase customer access to its services. As at September 30, 2019, our network in India covered 7,906 census towns and 786,268 non-census towns and villages in India, covering a geographic area in which approximately 95.3% of the country's population is located.

Employees

While we strive to provide our customers with a variety of services, we believe our employees across all segments and markets contribute to one Airtel. Our total number of employees in India was 15,854 as at September 30, 2019 and 16,194 as at March 31, 2019. In Africa (excluding joint venture in Ghana) and South Asia (excluding India), our total number of employees as at September 30, 2019 was 3,184 and 169 respectively; and as at March 31, 2019, was 3,075 and 175, respectively.

We seek to attract the highest quality engineering and management graduates. We enable our employees to participate in development training programs throughout their employment, with a strong mix of self-initiated learning and nominations for developmental work.

We continue to invest in our employees to upgrade their skills and competencies through our integrated digital learning solution which provides our employees with access to over 9000 courses across platforms.

Trademarks

The Company owns numerous trademarks that are used in respect of various goods and services across various territories. The general policy adopted by the Company is to seek protection for all the trademarks being used in order to ensure that exclusivity is maintained over these trademarks. Furthermore, in order to ensure the competitive advantage granted by these exclusive rights, we also regularly monitor and take action against any third parties that may seek to adopt similar trademarks.

Our principal brand name AIRTEL and the Airtel logo are registered marks in India. In addition to India, the mark AIRTEL has also been granted registration across various jurisdictions including the United State of America, UK, The European Union, Singapore, Malawi, Rwanda, Uganda, Kenya, Mozambique and Madagascar. The trademark AIRTEL has also been recognized as a well-known trademark by several authorities across India, ensuring that the mark is granted a higher level of protection across all classes of goods and services including those which are considered dissimilar.

Competition

India

The Indian wireless industry is hyper competitive. Before consolidation, the sector consisted of eight value players (Aircel, Airtel, BSNL/ MTNL, Tata, Idea, Reliance Communications, Telenor and Vodafone). After the consolidation in the sector, our primary competitors are operators such as RJIO, Vodafone Idea and BSNL/MTNL. We compete with all these operators in the wireless market space. In addition, to facilitate greater competition, the regulator launched nationwide Mobile Number Portability ("**MNP**") in January 2011.

We operate in the international and national long-distance segments, where barriers to entry are low and licenses are available at relatively low prices. While a number of operators have been awarded licenses, our primary competitors in this segment include Tata Communications, BSNL and Reliance Jio, as well as specialized operators such as SIFY, with the other licensees using their long-distance licenses primarily to carry their own traffic. Smaller operators, however, do not own their have fibers to carry their traffic and continue to lease traffic capacity from the larger operators such as our Company.

In the traditional fixed line services, our primary competitors are existing government-owned entities such as BSNL and MTNL and Reliance Jio. Our strategy is to offer features such as rich fixed wireless services as a substitute for narrow band telephony services offered by BSNL and MTNL.

Our main competitors in the Passive Infrastructure Services business include Reliance Jio, ATC, BSNL and also smaller operators which include GTL Infrastructure and ASCEND. The barrier to entry in this business is low. However, our Subsidiary, Bharti Infratel (including our joint venture, Indus Towers) is one of the largest Passive Infrastructure Services providers in India in terms of towers, with a pan-India footprint and high pedigree of multi telecommunication operators on its towers. Upon completion of the Indus Merger, we would directly own a stake in passive infrastructure services provided by the combined company, which is proposed to be named Indus Towers Limited. See "*—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information.

In the DTH segment, our current competitors include Dish TV Videocon Limited, Tata Sky and Sun Direct. While the entry barriers to this segment are relatively low, the constraining factor remains the availability of appropriate band transponder capacity in satellites with footprint over India.

We, along with our competitors, may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, Internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send Short Messaging Service ("**SMS**") and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services.

International

Africa

The Sub-Saharan African mobile landscape is dominated by a few large multinational operators competing against smaller regional players across different markets. Key players include Airtel, MTN (competing with

Airtel in Congo B, Nigeria, Rwanda, Uganda and Zambia), Vodacom (competing with Airtel in DRC, Kenya, and Tanzania), Orange (competing with Airtel in DRC, Madagascar and Niger), Tigo (competing with Airtel in Chad and Tanzania) and Maroc Telecom (competing with Airtel in Gabon and Niger)

South Asia

We compete with three key operators in Sri Lanka. Our total number of market subscribers in Sri Lanka was 2.8 million as at September 30, 2019 as compared to 2.6 million as at March 31, 2019, 2.3 million as at March 31, 2018, and 2 million subscribers as at March 31, 2017. We provide 3G services across major towns in Sri Lanka.

Our primary competitors in Sri Lanka are Dialog, Mobitel and Etisalat.

African Regulations

We operate in 14 countries in Africa and are subject to various regulators in each of these jurisdictions, including country specific telecommunications, environmental, tax and corporate governance regulators. While there is some public discussion of harmonizing the telecommunications regulations of some neighboring jurisdictions, the regulatory environment is highly fragmented and requires our subsidiaries to coordinate locally.

We believe that African regulators are becoming increasingly stringent in setting norms and requirements for coverage and quality of service. The telecommunications sector continues to face pressure for additional taxes and levies from regulators as the telecommunication sector is now increasingly being perceived as a source of revenue for these economies.

Real Property

While we own or lease various properties for our corporate operations, we also obtain passive infrastructure services that allow us to install active equipment on the towers of IPs under commercial agreements.

Insurance

We have insurance coverage through third-party insurers, which we consider adequate to cover all normal risks (including business interruption) associated with the operation of our respective businesses.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Our Articles of Association provide that the minimum number of Directors shall be 10 and the maximum number of Directors shall be 18 unless otherwise determined by our Company in a general meeting. As on the date of this Offering Circular, our Company has 11 Directors, of which two Directors are executive Directors and nine Directors are non-executive Directors, including six Independent Directors (including one woman Independent Director). Our Board is compliant with the corporate governance requirements of the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Offering Circular:

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
1	Mr. Sunil Bharti Mittal **Designation**: Chairman and Whole-time Director **Date of Birth**: October 23, 1957 **Term**: Fixed term for a period of five years with effect from October 1, 2016 until September 30, 2021. **Period of Directorship**: Director since July 7, 1995 **DIN**: 00042491 **Occupation**: Businessman **Address**: 19, Amrita Shergil Marg, New Delhi – 110 003, India	62	*Indian Companies:* 1. Bharti Telecom Limited; 2. Airtel Payments Bank Limited; 3. Bharti (SBM) Holdings Private Limited; 4. Bharti Overseas Private Limited; 5. Bharti (SBM) Resources Private Limited; 6. Bharti Enterprises (Holding) Private Limited; 7. Bharti (Satya) Trustees Private Limited; 8. Bharti SBM Trustees II Private Limited; 9. Bharti (SBM) Services Private Limited; 10. Bharti (SBM) Trustees Private Limited; 11. Satya Bharti Foundation; 12. Bharti SBM Trustees S2 Private Limited; 13. Bharti SBM Trustees D1 Private Limited; and 14. Bharti SBM Trustees S1 Private Limited. *Foreign Companies:* 1. Qatar Endowment; and 2. Airtel Africa Limited
2	Mr. Gopal Vittal **Designation**: Managing Director & CEO (India & South Asia) **Date of Birth**: June 18, 1966 **Term**: Liable to retire by rotation in addition to a fixed term of five years with effect from February 1, 2018 until January 31, 2023 **Period of Directorship**: Director since February 1, 2013 **DIN**: 02291778 **Occupation**: Professional **Address**: A2/1202, World SPA East, Sector – 30, Gurgaon – 122 001, Haryana, India	53	*Indian Companies:* 1. Satya Bharti Foundation; 2. Airtel Payments Bank Limited; 3. St. Jude India Childcare Centres; 4. Indus Towers Limited; and 5. Bharti Telemedia Limited. *Foreign Companies:* None.
3	Ms. Chua Sock Koong* **Designation**: Non-Executive Director **Date of Birth**: September 14, 1957 **Term**: Liable to retire by rotation **Period of Directorship**: Director since May 7, 2001	62	*Indian Companies:* 1. Bharti Telecom Limited; *Foreign Companies:* 1. Singapore Telecom International Pte Ltd; 2. Singapore Telecom Mobile Pte Ltd;

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	DIN: 00047851 **Occupation**: Professional **Address**: 15A, Oei Tiong Ham Park, Singapore 268302		3. Singapore Telecommunications Limited; 4. Singtel Group Treasury Pte. Ltd; 5. Singtel Innov8 Holdings Pte. Ltd; 6. Singtel Innov8 Pte. Ltd; 7. Singtel Optus Pty Limited; 8. Defence Science and Technology Agency; 9. Cap Vista Pte Ltd; and 10. GSMA.
4	Mr. Rakesh Bharti Mittal **Designation**: Non-Executive Director **Date of Birth**: September 18, 1955 **Term**: Liable to retire by rotation **Period of Directorship**: Director since July 7, 1995 until September 26, 2012 and re-appointed as Director since January 7, 2016 **DIN**: 00042494 **Occupation**: Businessman **Address**: 4, Pearl Lane, DLF Chhattarpur Farms, New Delhi – 110 074, India	64	*Indian Companies:* 1. Fieldfresh Foods Private Limited; 2. DM Buildwell Private Limited; 3. Bharti Realty Holdings Limited; 4. Bharti (RM) Holdings Private Limited; 5. Bharti AXA Life Insurance Company Limited; 6. Bharti AXA General Insurance Company Limited; 7. Bharti Overseas Private Limited; 8. Bharti (RM) Resources Private Limited; 9. Bharti (RM) Services Private Limited; 10. Bharti Enterprises (Holding) Private Limited; 11. Bharti (RM) Trustees Private Limited; 12. Bharti (Satya) Trustees Private Limited; 13. Indian School of Business; 14. Satya Bharti Foundation; 15. Bharti RM Trustees S2 Private Limited; 16. Bharti RM Trustees S1 Private Limited; and 17. Bharti RM Trustees II Private Limited. *Foreign Companies:* None.
5	Ms. Tan Yong Choo **Designation**: Non-Executive Director **Date of Birth**: September 14, 1964 **Term**: Liable to retire by rotation **Period of Directorship**: Director since January 21, 2010 **DIN**: 02910529 **Occupation**: Professional **Address**: 22, Park Villas Green, Singapore 545430	55	*Indian Companies:* 1. Aspira Digital India Private Limited; *Foreign Companies:* 1. Optus Insurance Services Pty Limited; 2. Singtel EInvestments Pte Ltd; 3. Yes Lab Group Pty Limited; 4. Singtel Asia Pacific Investments Pte. Ltd.; 5. Singtel Interactive Pte. Ltd.; 6. STI Solutions Pte. Ltd.; 7. TE International (S) Pte Ltd; 8. Viridian Limited; 9. Singtel Global Investment Pte. Ltd.; 10. Singtel International Investments Private Limited; 11. Singtel Australia Investment Ltd; 12. Singtel Australia Investment Ltd (Singapore branch); 13. HOOQ Digital (Philippines) Inc.; and 14. InfoCom Holding Company Pte Ltd.

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
6	Mr. Craig Edward Ehrlich **Designation**: Independent Director **Date of Birth**: May 14, 1955 **Term**: Fixed term of five years with effect from April 29, 2018 until April 28, 2023 **Period of Directorship**: Director since April 29, 2009 **DIN**: 02612082 **Occupation**: Professional **Address**: Block B, 6/F, Best View Court, 66, MacDonnell Road, Hong Kong	64	*Indian Companies:* None. *Foreign Companies:* 1. Novare Technologies Limited.
7	Mr. Dinesh Kumar Mittal **Designation**: Independent Director **Date of Birth**: January 25, 1953 **Term**: Fixed term of five years with effect from March 13, 2019 until March 12, 2024 **Period of Directorship**: Director since March 13, 2014 **DIN**: 00040000 **Occupation**: Professional **Address**: B – 71, Sector – 44, Noida – 201 301, Uttar Pradesh, India	66	*Indian Companies:* 1. Max Financial Services Limited; 2. Balrampur Chini Mills Limited; 3. Max India Limited; 4. Max Ventures and Industries Limited; 5. Trident Limited; 6. Max Bupa Health Insurance Company Limited; 7. Atyati Technologies Private Limited; 8. Business Strategy Advisory Services Private Limited; 9. HSBC Asset Management (India) Private Limited; 10. Arohan Financial Services Limited; 11. Max Life Insurance Company Limited; 12. Max Healthcare Institute Limited; and 13. Ergos Business Solutions Private Limited. *Foreign Companies:* None.
8	Mr. Manish Santosh Kumar Kejriwal **Designation**: Independent Director **Date of Birth**: November 8, 1968 **Term**: Fixed term of five years with effect from September 26, 2017 until September 25, 2022 **Period of Directorship**: Director since September 26, 2012 **DIN**: 00040055 **Occupation**: Professional **Address**: 3703 B, 37th and 38th Floor, Vivarea Building B Wing, Sane Guruji Marg, Jacob Circle, Mumbai – 400 011, Maharashtra, India	51	*Indian Companies:* 1. Bajaj Holdings & Investment Limited; 2. Parksons Packaging Limited; 4. Bajaj Finserv Limited; and 5. International Foundation for Research and Education. *Foreign Companies:* None.
9	Mr. Shishir Priyadarshi **Designation**: Independent Director **Date of Birth**: October 23, 1957 **Term**: Fixed term of five years with effect from February 4, 2015 until February 3, 2020 **Period of Directorship**: Director since February 4, 2015 **DIN**: 03459204 **Occupation**: Professional	62	*Indian Companies:* None. *Foreign Companies:* None.

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Address: A-1/6, Panchsheel Enclave, New Delhi – 110 017, India		
10	Mr. Vegulaparanan Kasi Viswanathan **Designation**: Independent Director **Date of Birth**: November 20, 1950 **Term**: Fixed term of five years with effect from January 14, 2019 until January 13, 2024 **Period of Directorship**: Director since January 14, 2014 **DIN**: 01782934 **Occupation**: Professional **Address**: F-01, 1st Floor, Legacy Caldera, 56 SRT Road, Cunningham Road, Bengaluru – 560 052, Karnataka, India	69	*Indian Companies:* 1. KSB Limited; 2. United Spirits Limited; 3. ABB India Limited 4. Magma Fincorp Limited; 5. HDFC Life Insurance Company Limited; 6. Magma HDI General Insurance Company Limited; 7. TransUnion CIBIL Limited; and 8. Century Metal Recycling Limited. *Foreign Companies:* None.
11	Ms. Kimsuka Narasimhan **Designation**: Independent Director **Date of Birth**: May 3, 1964 **Term**: Fixed term of five years with effect from March 30, 2019 until March 29, 2024 **Period of Directorship**: Director since March 30, 2019 **DIN**: 02102783 **Occupation**: Professional **Address**: No. 12, Marina Boulevard No.31-03, Marina Bay Financial Centre Tower 3, Singapore 018982	55	*Indian Companies:* 1. Astrazeneca Pharma India Limited; and 2. Kimberly-Clark India Private Limited. *Foreign Companies:* None.

* *Whose name appears as Ms. Sock Koong Chua in the records maintained by the Ministry of Corporate Affairs, GoI, and as Ms. Chua Sock Koong as per her passport.*

Relationship between Directors

Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are related to each other.

Interest of Directors of Company

Except as stated in "*Related Party Transactions*" on page 113, and to the extent of respective shareholding, remuneration including commission received on net profit, reimbursement of expenses and other benefits to which they are entitled as per their respective terms of appointment, our Directors do not have any other interest in our Company or its business. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Shares, held by them, any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. Our non-executive Directors and Independent Directors may also be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses payable to them.

The Directors may also be regarded as interested in the Shares held by, or that may be subscribed by, and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners or trustees. For details of the Shares held by our Directors, see "– *Shareholding of the Directors, Key Managerial Personnel and Senior Management* on page 204.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in

which they are partners and there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Terms of Employment and Remuneration

Terms of appointment and remuneration of our Executive Directors

Mr. Gopal Vittal

Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) was re-appointed for a period of five years with effect from February 1, 2018 till January 31, 2023, by means of ordinary resolution passed by the Shareholders at the AGM of our Company held on July 24, 2017 on the terms and conditions including payment of remuneration as mentioned therein. Further, in accordance with the special resolution passed in the AGM of our Company held on August 14, 2019, our Company has approved the payment of minimum remuneration to Mr. Gopal Vittal in accordance with the abovementioned resolution, which may exceed the limit prescribed under the Companies Act, 2013, in the event our Company has no profits or the profits of our Company are inadequate during period commencing from April 1, 2019 to March 31, 2022.

In terms of the aforesaid resolutions, our Company has approved the following remuneration for Mr. Gopal Vittal:

Fixed Pay (inclusive of salary, allowances and retirement benefits) payable on monthly basis: ₹85 million per annum or such other amount as may be determined by the Board of our Company, provided that increment, if any, during the subsequent years, shall not exceed 15% per annum of the fixed pay of preceding financial year.

Variable Pay (Performance Linked Incentive) to be paid annually after the end of the financial year: ₹ 55 million (at 100% performance) per annum or such sum as may be determined by the Board from time to time, provided however that the total Variable Pay shall not exceed 90% of the annual fixed pay for any financial year.

Employee Stock Options: In addition to the above, Mr. Gopal Vittal shall be entitled for such number of stock options as may be granted to him under any ESOP scheme of our Company.

Perquisites: As per Company's policy(s) or as approved by the Board from time to time, provided however that the aggregate value of the perquisites shall not exceed 15% of the fixed pay in any financial year.

Other Benefits: Other benefits including leave encashment as per Company's Policy(s).

Reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

Mr. Sunil Bharti Mittal

Mr. Sunil Bharti Mittal, Chairman was reappointed as a Chairman of our Company for a period of five years with effect from October 1, 2016 till September 30, 2021, by means of ordinary resolution passed by the Shareholders at the AGM of our Company held on August 19, 2016 on the terms and conditions including payment of remuneration as mentioned therein. Further in accordance with the special resolution passed in the AGM of our Company held on August 14, 2019, our Company has approved the payment of minimum remuneration to Mr. Sunil Bharti Mittal in accordance with the abovementioned resolution, which may exceed the limit prescribed under the Companies Act, 2013, in case our Company has no profits or the profits of our Company are inadequate during period commencing from April 1, 2019 to September 30, 2021 or for such shorter period as may be prescribed under applicable laws.

In terms of the aforesaid resolutions, our Company has approved the following remuneration for Mr. Sunil Bharti Mittal:

Fixed Pay (inclusive of salary, allowances and retirement benefits) payable on monthly basis: ₹ 210 million per annum or such other amount as may be determined by the Board of our Company, provided that increment if any during the subsequent years, shall not exceed 10% per annum of the fixed pay of preceding financial year.

Variable Pay (Performance Linked Incentive) to be paid annually after the end of financial year: ₹ 90 million (at 100% performance) or such sum as may be determined by the Board from time to time, provided however that the total Variable Pay shall not exceed 50% of the annual fixed pay in any financial year.

Perquisites: As per Company's policy(s) or as approved by the Board from time to time, provided however that the aggregate value of the perquisites shall not exceed 50% of the fixed pay in any financial year.

Other Benefits: Other benefits including leave encashment as per Company's Policy(s).

Reimbursement of all legitimate expenses incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

Remuneration of our Executive Directors

Remuneration to Mr. Sunil Bharti Mittal and Mr. Gopal Vittal for Fiscals 2019, 2018, 2017 and in the current Fiscal, until December 21, 2019.

	Remuneration*			
Name of Director	**Until December 31, 2019**	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
Mr. Sunil Bharti Mittal[(1)]	232,159,565	310,054,665	301,968,769	301,442,108
Mr. Gopal Vittal[(1)(2)]	127,997,788	135,575,038	126,446,716	92,884,551

** The remuneration includes salary and allowances, performance linked incentive and perquisites*

Notes:

(1) Remuneration includes value of performance linked incentive accrued at 100% performance levels for each of the period/year and will get paid basis actual performance parameters in the following year

(2) The remuneration of Mr. Gopal Vittal for the period ended December 31, 2019 excludes perquisite value of ₹ 51,292,580 (Fiscal 2019 –₹ 73,475,697; Fiscal 2018 – 43,286,800; Fiscal 2017–₹ 31,131,500) on exercise of stock options.

For further details of compensation paid to our executive Directors during Fiscals 2019, 2018 and 2017, see "*Related Party Transactions*" on page 113.

Remuneration of our Non-executive Including Independent Directors

Pursuant to the resolution dated August 1, 2019, as passed by our Board, our Independent Directors are entitled to a sitting fee of ₹100,000 for attending each meeting of our Board or any of the committees of Directors of our Company. Further our non-executive Directors (including Independent Directors) are entitled to commission, in accordance with the remuneration policy of our Company, within an overall ceiling of 1% of the net profits for all non-executive directors in the aggregate.

Sitting fees and commission to our Non-executive Directors (including Independent Directors) for Fiscals 2019, 2018, and 2017 and in the current Fiscal, until December 31, 2019:

Name of Director	Total sitting fees and commission (in ₹)			
	Until December 31, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Ms. Chua Sock Koong	3,211,200	—	3,910,500	3,890,316
Mr. Craig Edward Ehrlich	7,792,800	300,000	8,672,750	10,225,790
Mr. Dinesh Kumar Mittal	7,900,000	1,000,000	8,380,822	8,400,000
Ms. Kimsuka Narasimhan	4,925,000	—	—	—
Mr. Manish Santosh Kumar Kejriwal	4,825,000	200,000	6,738,356	6,900,000
Mr. Rakesh Bharti Mittal	2,250,000	—	3,000,000	3,000,000
Mr. Shishir Priyadarshi	8,628,000	600,000	10,276,250	10,325,790
Ms. Tan Yong Choo	3,211,200	—	3,910,500	3,890,316
Mr. Vegulaparanan Kasi Viswanathan	8,400,000	900,000	8,800,000	8,800,000
Mr. Ben Verwaayen*	-	300,000	14,763,506	15,961,264
Sheikh Faisal Thani Al-Thani**	-	-	1,232,075	3,890,316
Mr. Rashed Fahad Al-Noaimi***	-	-	1,285,644	-

**Mr. Ben Verwaayen retired from our Board w.e.f. December 26, 2018.*

***Sheikh Faisal Thani Al-Thani resigned w.e.f. July 25, 2017.*

****Mr. Rashed Fahad Al-Noaimi resigned w.e.f. November 22, 2017.*

Corporate Governance

Our Board is in compliance with the corporate governance requirements under SEBI Listing Regulations and under the Companies Act. In accordance with the SEBI Listing Regulations, Bharti Airtel International (Netherlands) B.V. has become a material subsidiary of our Company, based on the consolidated financial statements of our Company for the Fiscal ended March 31, 2019. Our company will ensure due compliance to the requirements stipulated under Regulation 24 of the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted following committees in accordance with the relevant provisions of the Companies Act, SEBI ICDR Regulations, and other applicable laws:

1. Audit Committee;
2. HR and Nomination Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee

Name of the Committee	Name of Director	Position in the committee
Audit Committee	Mr. Vegulaparanan Kasi Viswanathan	Chairman
	Ms. Kimsuka Narasimhan	Member
	Mr. Manish Santosh Kumar Kejriwal	Member
	Ms. Tan Yong Choo	Member
HR and Nomination Committee	Mr. Dinesh Kumar Mittal	Chairperson

Name of the Committee	Name of Director	Position in the committee
	Mr. Craig Edward Ehrlich	Member
	Mr. Rakesh Bharti Mittal	Member
	Ms. Chua Sock Koong	Member
	Mr. Shishir Priyadarshi	Member
Stakeholders' Relationship Committee.....	Mr. Rakesh Bharti Mittal	Chairperson
	Mr. Dinesh Kumar Mittal	Member
	Mr. Manish Santosh Kumar Kejriwal	Member
	Mr. Gopal Vittal	Member
Corporate Social Responsibility Committee.....	Mr. Rakesh Bharti Mittal,	Chairman
	Mr. Dinesh Kumar Mittal	Member
	Mr. Gopal Vittal	Member
Risk Management Committee	Mr. Dinesh Kumar Mittal	Chairman
	Mr. Rakesh Bharti Mittal,	Member
	Mr. Vegulaparanan Kasi Viswanathan	Member
	Mr. Gopal Vittal	Member
	Mr. Badal Bagri	Member
	Mr. Pankaj Tewari	Member

Senior Management of our Company

The following table sets forth the details of our senior management, *i.e.*, our Key Managerial Personnel ("**Senior Management**"), other than our Chairman and Whole-time Directors:

Name of the Senior Management	Designation
Mr. Badal Bagri	Chief Financial Officer
Mr. Pankaj Tewari	Company Secretary

All Senior Management are permanent employees of our Company.

Shareholding of the Directors, Key Managerial Personnel and Senior Management

Other than as stated below, none of our Directors and Senior Management holds any Shares in our Company as on December 31, 2019:

Name	Designation	No. of Shares
Mr. Gopal Vittal	Managing Director & CEO (India & South Asia)	842,559
Mr. Badal Bagri……	Chief Financial Officer	3,000
Mr. Pankaj Tewari	Company Secretary	1,491

Interests of Senior Management

Except as disclosed in the " – *Interest of Directors of Company*" and " *Related Party Transactions*" on pages 200 and 113, respectively and other than (a) their shareholding in our Company; (b) the options under the

ESOP Schemes held by them; (c) their remuneration and benefits to which they are entitled to as per their terms of appointment; and (d) reimbursement of expenses incurred by them during the ordinary course of business, the Senior Management do not have any interest in our Company.

ORGANISATIONAL STRUCTURE AND PRINCIPAL SHAREHOLDERS

Shareholding pattern of our Company as at December 31, 2019

The following table sets forth the details regarding the shareholding pattern of our Company as on December 31, 2019.

Category of shareholder	No. of shareholders	No. of fully paid up shares held	Total no. of shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		Number of Shares pledged or otherwise encumbered*		Number of shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A) Promoter and Promoter Group	4	3,217,581,205	3,217,581,205	62.70	3,217,581,205	62.70	Nil	Nil	Nil	Nil	3,217,581,205
(B) Public	214,773	1,912,069,362	1,912,069,362	37.26	1,912,069,362	37.26	Nil	Nil	Nil	Nil	1,912,065,674
(C1) Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2) Shares held by Employee Trusts	2	2,311,283	2,311,283	0.05	2,311,283	0.05	Nil	Nil	Nil	Nil	2,311,283
(C) Non Promoter-Non Public.	2	2,311,283	2,311,283	0.05	2,311,283	0.05	Nil	Nil	Nil	Nil	2,311,283
Total	214,779	5,131,961,850	5,131,961,850	100	5,131,961,850	100	Nil	Nil	Nil	Nil	5,131,958,162

The following table sets forth the details regarding the shareholding pattern of our Promoter and Promoter Group as on September 30, 2019:

Category and name of shareholder	No. of shareholders	No. of fully paid up shares held	Total no. of shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Locked in shares		Number of Shares pledged or otherwise encumbered*		Number of shares held in dematerialized form
					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A1) Indian									
Any Other (specify)	1	2,116,236,438	2,116,236,438	41.24	Nil	Nil	Nil	Nil	2,116,236,438
Bharti Telecom Limited	1	2,116,236,438	2,116,236,438	41.24	Nil	Nil	Nil	Nil	2,116,236,438
Sub Total A1	1	2,116,236,438	2,116,236,438	41.24	Nil	Nil	Nil	Nil	2,116,236,438
A2) Foreign					Nil	Nil	Nil	Nil	
Any Other (specify)	3	1,101,344,767	1,101,344,767	21.46	Nil	Nil	Nil	Nil	1,101,344,767
Indian Continent Investment Limited	1	331,436,443	331,436,443	6.46	Nil	Nil	Nil	Nil	331,436,443
Viridian Limited	1	1,0,901,462	1,0,901,462	0.21	Nil	Nil	Nil	Nil	1,0,901,462
Pastel Limited	1	759,006,862	759,006,862	14.79	Nil	Nil	Nil	Nil	759,006,862
Sub Total A2	3	1,101,344,767	1,101,344,767	21.46	Nil	Nil	Nil	Nil	1,101,344,767
A=A1+A2	4	3,217,581,205	3,217,581,205	62.70	Nil	Nil	Nil	Nil	3,217,581,205

Note:

* The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of the SEBI Takeover Regulations.

(1) BTL is the Promoter of our Company.

(2) Indian Continent Investment Limited is person acting in concert with our Promoter, BTL.

(3) Viridian Limited is person acting in concert with Pastel, member of our Promoter Group.

(4) Pastel is a member of our Promoter Group in accordance with Regulation 2(1)(t) of the SEBI Takeover Regulations read with Regulation 2(1)(pp) of the SEBI ICDR Regulations and is neither our Promoter nor a person acting in concert with our Promoter, BTL, under Regulation 2(1)(q) of the SEBI Takeover Regulations.

The following table sets forth the details regarding the shareholding pattern of the members of the public as on December 31, 2019:

Category and name of the shareholders	No. of shareholders	No. of fully paid up equity shares held	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		Number of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions									
Mutual Funds/.....	37	476,720,727	476,720,727	9.29	476,720,727	9.29	Nil	Nil	476,720,727
ICICI PRUDENTIAL VALUE FUND – SERIES 14.....	1	150,290,175	150,290,175	2.93	150,290,175	2.93	Nil	Nil	150,290,175
SBI DUAL ADVANTAGE FUND - SERIES XXIX.....	1	93,215,930	93,215,930	1.82	93,215,930	1.82	Nil	Nil	93,215,930
Alternate Investment Funds.....	20	6,408,677	6,408,677	0.12	6,408,677	0.12	Nil	Nil	6,408,677
Foreign Portfolio Investors.....	744	841,515,651	841,515,651	16.40	841,515,651	16.40	Nil	Nil	841,515,651
Financial Institutions/ Banks.....	9	5,179,824	5,179,824	0.10	5,179,824	0.10	Nil	Nil	5,179,824
Insurance Companies	20	237,713,090	237,713,090	4.63	237,713,090	4.63	Nil	Nil	237,713,090
LIFE INSURANCE CORPORATION OF INDIA MARKET PLUS NON UNIT FUND	1	148,709,720	148,709,720	2.90	148,709,720	2.90	Nil	Nil	148,709,720
Sub Total B1	830	1,567,537,969	1,567,537,969	30.54	1,567,537,969	30.54	Nil	Nil	1,567,537,969
B2) Central Government/ State Government(s)/ President of India ...	0	0	0	0.00	0	0.00	Nil	Nil	0
B3) Non-Institutions									
Individual share capital upto Rs. 2 Lacs	204,728	25,389,614	25,389,614	0.49	25,389,614	0.49	Nil	Nil	25,385,941
Individual share capital in excess of Rs. 2 Lacs	40	9,673,128	9,673,128	0.19	9,673,128	0.19	Nil	Nil	9,673,128
NBFCs registered with RBI.....	8	42,420	42,420	0.00	42,420	0.00	Nil	Nil	42,420
Any Other (specify).....	9,167	309,426,231	309,426,231	6.03	309,426,231	6.03	Nil	Nil	309,426,216
Trusts	15	19,539,489	19,539,489	0.38	19,539,489	0.38	Nil	Nil	19,539,489
Clearing Members	226	3,544,746	3,544,746	0.07	3,544,746	0.07	Nil	Nil	3,544,746
Qualified Institutional Buyers	13	20,252,355	20,252,355	0.39	20,252,355	0.39	Nil	Nil	20,252,355
Bodies Corporate	1,728	16,763,542	16,763,542	0.33	16,763,542	0.33	Nil	Nil	16,763,534
Non-Resident Indian (NRI).....	7,179	2,558,356	2,558,356	0.05	2,558,356	0.05	Nil	Nil	2,558,354
IEPF	1	120,209	120,209	0.00	120,209	0.00	Nil	Nil	120,209
Foreign Nationals	1	1,063	1,063	0.00	1,063	0.00	Nil	Nil	1,063
Foreign Corporate Bodies	4	246,646,471	246,646,471	4.81	246,646,471	4.81	Nil	Nil	246,646,466
Sub Total B3	213,943	344,531,393	344,531,393	6.71	344,531,393	6.71	Nil	Nil	344,527,705
B=B1+B2+B3	214,773	1,912,069,362	1,912,069,362	37.26	1,912,069,362	37.26	Nil	Nil	1,912,065,674

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Notes:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

The following table sets forth the details of our non-promoter, non-public shareholders as on December 31, 2019:

Category and name of the shareholders (I)	No. of shareholders (III)	No. of fully paid up shares held (IV)	Total no. of shares held (VII = IV + V + VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Locked in shares (XII) No. (a)	As a % of total Shares held (b)	Number of shares held in dematerialized form (XIV) (Not Applicable)
C1) Custodian/DR Holder.....	0	0	Nil	0.00	Nil	Nil	0
C2) Employee Benefit Trust	2	2,311,283	2,311,283	0.05	Nil	Nil	2,311,283
					Nil	Nil	
					Nil	Nil	
Total Non Promoter – Non Public Shareholding C= C1+C2.....	2	2,311,283	2,311,283	0.05	Nil	Nil	2,311,283

Notes:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Corporate Structure

As on the date of this Offering Circular, our Company has following Subsidiaries, Associates and Joint Ventures:

Subsidiaries

1. Bharti Airtel Services Limited
2. Bharti Hexacom Limited
3. Bharti Infratel Limited
4. SmarTx Services Limited
5. Indo Teleports Limited
6. Bharti Telemedia Limited
7. Airtel Payments Bank Limited
8. Telesonic Networks Limited
9. Nxtra Data Limited
10. Wynk Limited
11. Nettle Infrastructure Investments Limited
12. Bharti Airtel (France) SAS
13. Bharti Airtel (Hong Kong) Limited
14. Bharti Airtel (Japan) Private Limited
15. Bharti Airtel (UK) Limited
16. Bharti Airtel (USA) Limited

17. Bharti Airtel International (Mauritius) Limited
18. Bharti Airtel International (Netherlands) B.V
19. Bharti Airtel Lanka (Private) Limited
20. Bharti International (Singapore) Pte. Ltd.
21. Bharti Airtel International (Mauritius) Investments Limited
22. Network i2i Limited
23. Africa Towers N.V.
24. Airtel (Seychelles) Limited
25. Airtel Congo S.A.
26. Airtel Gabon S.A
27. Airtel Madagascar S.A.
28. Airtel Malawi plc
29. Airtel Mobile Commerce B.V
30. Airtel Mobile Commerce Holdings B.V.
31. Airtel Mobile Commerce (Kenya) Limited
32. Airtel Mobile Commerce Limited
33. Airtel Mobile Commerce Madagascar S.A.
34. Airtel Mobile Commerce Rwanda Limited
35. Airtel Mobile Commerce (Seychelles) Limited
36. Airtel Mobile Commerce (Tanzania) Limited
37. Airtel Mobile Commerce Tchad S.a.r.l.
38. Airtel Mobile Commerce Uganda Limited
39. Airtel Mobile Commerce Zambia Limited
40. Airtel Money (RDC) S.A
41. Airtel Money Niger S.A.
42. Airtel Money S.A
43. Airtel Networks Kenya Limited
44. Airtel Networks Limited
45. Airtel Networks Zambia plc
46. Airtel Rwanda Limited
47. Airtel Tanzania plc
48. Airtel Tchad S.A.

49. Airtel Uganda Limited
50. Bharti Airtel Africa B.V.
51. Bharti Airtel Chad Holdings B.V.
52. Bharti Airtel Congo Holdings B.V.
53. Bharti Airtel Developers Forum Limited
54. Bharti Airtel Gabon Holdings B.V.
55. Bharti Airtel Kenya B.V.
56. Bharti Airtel Kenya Holdings B.V.
57. Bharti Airtel Madagascar Holdings B.V.
58. Bharti Airtel Malawi Holdings B.V.
59. Bharti Airtel Mali Holdings B.V.
60. Bharti Airtel Niger Holdings B.V
61. Bharti Airtel Nigeria B.V.
62. Bharti Airtel Nigeria Holdings II B.V.
63. Bharti Airtel RDC Holdings B.V.
64. Bharti Airtel Services B.V.
65. Bharti Airtel Tanzania B.V.
66. Bharti Airtel Uganda Holdings B.V.
67. Bharti Airtel Zambia Holdings B.V.
68. Celtel (Mauritius) Holdings Limited
69. Airtel Congo (RDC) S.A.
70. Celtel Niger S.A.
71. Channel Sea Management Company (Mauritius) Limited
72. Congo RDC Towers S.A
73. Gabon Towers S.A. (under liquidation)
74. Indian Ocean Telecom Limited
75. Madagascar Towers S.A.
76. Malawi Towers Limited
77. Mobile Commerce Congo S.A.
78. Tanzania Towers Limited
79. Montana International
80. Partnership Investments S.a.r.l

81. Societe Malgache de Telephone Cellulaire S.A.

82. Bharti Airtel Rwanda Holdings Limited

83. Airtel Money Transfer Limited

84. Airtel Money Tanzania Limited

85. Airtel Mobile Commerce Nigeria Limited

86. Airtel International LLP

87. Airtel Africa Mauritius Limited

88. Bharti Airtel Overseas (Mauritius) Limited

89. Bharti Airtel Holding (Mauritius) Limited

90. Airtel Africa plc.

91. Airtel Mobile Commerce Nigeria B.V.

92. Airtel Mobile Commerce Congo B.V.

93. Airtel Mobile Commerce (Seychelles) B.V.

94. Airtel Mobile Commerce Madagascar B.V.

95. Airtel Mobile Commerce Kenya B.V.

96. Airtel Mobile Commerce Rwanda B.V.

97. Airtel Mobile Commerce Malawi B.V.

98. Airtel Mobile Commerce Uganda B.V.

99. Airtel Mobile Commerce Tchad B.V.

100. Airtel Mobile Commerce Zambia B.V.

101. Network i2i (Kenya) Ltd.

Associates

1. Seychelles Cable Systems Company Limited

2. Robi Axiata Limited

3. Seynse Technologies Private Limited

4. Juggernaut Books Private Limited

5. Greenergy Wind Corporation Private Limited

6. Editorji Technologies Private Limited

7. Aban Green Power Private Limited

Joint Ventures

1. Indus Towers Limited

2. Bridge Mobile Pte Limited

3. Firefly Networks Limited
4. Airtel Ghana Limited
5. Bharti Airtel Ghana Holdings B.V.
6. Airtel Mobile Commerce (Ghana) Limited
7. Millicom Ghana Company Limited (under liquidation)
8. Mobile Financial Services Limited

TERMS AND CONDITIONS OF THE BONDS

The following other than the words in italics is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of U.S.$1,000,000,000 aggregate principal amount of 1.50 per cent. Convertible Bonds Due 2025 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) of Bharti Airtel Limited (the "**Issuer**") was authorised by a resolution of the board of directors of the Issuer passed on 4 December 2019 and by the shareholders of the Issuer by way of special resolution at the extraordinary general meeting of shareholders held on 3 January 2020. The Bonds are constituted by a trust deed (as amended or supplemented from time to time) (the "**Trust Deed**") dated on or about January 17, 2020 (the "**Issue Date**") and made between the Issuer and Citicorp International Limited as trustee for the holders of the Bonds (the "**Trustee**", which term shall, where the context so permits, include all other persons for the time being acting as trustee or trustees under the Trust Deed). The Issuer has entered into a paying agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated on or about January 17, 2020 with the Trustee, Citibank, N.A., London Branch, as principal paying agent (the "**Principal Paying Agent**") and as conversion agent (the "**Conversion Agent**"), Citigroup Global Markets Europe AG as registrar (the "**Registrar**") and the other paying and transfer agents appointed under it (each respectively, a "**Paying Agent**", or "**Transfer Agent**" (references to which shall include the Registrar) and together with the Registrar and the Principal Paying Agent, the "**Agents**") relating to the Bonds. References to the "**Principal Paying Agent**", "**Registrar**" and "**Agents**" below are references to the principal paying agent, registrar and agents for the time being for the Bonds. The statements in these terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement are available for inspection upon prior written request and satisfactory proof of holding of Bonds between 9:30 a.m. and 3:30 p.m. Monday to Friday (except public holidays) at the specified office of the Principal Paying Agent. The Bondholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. Status

The Bonds constitute direct, senior, unsubordinated, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of its other present and future direct, senior, unsubordinated, unconditional and unsecured obligations.

2. Form, denomination and title

2.1 Form and denomination

The Bonds are issued in registered form in the denomination of U.S.$200,000 each or in integral multiples of US$1,000 in excess thereof (each an "**Authorised Denomination**"). A bond certificate (each, a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a Regulation S Global Certificate and a Rule 144A Global Certificate, each deposited with a custodian for and will be registered in the name of a nominee for The Depositary Trust Company ("**DTC**"). The Conditions are modified by certain provisions contained in the Global Certificates. Except in the limited circumstances described in the Global Certificates, owners of interests in Bonds represented by the Global Certificates will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

2.2 Title

Title to the Bonds passes only by transfer and registration in the register of Bondholders as described in Condition 3. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as the absolute owner of a Bond registered in its name for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered in the Register (defined below).

3. Transfers of bonds; issue of Certificates

3.1 Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds (the "**Register**"). Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

3.2 Transfers

Subject to Conditions 3.5 and 3.6 and the terms of the Agency Agreement, a Bond may be transferred or exchanged in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Bond will be valid unless and until entered on the Register.

Transfers of interests in Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems (as defined below).

3.3 Delivery of new certificates

3.3.1 Each new Certificate to be issued upon a transfer or exchange of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the original Certificate and form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the Bondholder and at the Issuer's expense) to the address specified in the form of transfer.

*Except in the limited circumstances described herein (see "**Global Certificates**"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

3.3.2 Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, exchanged, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, exchanged, converted, redeemed or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, exchanged, converted, redeemed or repurchased (but free of charge to the Bondholder and at the Issuer's expense) to the address of such holder appearing on the Register.

3.3.3 For the purposes of these Conditions (except for Condition 7 and Condition 8), "**business day**" shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion is located.

3.4 Formalities free of charge

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity as the Issuer or any of the Agents may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer; and (ii) the Issuer or the relevant Transfer Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

3.5 No transfer periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for redemption pursuant to Condition 8.2 and Condition 8.3; (ii) after a Conversion Notice (as defined in Condition 6.2) has been delivered with respect to a Bond; (iii) after a Change of Control Put Exercise Notice (as defined in Condition 8.4) has been deposited in respect of such a Bond; (iv) after a Purchase Notice (as defined in Condition 8.5) has been deposited in respect of such a Bond; or (v) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 7.1). Each such period is a "**Restricted Transfer Period**".

3.6 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon request in writing.

4. Negative pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any International Investment Securities (as defined below) or to secure any guarantee of or indemnity in

respect of, any International Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed:

(a) are secured equally and rateably therewith, or

(b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

For the purposes of these Conditions, "**International Investment Securities**" means all obligations, including guarantees, of the Issuer in respect of bonds, debentures, notes or other similar securities which both: (a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than Indian Rupees, or which are denominated in Indian Rupees and more than 50% of the aggregate principal amount thereof is initially distributed outside India by or with the authorization of the Issuer; and (b) are for the time being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India.

5. Interest

The Bonds bear interest on their outstanding principal amount from and including January 17, 2020 at the rate of 1.50 per cent. per annum payable semi-annually in arrear in equal instalments of U.S.$7.50 per Calculation Amount (as defined below) on February 17 and August 17 in each year (each, an "**Interest Payment Date**"), provided that, for the first Interest Period, the amount of interest payable on the first Interest Payment Date shall be U.S.$8.75 per Calculation Amount.

Save as set out in Condition 6.2.4, each Bond will cease to bear interest (a) (subject to Condition 6.2.4) where the Conversion Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined below), or if none, the Issue Date, subject to conversion of the relevant Bonds in accordance with the provisions of Condition 6.2, and (b) where such Bond is redeemed or repaid pursuant to Condition 8 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, it will continue to bear interest as provided in the last paragraph of this Condition from the date such sums are due but not paid until whichever is the earlier of (x) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (y) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 1.50 per cent., the Calculation Amount and the day-count fraction (determined in the same manner as stated above in this Condition 5) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 3.0 per cent. per annum from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.

All interest payable on the Bonds shall be subject to applicable laws in India, including but not limited to the RBI regulations.

6. Conversion

6.1 Conversion right

6.1.1 *Conversion Period*: Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

(a) The right of a Bondholder to convert any Bond into Shares is called the "**Conversion Right**". Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time (subject to paragraph (b) below) on and after February 27, 2020 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the tenth day prior to the Maturity Date (but, except as provided in Condition 6.1.4, in no event thereafter) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof (the "**Conversion Period**").

Conversion Rights may not be exercised in relation to any Bond during the period (each, a "**Closed Period**") commencing on: (i) the date falling 30 days prior to the date of the Issuer's annual general shareholders' meeting and ending on the date of that meeting, (ii) the date falling 30 days prior to an extraordinary shareholders' meeting and ending on the date of that meeting, (iii) the date that the Issuer notifies the National Stock Exchange of India Ltd. (the "**NSE**") and the BSE Limited (the "**BSE**", and together with the NSE, the "**Indian Stock Exchanges**"); and if the Shares are listed on only one of the Indian Stock Exchanges, such exchange, of the record date for determination of the shareholders entitled to receipt of dividends, subscription of shares due to capital increase or other benefits, and ending on the record date for the distribution or allocation of the relevant dividends, rights and benefits, or (iv) on such date and for such period as determined by Indian law applicable from time to time that the Issuer is required to close its stock transfer books.

*Under applicable Indian laws, at the time of conversion of Bonds, the Issuer can allot Shares only in dematerialised form. Prior to exercising its Conversion Right, a Bondholder must ensure that it has opened a demat account with a depositary participant under the Depositories Act, 1996, as amended (the "**Indian Depositories Act**"), for the purposes of receiving the Shares in dematerialised form.*

(b) The number of Shares to be issued on exercise of a Conversion Right will be determined by dividing the principal amount outstanding of the Bond to be converted (translated into Rupees at the Fixed Exchange Rate (as defined below)) by the Conversion Price in effect at the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

"**Fixed Exchange Rate**" means the FX rate (INR per U.S.$1.00) based on Bloomberg's "BFIX" USDINR Spot Mid Price rate as at 12.00 (Hong Kong time) on January 8, 2020, being INR 72.0263 per U.S.$1.00.

6.1.2 *Fractions of Shares*: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after January 14, 2020 which reduces the number of Shares outstanding, the Issuer will upon any conversion of Bonds pay in cash (in U.S. dollars) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6.1.1, as corresponds to any fraction of a Share not issued if such sum exceeds U.S.$10.00 (which sum shall be translated into U.S. dollars at the Fixed Exchange Rate). Any such sum shall be paid not later than 14 business days in New Delhi and Mumbai after the relevant Conversion Date by transfer to a U.S. dollar account with a bank in New York City specified in the relevant Conversion Notice.

6.1.3 *Conversion Price*: The price at which Shares will be issued upon conversion, as adjusted from time to time (the "**Conversion Price**") will initially be INR 534.00 per Share but will be subject to adjustment in the manner provided in Condition 6.3, provided, however, that the Conversion Price, as adjusted, shall, at all times, be not less than the Floor Price. The Floor Price calculated in accordance with applicable Indian regulations is INR 452.09. The initial Floor Price will be subject to adjustment in the manner provided in Condition 6.3.1. For the avoidance of doubt, if an event triggering an adjustment to the Conversion Price under Condition 6.3 occurs so that the Conversion Price, when calculated pursuant to Condition 6.3, would fall below the Floor Price, then the Floor Price shall be deemed to be the Conversion Price.

6.1.4 *Revival and/or survival after Default*: Notwithstanding the provisions of Condition 6.1.1, if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date (as defined in Condition 8.1) by reason of the occurrence of any of the events referred to in Condition 10 or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8.1, the Conversion Right attaching to such Bond will revive and/or will continue to be

exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Paying Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 6.2.1(b)) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Paying Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

6.1.5 *Meaning of "Shares"*: As used in these Conditions, the expression "**Shares**" means (1) shares of the class of share capital of the Issuer which, at the date of the Trust Deed, are designated as equity shares of the Issuer with full voting rights, together with shares of any class or classes resulting from any subdivision, consolidation or reclassification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer; and (2) fully-paid and non-assessable shares of any class or classes of the share capital of the Issuer authorised after the date of the Trust Deed which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Issuer; provided that, subject to the provisions of Condition 11, shares to be issued on any conversion of Bonds means only "Shares" as defined in sub-paragraph (1) above.

6.2 Conversion Procedure

6.2.1 *Conversion Notice*:

(a) To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours between 9.00 a.m. and 3.00 p.m. local time in the place in which the specified office of any Conversion Agent a notice of conversion (a "**Conversion Notice**") in duplicate in the form (for the time being current) obtainable from the specified office of each Agent, together with (i) the relevant Certificate; (ii) certification by the Bondholder, in the form obtainable from any Conversion Agent, that any amount required to be paid by the Bondholder under Condition 6.2.2 have been or (where permitted by law) will be so paid and on such other matters as may be required under the laws of the Republic of India or the jurisdiction in which the specified office of such Conversion Agent shall be located. A Conversion Notice deposited outside the normal business hours between 9.00 a.m. and 3.00 p.m. (local time in the place in which the specified office of such Conversion Agent is located) or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the normal business hours on the next business day following such day. Any Bondholder who deposits a Conversion Notice during a Closed Period will not be permitted to convert the Bonds into Shares (as specified in the Conversion Notice) until the next business day after the end of that Closed Period, which (if all other conditions to conversion have been

fulfilled) will be the Conversion Date for such Bonds notwithstanding that such date may fall outside of the Conversion Period. A Bondholder exercising its Conversion Right for Shares will be required to have opened a demat account at its own cost with a depositary participant under the Indian Depositories Act, for the purposes of receiving the Shares in dematerialised form.

(b) The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6.1.4 above) and will be deemed to be the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal.

6.2.2 *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay to the relevant authorities any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in India and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing thereof on the NSE and/or on the BSE on conversion) ("**Taxes**") and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of the Bonds and all charges of the Agents and the share transfer agent for the Shares (the "**Share Transfer Agent**") in connection with each conversion. The Bondholder (and, if applicable, the person other than the Bondholder to whom the Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities in settlement of any Taxes payable pursuant to this Condition 6.2.2 have been, or (where permitted by law) will be, paid. Neither the Agents not the Trustee are under any obligation to determine whether a Bondholder or the Issuer is liable to pay any taxes (including stamp, issue, registration or similar taxes and duties) or the amounts payable (if any) in connection with this Condition 6.2.2.

6.2.3 *Delivery of Shares*:

(a) Upon exercise by a Bondholder of its Conversion Right for Shares and compliance with Conditions 6.2.1 and 6.2.2, the Issuer will, as soon as practicable, and in any event not later than 10 Trading Days after the applicable Conversion Date cause the relevant securities account of such Bondholder or of its nominee, to be credited with the relevant number of Shares to be issued upon the conversion (calculated without regard to any retroactive adjustment of the Conversion Price that may be required as provided below) and shall further cause the name of the concerned Bondholder or its nominee to be registered accordingly, in the record of the depositors, maintained by the depository registered under the 1996 Depositories Act with whom the Issuer has entered into a depository agreement and, subject to any applicable limitations then imposed by Indian laws and regulations, shall procure the Share Transfer Agent, as soon as practicable, and in any event within 14 business days in New

Delhi and Mumbai of the Conversion Date, to transfer or cause to be transferred to the U.S. dollar account with a bank in New York City specified in the relevant Conversion Notice in respect of any cash payable pursuant to Condition 6.1.2 required to be delivered on conversion and such assignments and other documents (if any) as required by law to effect the transfer thereof.

The crediting of the Shares to the relevant securities account of the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) and any payment of cash payable pursuant to Condition 6.1.2 will be deemed to satisfy the Issuer's obligation to pay the principal, interest and premium (if any) on such converted Bonds.

(b) If the Conversion Date in relation to the conversion of any Bond shall be after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6.3, but before the relevant adjustment becomes effective under the relevant Condition (a "**Retroactive Adjustment**"), upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares ("**Additional Shares**") as, together with the Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective immediately after the relevant record date and in such event and in respect of such Additional Shares references in Conditions 6.2.3(a) and (c) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

(c) The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Conversion Date (except for any right excluded by mandatory provisions of applicable law) and such Shares shall be entitled to all rights the record date for which falls on or after such Conversion Date to the same extent as all other fully-paid and non-assessable Shares of the Issuer in issue as if such Shares had been in issue throughout the period to which such rights relate. A holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

6.2.4 *Interest Accrual*: If any notice requiring the redemption of any Bonds is given pursuant to Condition 8.2 or Condition 8.3, interest shall accrue on Bonds in respect of which Conversion Rights shall have been exercised from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Conversion Date. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by a U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

6.3 Adjustments to the Conversion Price

The Conversion Price will be subject to adjustment in the following events:

6.3.1 *Free distribution, bonus issue, division, consolidation and reclassification of Shares*:

If the Issuer shall (i) make a free distribution of Shares, (ii) make a bonus issue of its Shares, (iii) divide its outstanding Shares, (iv) consolidate its outstanding Shares into a smaller number of Shares, or (v) re-classify any of its Shares into other securities of the Issuer, then the Conversion Price shall be appropriately adjusted so that the holder of any Bond, the Conversion Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 6.3.1, shall be entitled to receive such number of Shares and/or other securities of the Issuer which such holder would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Issuer has fixed a prior record date for the determination of shareholders entitled to receive any such free distribution or bonus issue of Shares or other securities issued upon any such division, consolidation or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.

Effective date of adjustment: An adjustment made pursuant to this Condition 6.3.1 shall become effective immediately on the relevant event referred to above being effective or, if a record date is fixed therefor, immediately after such record date; provided that in the case of a free distribution or bonus issue of Shares which must, under applicable laws of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board of Directors of the Issuer before being legally paid or made, and which is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution or issue, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

6.3.2 *Declaration of dividend in Shares*: If the Issuer shall issue a dividend in the form of Shares or make a distribution of Shares which is treated as a capitalisation issue (including, but not limited to, capitalisation of capital reserves and employee stock bonuses) and which would not have constituted a Capital Distribution, then the Conversion Price in effect when such dividend and/or distribution is declared (or, if the Issuer has fixed a prior record date for the determination of shareholders entitled to receive such dividend and/or distribution, on such record date) shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \left[\frac{\mathrm{N}}{\mathrm{N} + \mathrm{n}}\right]$$

where:

NCP = the Conversion Price as in effect after such adjustment.

OCP = the Conversion Price as in effect before such adjustment.

N = the number of Shares outstanding at the time of issuance of such dividend and/or distribution (or at the close of business in Mumbai on such record date, as the case may be).

n = the number of Shares to be distributed to the shareholders as a dividend and/or distribution.

Effective date of adjustment: An adjustment made pursuant to this Condition 6.3.2 shall become effective immediately upon such dividend in the form of Shares being issued or upon such Shares being distributed, as the case may be, or, if a record date is fixed therefor, immediately after such record date; provided that in the case of a dividend in Shares which must, under applicable laws of India, be submitted for approval to a general meeting of shareholders of the Issuer or be approved at a meeting of the Board of Directors of the Issuer before being legally paid or made, and which is so approved after the record date fixed for the determination of shareholders entitled to receive such dividend, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

6.3.3 *Concurrent adjustment events*:

If the Issuer shall declare a dividend in, or make a free distribution or bonus issue of, Shares, which dividend, issue or distribution is to be paid or made to shareholders as of a record date which is also:

(a) the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to Conditions 6.3.5, 6.3.6 or 6.3.7;

(b) the day immediately before the date of issue of any securities convertible into or exchangeable for Shares which requires an adjustment of the Conversion Price pursuant to Condition 6.3.9;

(c) the day immediately before the date of issue of any Shares which requires an adjustment of the Conversion Price pursuant to Condition 6.3.10 or, if applicable, the record date for determination of stock dividend entitlement as referred to in Condition 6.3.10;

(d) the day immediately before the date of issue of any rights, options or warrants which requires an adjustment of the Conversion Price pursuant to Condition 6.3.11; or

(e) determined by the Issuer and notified by the Issuer to the Trustee in writing to be the relevant date for an event or circumstance which requires an adjustment to the Conversion Price pursuant to Condition 6.3.13;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under Conditions 6.3.1 and 6.3.2) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under this Condition 6.3.3, but in lieu thereof an adjustment shall be made under Conditions 6.3.5, 6.3.6, 6.3.7, 6.3.9, 6.3.10 or 6.3.11 or 6.3.13 (as the case may require) by including in the denominator of the fraction described therein the aggregate number of Shares to be issued pursuant to such dividend, bonus issue or free distribution.

6.3.4 *Capital Distribution*:

(i) *Adjustment:* If the Issuer shall pay or make to its shareholders any Capital Distribution (as defined below) consisting in whole or in part of assets other than cash, then the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \left[\frac{CMP - fmv}{CMP}\right]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

CMP = the Current Market Price (as defined in Condition 6.3.15 below) per Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced.

fmv = the portion of the Fair Market Value (as defined below), with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase of Shares or any receipts or certificates representing shares by or on behalf of the Issuer, by the number of Shares in issue immediately prior to such purchase), of the Capital Distribution attributable to one Share.

(ii) *Adjustment*: If the Issuer shall pay or make to its shareholders any Capital Distribution in cash only then, in such case, the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \left[\frac{CMP - C}{CMP}\right]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

CMP = the Current Market Price (as defined in Condition 6.3.15 below) per Share on the date on which the relevant Dividend is first publicly announced; and.

C = the cash Dividend attributable to one Share.

Effective date of adjustment: Any adjustment required by a Capital Distribution shall become effective immediately after the record date for the determination of shareholders entitled to receive such Capital Distribution; provided that (a) in the case of such a Capital Distribution which must, under applicable law of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board of Directors of the Issuer before such Capital Distribution may legally be made and is so approved after the record date fixed for the determination of shareholders entitled to receive such Capital Distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) if the Fair Market Value of such Capital Distribution cannot be determined until the record date fixed for the determination of shareholders entitled to receive such Capital Distribution, such adjustment shall, immediately upon such Fair Market Value being determined, become effective retroactively to immediately after such record date.

For the purposes of this Condition:

"**Capital Distribution**" means any cash Dividend, distribution of cash, distribution of assets in specie or other property (whenever paid or made and however described) or payment on redemption, or for the purchase of, Common Shares of the Issuer made by the Issuer for any fiscal year (which, for the avoidance of doubt, shall not include any purchase of Common Shares of the Issuer falling within Condition 6.3.12).

"**Common Shares**" means, with respect to the Issuer, any and all shares, interests, participation or other equivalents (however designated) including all common shares and all preferred shares of the Issuer.

In making any such calculation pursuant to this Condition 6.3.4, such adjustments (if any) shall be made as an independent investment company or commercial bank of international repute selected by the Issuer and approved by the Trustee (an "**Independent Financial Institution**") considers appropriate to reflect any Capital Distribution, consolidation or subdivision of any Shares or the issue of Shares by way of capitalisation of profits or reserves, or any like or similar event or any adjustment to the Conversion Price.

"**Dividend**" means any dividend or distribution of cash or evidences of the Issuer's indebtedness relating to such dividend or distribution, whenever paid or made and however described provided that:

(a) where a Dividend is announced which is to be, or may at the election of a shareholder or shareholders be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a shareholder or shareholders be, satisfied by the payment of a Dividend, then for the purposes of this definition the Dividend in question shall be treated as a Dividend of (i) such cash dividend or (ii) the Fair Market Value (on the date of announcement of such Dividend or date of capitalisation (as the case may be) or, if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined) of such Shares or other property or assets if such Fair Market Value is greater than the Fair Market Value of such Dividend;

(b) any tender or exchange offer falling within Condition 6.3.12 and any issue or distribution of Shares falling within Condition 6.3.2 shall be disregarded;

(c) a purchase or redemption of ordinary share capital by the Issuer shall not constitute a Dividend unless, in the case of purchases of Shares by or on behalf of the Issuer, the Volume Weighted Average Price per Share (before expenses) on any one day in respect of such purchases exceeds 5 per cent. of the Current Market Price per Share either (1) on that day (or if such day is not a Trading Day, the immediately preceding Trading Day), or (2) where an announcement (excluding for the avoidance of doubt for these purposes, any general authority for such purchases or redemptions approved by a general meeting of shareholders of the Issuer or any notice convening such a meeting of shareholders) has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement, in which case

such purchase shall be deemed to constitute a Dividend to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased by the Issuer exceeds 5 per cent. of the Current Market Price per Share.

"**Fair Market Value**" means, with respect to any asset, security, option, other right or property on any date, the fair market value of that asset, security, option, other right or property as determined in good faith by an Independent Financial Institution, provided that an Independent Financial Institution will not be required to determine the fair market value in the following cases: (i) the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend; (ii) the Fair Market Value of any other cash amount shall be equal to such cash amount; and (iii) where shares, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by the Independent Financial Institution) the fair market value of such shares, options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Days such shares, options, warrants or other rights are publicly traded; and in the case of (i) translated into Rupees (if declared or paid in a currency other than Rupees) at the rate of exchange used to determine the amount payable to shareholders who were paid or are to be paid or are entitled to be paid the cash Dividend in Rupees; and in any other case, converted into Rupees (if expressed in a currency other than Rupees) at such rate of exchange as may be determined in good faith by an Independent Financial Institution to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

"**Volume Weighted Average Price**" means, in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share appearing on or derived from the Bloomberg page by keying BHARTI IN<EQUITY> VAP and in the event that data is not available on the Bloomberg page, then from the NSE page by keying BHARTIARTL or such other source as shall be determined to be appropriate by an Independent Financial Institution on such Trading Day, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

"**cash Dividend**" means (i) any Dividend which is to be paid in cash and (ii) any Dividend determined to be a cash Dividend pursuant to paragraph (a) of the definition "Dividend", and for the avoidance of doubt, a Dividend falling within paragraph (c) of the definition "Dividend" shall be treated as not being a cash Dividend.

6.3.5 *Rights Issues to Shareholders*:

Adjustment: If the Issuer shall grant, issue or offer to the holders of Shares rights entitling them to subscribe for or purchase Shares, which expression shall include those Shares that are required to be offered to employees and persons other than shareholders in connection with such grant, issue or offer:

(a) at a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) which is fixed on or prior to the record date mentioned below and is less than 95 per cent. of the Current Market Price per Share at such record date; or

(b) at a consideration per Share receivable by the Issuer which is fixed after the record date mentioned below and is less than 95 per cent. of the Current Market Price per Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within paragraph (a) above) on the record date for the determination of shareholders entitled to receive such rights or (in a case within paragraph (b) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

where:

NCP and OCP shall have the meanings ascribed thereto in Condition 6.3.2.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India (in a case within paragraph (a) above) on such record date or (in a case within paragraph (b) above) on the date the Issuer fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights at the said consideration being (aa) the number of Shares which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share specified in paragraph (a) or, as the case may be, paragraph (b) above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications for such Shares by shareholders entitled to the same pursuant to such rights or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

Rights not taken up by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any Shares which are not subscribed for or purchased by the persons entitled thereto are underwritten by other persons prior to the latest date for the submission of applications for such Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any such Shares which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or

by the shareholders entitled thereto (or persons to whom shareholders have transferred such rights) who have submitted applications for such Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

6.3.6 *Warrants issued to Shareholders*:

Adjustment: If the Issuer shall grant, issue or offer to the holders of Shares warrants entitling them to subscribe for or purchase Shares:

(a) at a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) which is fixed on or prior to the record date for the determination of shareholders entitled to receive such warrants and is less than 95 per cent. of the Current Market Price per Share at such record date; or

(b) at a consideration per Share receivable by the Issuer which is fixed after the record date mentioned above and is less than 95 per cent. of the Current Market Price per Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within paragraph (a) above) on the record date for the determination of shareholders entitled to receive such warrants or (in a case within paragraph (b) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India (in a case within paragraph (a) above) on such record date or (in a case within paragraph (b) above) on the date the Issuer fixes the said consideration.

n = the number of Shares to be issued upon exercise of such warrants at the said consideration which, where no applications by shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (aa) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of warrants for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share specified in paragraph (a) or, as the case may be, paragraph (b) above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective (i) where no applications for such warrants are required from shareholders entitled to the same, upon their issue and (ii) where applications by shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after the Issuer fixes the said

consideration but in all cases retroactively to immediately after the record date mentioned above.

Warrants not subscribed for by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares in the circumstances described in (a) and (b) of this Condition 6.3.6, any warrants which are not subscribed for or purchased by the shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares, any warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

6.3.7 *Issues of rights or warrants for equity-related securities to Shareholders*:

Adjustment: If the Issuer shall grant, issue or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase any securities convertible into or exchangeable for Shares:

(a) at a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) which is fixed on or prior to the record date mentioned below and is less than 95 per cent. of the Current Market Price per Share at such record date; or

(b) at a consideration per Share receivable by the Issuer (determined as aforesaid) which is fixed after the record date mentioned below and is less than 95 per cent. of the Current Market Price per Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within paragraph (a) above) on the record date for the determination of shareholders entitled to receive such rights or warrants or (in a case within paragraph (b) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India (in a case within paragraph (a) above) on such record date or (in a case within paragraph (b) above) on the date the Issuer fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights or warrants and conversion or exchange of such convertible or exchangeable securities at the said consideration being, in the case of rights, (aa) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable securities which the underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable securities for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa) and which, in the case of warrants, where no applications by shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (x) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (y) the number of warrants for which applications are received from shareholders as referred to below save to the extent already adjusted for under (x).

v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share specified in paragraph (a) or, as the case may be, paragraph (b) above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective (a) where no applications for such warrants are required from shareholders entitled to the same, upon their issue and (b) where applications by shareholders entitled to the warrants are required as aforesaid and in the case of convertible or exchangeable securities by shareholders entitled to the same pursuant to such rights, immediately after the latest date for the submission of such applications or (if later) immediately after the Issuer fixes the said consideration; but in all cases retroactively to immediately after the record date mentioned above.

Rights or warrants not taken up by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase securities convertible into or exchangeable for Shares in the circumstances described in this Condition 6.3.7, any convertible or exchangeable securities or warrants which are not subscribed for or purchased by the shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such convertible or exchangeable securities or warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares or rights or warrants entitling them to subscribe for or purchase securities convertible into or exchangeable for Shares, any convertible or exchangeable securities or warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred such rights or the right to purchase such warrants) who have submitted applications for such convertible or exchangeable securities or warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

6.3.8 *Other distributions to Shareholders*:

Adjustment: If the Issuer shall distribute to the holders of Shares capital stock of the Issuer (other than Shares), assets (excluding any Dividends) or rights or warrants to subscribe for or purchase Shares or securities (excluding those rights and warrants referred to in Conditions 6.3.5, 6.3.6 and 6.3.7 above), then the Conversion Price in effect on the record date for the determination of shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{CMP} - \mathrm{fmv}}{\mathrm{CMP}}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

CMP = the Current Market Price per Share on the record date for the determination of shareholders entitled to receive such distribution.

fmv = the Fair Market Value of the distribution applicable to one Share (which shall take into account the consideration receivable for the same by the Issuer (determined as provided in Condition 6.3.16)).

Effective date of adjustment: Such adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution, provided that (a) in the case of such a distribution which must, under applicable law of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board of Directors of the Issuer before such distribution may legally be made and is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) if the Fair Market Value of the shares of capital stock, assets, rights or warrants so distributed cannot be determined until after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such Fair Market Value being determined, become effective retroactively to immediately after such record date.

6.3.9 *Issue of convertible or exchangeable securities other than to Shareholders or on exercise of warrants*:

Adjustment: If the Issuer shall issue any securities convertible into or exchangeable for Shares (other than the Bonds, or in any of the circumstances described in Condition 6.3.7 and Condition 6.3.11) or grant such rights in respect of any existing securities and the consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) shall be less than 95 per cent. of the Current Market Price per Share on the date in India on which the Issuer fixes the said consideration (or, if the issue of such securities is subject to approval by a general meeting of shareholders, on the date on which the Board of Directors of the Issuer fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of issue of such convertible or exchangeable securities shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India on the day immediately prior to the date of such issue.

n = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable securities at the initial conversion or exchange price or rate.

v = the number of Shares which the aggregate consideration receivable by the Issuer would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such convertible or exchangeable securities are issued.

6.3.10 *Other issues of Shares*:

Adjustment: If the Issuer shall issue any Shares (other than Shares issued upon conversion or exchange of any convertible or exchangeable securities (including the Bonds) issued by the Issuer or upon exercise of any rights or warrants granted, offered or issued by the Issuer or in any of the circumstances described in Conditions 6.3.1 and 6.3.2, for a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) less than 95 per cent. of the Current Market Price per Share on the date in India on which the Issuer fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of shareholders, on the date on which the Board of Directors of the Issuer fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the issue of such additional Shares shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India on the day immediately prior to the date of issue of such additional Shares.

n = the number of additional Shares issued as aforesaid.

v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share.

Effective Date of Adjustment: Such adjustment shall become effective as of the calendar day in India of the issue of such additional Shares.

6.3.11 *Issue of equity-related securities*:

Adjustment: If the Issuer shall grant, issue or offer options, warrants or rights (excluding those rights and warrants referred to in Conditions 6.3.5, 6.3.6, 6.3.7 and 6.3.8) to subscribe for or purchase Shares or securities convertible into or exchangeable for

Shares and the consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) shall be less than 95 per cent. of the Current Market Price per Share on the date in India on which the Issuer fixes the said consideration (or, if the offer, grant or issue of such rights, options or warrants is subject to approval by a general meeting of shareholders, on the date on which the Board of Directors of the Issuer fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of the offer, grant or issue of such rights, options or warrants shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India on the day immediately prior to the date of such issue.

n = the number of Shares to be issued on exercise of such rights or warrants and (if applicable) conversion or exchange of such convertible or exchangeable securities at the said consideration.

v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share.

Effective Date of Adjustment: Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such rights or warrants are issued.

6.3.12 *Tender or Exchange Offer*:

Adjustment: In case a tender or exchange offer made by the Issuer or any Subsidiary (as defined below) for all or any portion of the Shares shall expire and such tender or exchange offer shall involve the payment by the Issuer or such Subsidiary of consideration per Share having a Fair Market Value at the last time (the "**Expiration Date**") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds 5 per cent. of the Current Market Price per Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \left[\frac{(\mathrm{N} \times \mathrm{CMP})}{\mathrm{fmv} + [(\mathrm{N} - \mathrm{n}) \times \mathrm{CMP}]}\right]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2 above.

N = the number of Shares outstanding (including any tendered or exchanged Shares) on the Expiration Date.

CMP = Current Market Price per Share as of the Expiration Date.

fmv = the Fair Market Value of the aggregate consideration payable to the holders of Shares based on the acceptance (up to a maximum specified in the terms of the tender or exchange offer) of all Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Shares deemed so accepted up to any such maximum, being referred to as the "**Purchased Shares**").

n = the number of Purchased Shares.

Effective Date of Adjustment: Such adjustment shall become retroactively effective immediately prior to the opening of business on the day following the Expiration Date.

Tender or Exchange Offer Not Completed: If the Issuer is obligated to purchase Shares pursuant to any such tender or exchange offer, but the Issuer is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

6.3.13 *Analogous events and modifications*:

If (a) the rights of conversion or exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase Shares are modified (other than pursuant to and as provided in the terms and conditions of such options, rights, warrants or securities) or (b) the Issuer determines or written notice has been given to the Trustee that any other event or circumstance has occurred which has or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the securities (and options and rights relating thereto) of the Issuer, taken as a class which is analogous to any of the events referred to in Conditions 6.3.1 to 6.3.12, then, in any such case, the Issuer shall notify the Trustee thereof or if the Trustee has been notified under (b), the Trustee shall notify the Issuer thereof and the Issuer shall consult with an Independent Financial Institution as to what adjustment, if any, should be made to the Conversion Price to preserve the value of the Conversion Right of the relevant Bondholders and will make any such adjustment.

6.3.14 *Simultaneous issues of different classes of Shares*: In the event of simultaneous issues of two or more classes of share capital comprising Shares or rights or warrants in respect of, or securities convertible into or exchangeable for, two or more classes of share capital comprising Shares, then, for the purposes of this Condition, the formula:

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v}}{\mathrm{N+n}}$$

shall be restated as

$$\mathrm{NCP} = \mathrm{OCP} \times \frac{\mathrm{N+v_1+v_2+v_3}}{\mathrm{N+n_1+n_2+n_3}}$$

where v1 and n1 shall have the same meanings as "v" and "n" but by reference to one class of Shares, v2 and n2 shall have the same meanings as "v" and "n" but by reference to a second class of Shares, v3 and n3 shall have the same meanings as "v" and "n" but by reference to a third class of Shares and so on.

6.3.15 *Current Market Price per Share*:

For the purposes of these Conditions, the "**Current Market Price**" per Share on any date means the average of the daily Closing Prices (as defined below) of the relevant Shares for the 10 consecutive Trading Days (as defined below) before such date. If the Issuer has more than one class of share capital comprising Shares, then the relevant Current Market Price for Shares shall be the price for that class of Shares the issue of which (or of rights or warrants in respect of, or securities convertible into or exchangeable for, that class of Shares) gives rise to the adjustment in question.

If during the said 10 consecutive Trading Days or any period thereafter up to but excluding the date as of which the adjustment of the Conversion Price in question shall be effected, any event (other than the event which requires the adjustment in question) shall occur which gives rise to a separate adjustment to the Conversion Price under the provisions of these Conditions, then the Current Market Price as determined above shall be adjusted in such manner and to such extent as an Independent Financial Institution shall in its absolute discretion deem appropriate and fair to compensate for the effect thereof.

For the purposes of this Condition 6.3.15:

the "**Closing Price**" of the Shares for each Trading Day shall be the last reported transaction price of the Shares on the NSE for such day or, if no transaction takes place on such day, the average of the closing bid and offered prices of Shares for such day as furnished by a leading independent securities firm licensed to trade on the NSE selected from time to time by the Issuer and approved by the Trustee for the purpose; and

"**Trading Day**" means a day when the NSE is open for business, but does not include a day when (a) no such last transaction price or closing bid and offered prices is /are reported and (b) (if the Shares are not listed or admitted to trading on such exchange) no such closing bid and offered prices are furnished as aforesaid.

If the Shares are no longer listed on the NSE and have been listed on another stock exchange as required by Condition 6.5.4, references in the above definitions to the NSE will be taken as references to that stock exchange.

6.3.16 *Consideration receivable by the Issuer*:

For the purposes of any calculation of the consideration receivable by the Issuer pursuant to Conditions 6.3.5, 6.3.6, 6.3.7, 6.3.8, 6.3.9, 6.3.10 and 6.3.11 above, the following provisions shall be applicable:

(a) in the case of the issue of Shares for cash, the consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Issuer for any underwriting of the issue or otherwise in connection therewith;

(b) in the case of the issue of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by an Independent Financial Institution or, if pursuant to applicable law of India such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof;

(c) in the case of the issue (whether initially or upon the exercise of rights or warrants) of securities convertible into or exchangeable for Shares, the aggregate consideration receivable by the Issuer shall be deemed to be the consideration received by the Issuer for such securities and (if applicable) rights or warrants plus the additional consideration (if any) to be received by the Issuer upon (and assuming) the conversion or exchange of such securities at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 6.3.16) and the consideration per Share receivable by the Issuer shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price;

(d) in the case of the issue of rights or warrants to subscribe for or purchase Shares, the aggregate consideration receivable by the Issuer shall be deemed to be the consideration received by the Issuer for any such rights or warrants plus the additional consideration to be received by the Issuer upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 6.3.16) and the consideration per Share receivable by the Issuer shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price;

(e) if any of the consideration referred to in any of the preceding paragraphs of this Condition 6.3.16 is receivable in a currency other than Rupees, such consideration shall (in any case where there is a fixed rate of exchange between the Rupees and the relevant currency for the purposes of the issue of the Shares, the conversion or exchange of such securities or the exercise of such rights or warrants) be translated into Rupees for the purposes of this Condition 6.3.16 at such fixed rate of exchange and shall (in all other cases) be translated into Rupees at the mean of the exchange rate quotations (being quotations for the cross rate through U.S. dollars if no direct rate is quoted) by a leading bank in India for buying and selling spot units of the relevant currency by telegraphic transfer against Rupees on the date as of which the said consideration is required to be calculated as aforesaid; and

(f) in the case of the issue of Shares (including, without limitation, to employees under any employee bonus or profit sharing arrangements) credited as fully paid out of retained earnings or capitalisation of reserves at their par value, the aggregate consideration receivable by the Issuer shall be deemed to be zero (and accordingly the number of Shares which such aggregate consideration receivable by the Issuer could purchase at the relevant Current Market Price per Share shall also be deemed to be zero).

6.3.17 *Cumulative adjustments*:

If, at the time of computing an adjustment (the "**later adjustment**") of the Conversion Price pursuant to any of Conditions 6.3.2, 6.3.5, 6.3.6, 6.3.9, 6.3.10 and 6.3.11 above,

the Conversion Price already incorporates an adjustment made (or taken or to be taken into account pursuant to the proviso to Condition 6.3.18) to reflect an issue of Shares or of securities convertible into or exchangeable for Shares or of rights or warrants to subscribe for or purchase Shares or securities, to the extent that the number of such Shares or securities taken into account for the purposes of calculating such adjustment exceeds the number of such Shares in issue at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such excess Shares shall be deemed to be outstanding for the purposes of making such computation.

6.3.18 *Minor adjustments*:

No adjustment of the Conversion Price shall be required if the adjustment would be less than Rs.1; provided that any adjustment which by reason of this Condition 6.3.18 is not required to be made shall be carried forward and taken into account (as if such adjustment had been made at the time when it would have been made but for the provisions of this Condition 6.3.18) in any subsequent adjustment. All calculations under this Condition 6.3 shall be made to the nearest Rs.1 with Rs.0.5 being rounded up to the next Rs.1.

6.3.19 *Minimum Conversion Price*:

Notwithstanding the provisions of this Condition 6.3, the Issuer covenants that (a) the Conversion Price shall not be reduced below the par value of the Shares (Rs.5 as at the date hereof) as a result of any adjustment made hereunder unless under applicable law then in effect, Bonds may be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares and (b) it will not take any corporate or other action which is primarily for the purpose of reducing the Conversion Price, when calculated pursuant to Conditions 6.3.1 to 6.3.14, to below (i) the Floor Price or (ii) the level permitted by applicable Indian regulatory authorities (if any).

6.3.20 *Reference to "fixed"*:

Any references herein to the date on which a consideration is "**fixed**" shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

6.3.21 *Upward adjustment*:

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares, as referred to in Condition 6.3.1.

6.3.22 *Trustee not obliged to monitor*:

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within Condition 6.3 and will not be responsible to any Bondholders for any loss arising from any failure by it to do so.

6.3.23 *Independent Financial Institution*:

If the Issuer fails to select an Independent Financial Institution when required in this Condition 6.3, the Trustee may (at the cost of the Issuer and at its absolute discretion)

but shall not be obliged to select such an Independent Financial Institution and shall not be liable for any determination made by such Independent Financial Institution.

6.3.24 *Employee share option scheme*:

Notwithstanding any provision of this Condition 6, no adjustment will be made to the Conversion Price where Shares or other securities (including rights or options) are issued, offered, allotted, appropriated, modified or granted to or for the benefit of employees or former employees (including directors) of the Issuer or its Subsidiaries, or persons related to such employees (including directors) or former employees, directly or indirectly, pursuant to any employee stock option scheme or plan generally or as required by law ("**Share Scheme Shares/Options**"), except to the extent that such issues result in the issue of Shares in excess of 1 per cent. of the average number of issued and outstanding Shares of the Issuer during the 12 months period up to and including the date of the grant of such Share Scheme Shares/Options, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds 1 per cent. of the average number of issued and outstanding Shares of the Issuer during the relevant 12 months period up to the grant shall be taken into account in determining adjustment of the Conversion Price pursuant to Condition 6.

6.4 Adjustments to the Conversion Price upon a Conversion Price Adjustment Event

If a Conversion Price Adjustment Event (as defined in Condition 8.4.5) shall occur at any time after January 17, 2020, the Issuer shall give notice of that fact to the Bondholders (the "**Conversion Price Adjustment Event Notice**") in accordance with Condition 17 within seven days after it becomes aware of such Conversion Price Adjustment Event (with a copy to the Trustee). Following the giving of a Conversion Price Adjustment Event Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Conversion Price Adjustment Event Notice is given to Bondholders (such period. the "**Conversion Price Adjustment Event Conversion Period**"), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{I} \quad NCP = \left[\frac{OCP}{1+(CP \times c/t)}\right]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2 above. For the avoidance of doubt, OCP for the purposes of this Condition 6.4 shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion pursuant to this Condition 6.4.

Conversion Premium ("**CP**") means 20 per cent. expressed as a fraction.

c means the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date.

t means the number of days from and including the Issue Date to but excluding the Maturity Date.

If the last day of a Conversion Price Adjustment Event Conversion Period shall fall during a Restricted Transfer Period, the Conversion Price Adjustment Event Conversion Period shall be extended such that its last day will be the fifteenth day following the last day of the Restricted Transfer Period.

6.5 Undertakings

6.5.1 The Issuer covenants to keep available, (i) free from pre-emptive or other similar rights, out of its authorised but unissued share capital such number of Shares; and (ii) such headroom out of its maximum permitted foreign investment limit in relation to its Shares as applicable from time to time, such as would be required to be issued to the Bondholders (or their respective nominees) on the exercise of their Conversion Rights from time to time with respect to the Bonds remaining outstanding from time to time and to satisfy in full all other rights of conversion into or exchangeable for Shares.

6.5.2 The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or with the prior written approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:

(a) it will use its best endeavours (i) to maintain a listing for all the issued Shares on the Indian Stock Exchanges, (ii) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Indian Stock Exchanges and (iii) if the Issuer is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Shares issued on the exercise of such Conversion Rights on an alternative stock exchange (such exchange, an "**Alternative Stock Exchange**") as the Issuer may from time to time (with the prior written consent of the Trustee) determine and will forthwith give notice to the Bondholders in accordance with Condition 17 below of the listing or delisting of the Shares (as a class) by any of such stock exchanges;

(b) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds;

(c) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as permitted by applicable law); and

(d) it will use best endeavours to maintain the listing of the Bonds on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

6.5.3 In the Trust Deed, the Issuer has undertaken with the Trustee that so long as any Bond remains outstanding:

(a) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds (including as a result of any adjustments to the Conversion Price as set out in Condition 6.3 and Condition 6.4) without breaching any foreign ownership restrictions in India applicable to the Shares and will ensure that all Shares will be duly and validly issued as fully-paid; and

(b) it will not make any offer, issue or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the

Shares of the Issuer, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

6.5.4 The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

The Shares issued upon conversion of Bonds are expected to be listed on the BSE and the NSE and will be tradable on such stock exchange once listed thereon, which is expected to occur within 10 Trading Days of the relevant Conversion Date. The Issuer will make due application in respect of such listing within 5 Trading Days following the relevant Conversion Date. If there is any delay in obtaining the approval of the BSE and the NSE to list such Shares, they shall not be tradeable on the BSE and the NSE until the listing on such stock exchange occurs.

6.6 Notice of change in Conversion Price

The Issuer shall give notice to the SGX-ST, the Bondholders, the Trustee and the Agents in accordance with Condition 17 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

7. Payments

7.1 Principal, interest and premium

Payment of principal, premium (if any) and interest will be made by transfer to the registered account of the relevant Bondholder. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Agents. Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "**Interest Record Date**"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register and any Certificates surrendered for payment with a record of the amount (if any) paid and the date of such payment.

When making payments to Bondholders, fractions of one U.S. dollar cent will be rounded down to the nearest U.S. dollar cent and the Issuer shall not be liable for the payment of any such fractions.

*So long as the Bonds are represented by the relevant Global Certificate and such Global Certificate is held on behalf of a clearing system (each, the "**relevant clearing system**"), each payment in respect of the relevant Global Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where "Clearing System Business Day" means a day on which each relevant clearing system for which such Global Certificate is being held is open for business.*

7.2 Registered accounts

For the purposes of this Condition, a Bondholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank in New York, details of which appear on the Register at the close of business on the second business day (as defined below) before the due

date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

7.3 Fiscal laws

Payments will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 below, and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 below) any law implementing an intergovernmental approach thereto.

7.4 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

7.5 Delay in payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so).

7.6 Business day

In this Condition, "**business day**" means a day other than a Saturday or Sunday on which commercial banks are open for business in New York City and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8. Redemption, purchase and cancellation

8.1 Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 102.66 per cent. of its outstanding principal amount on or about February 17, 2025 (the "**Maturity Date**"), together with accrued interest (if any) (calculated up to but excluding the Maturity Date). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8.2 or Condition 8.3 below (but without prejudice to Condition 10).

8.2 Redemption at the option of the Issuer

If at any time the aggregate principal amount of the Bonds outstanding is less than 15 per cent. of the aggregate principal amount originally issued (plus any Bonds issued pursuant to Condition 16), the Issuer shall have the option to redeem such outstanding amount of Bonds, in whole but not in part, at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption. The Issuer will give at least 30 days' but not more than 60 days' prior notice to the holders, the Trustee and the Agents for such redemption.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.

8.3 Redemption for taxation reasons

8.3.1 At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem the Bonds, in whole but not in part, at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date of redemption on the date fixed for redemption (the "**Tax Redemption Date**"), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts as referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of India or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after January 14, 2020, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (taking reasonable measures available to it) and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders.

8.3.2 Upon the expiry of any such notice, the Issuer will be bound to redeem the Bonds, in whole but not in part, at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date on the Tax Redemption Date.

8.3.3 If the Issuer gives a notice of redemption pursuant to this Condition 8.3, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal, interest or premium to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the government of India or any authority thereof or therein having power to tax. To the extent that any additional amounts are payable in respect of the Bonds as a result of existing laws or regulations in force in India or any authority thereof or therein having power to tax prior to January 14, 2020, such amounts will continue to be payable notwithstanding this Condition 8.3. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the Certificate

evidencing the Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.

8.4 Change of Control put right

8.4.1 Following the occurrence of a Change of Control Event (as defined below) and to the extent permitted by applicable law, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem in whole or in part such Bondholder's Bonds on the Change of Control Put Date at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (the "**Change of Control Put Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17. The "**Change of Control Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

8.4.2 A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

8.4.3 The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred.

8.4.4 Not later than seven days after becoming aware of a Change of Control, the Issuer shall procure that notice regarding the Change of Control shall be delivered to Bondholders (in accordance with Condition 17) stating:

(a) the Change of Control Put Date;

(b) the date of such Change of Control and, briefly, the events causing such Change of Control;

(c) the date by which the Change of Control Put Exercise Notice (as defined below) must be given;

(d) the redemption amount together with interest accrued but unpaid to such date (if any) and the method by which such amount will be paid;

(e) the names and addresses of all Paying Agents;

(f) briefly, the Conversion Right and the then current Conversion Price;

(g) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Change of Control Put Right or Conversion Right; and

(h) that a Change of Control Put Exercise Notice, once validly given, may not be withdrawn.

8.4.5 For the purposes of the Conditions:

(a) "**control**" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), for purposes of the definition of "Change of Control", means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise;

(b) a "**Change of Control**" means the occurrence of one or more of the following events;

A. the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer (calculated on a consolidated basis) to any person other than a person who controls or is controlled by the Promoters;

B. the Promoters cease to exercise control of the Issuer;

C. any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), other than the Promoter Group, becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Issuer; or

D. individuals who on the Issue Date constituted the Board of Directors of the Issuer, together with any new directors whose election to such board of directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors of the Issuer on the Issue Date or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Issuer then in office.

(c) an "**Affiliate**" has the meaning ascribed to it under Rule 501(b) of Regulation D of the Securities Act;

(d) a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof;

(e) "**Promoters**" means Bharti Telecom Limited and its Affiliates;

(f) "**Promoter Group**" means (i) the Promoter and the person or persons named as promoters in any offer document filed with the Indian stock exchanges and (ii) any entity which holds 10 per cent. or more of the equity share capital of the Promoter or (iii) the Promoter and Promoter Group as per Indian stock exchange listing rules;

(g) "**Change of Control Event**" occurs when there has been a Change of Control in the Issuer;

(h) "**Conversion Price Adjustment Event**" means the occurrence of a Change of Control Event or a Liquidity Event;

(i) "**Liquidity Event**" occurs when the Promoters Group, directly or indirectly, in aggregate holds 80 per cent. or more of the equity share capital of the Issuer;

(j) "**Capital Stock**" means, with respect to any person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all common stock and preferred stock, but excluding debt securities convertible into such equity;

(k) "**Voting Stock**" means, with respect to any person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person;

(l) "**Early Redemption Amount**" of a Bond, for each U.S.$1,000 in principal amount of Bonds, is determined so that it represents for the Bondholder on the relevant redemption date (the "**Determination Date**") a gross yield of 2.00 per cent. on a semi-annual basis if purchased at the price at which the Bonds will be issued on or about January 17, 2020. The applicable Early Redemption Amount for each U.S.$1,000 in principal amount of Bonds is calculated on an annual basis in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (*provided* that if the date fixed for redemption is the semi-annual date (as set out below), such Early Redemption Amount shall be as set out in the table below in respect of such semi-annual date):

"**Early Redemption Amount**" = Previous Redemption Amount x $(1 + r/2)^{d/p}$ - AI

"**Previous Redemption Amount**" = the Early Redemption Amount for each U.S.$1,000 in principal amount of Bonds on the semi-annual date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to August 17, 2020, U.S.$1,000).

Semi-Annual Date	**Early Redemption Amount**
August 17, 2020.....	U.S.$1,002.93
February 17, 2021.....	U.S.$1,005.46
August 17, 2021.....	U.S.$1,008.01
February 17, 2022.....	U.S.$1,010.59
August 17, 2022.....	U.S.$1,013.20
February 17, 2023.....	U.S.$1,015.83
August 17, 2023.....	U.S.$1,018.49

Semi-Annual Date	Early Redemption Amount
February 17, 2024.....	U.S.$1,021.17
August 17, 2024.....	U.S.$1,023.88

"**r**" = 2.00 per cent. expressed as a fraction.

"**d**" = number of days from and including the immediately preceding semi-annual date (or if the Bonds are to be redeemed on or before August 17, 2020, from and including the Issue Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

"**p**" = 180.

"**AI**" = the accrued interest on the principal amount of U.S.$1,000 of a Bond determined in accordance with and pursuant to Condition 5 from and including the immediately preceding Interest Payment Date (or if the Determination Date is before the first Interest Payment Date, from and including the Issue Date) to but excluding the Determination Date.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.

8.5 Relevant Event Put Right

8.5.1 In the event that (i) the Shares cease to be listed or admitted to trading or are suspended for a period equal to or exceeding 30 consecutive Trading Days on the NSE or on the BSE or (ii) the Liquidity Event occurs (each of (i) and (ii), a "**Relevant Event**"), each Bondholder shall have the right (the "**Relevant Event Put Right**"), to the extent permitted under applicable law, at such Bondholder's option, to require the Issuer to redeem in whole or in part such Bondholder's Bonds on the twentieth business day after notice has been given to Bondholders regarding the Relevant Event referred to under Condition 8.5.2 below or, if such notice is not given, the twentieth business day after the Relevant Event (the "**Relevant Event Put Date**") at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such Relevant Event Put Date (the "**Relevant Event Put Price**").

8.5.2 Promptly after becoming aware of a Relevant Event, the Issuer shall procure that notice regarding the Relevant Event Put Right shall be given to Bondholders(in accordance with Condition 17), the Trustee and the Agents stating:

(a) the Relevant Event Put Date;

(b) the date of such Relevant Event and, briefly, the events causing such Relevant Event;

(c) the date by which the Purchase Notice (as defined below) must be given;

(d) the Relevant Event Put Price and the method by which such amount will be paid;

(e) the names and addresses of all Paying Agents;

(f) briefly, the Conversion Right and the then current Conversion Price;

(g) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right or Conversion Right; and

(h) that a Purchase Notice, once validly given, may not be withdrawn.

8.5.3 To exercise its rights to require the Issuer to purchase its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a "**Purchase Notice**"), in the then current form obtainable from the specified office of any Agent, together with the Certificate evidencing the Bonds to be redeemed, to any Paying Agent on any business day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 business days prior to the Relevant Event Put Date.

8.5.4 A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Purchase Notice delivered as aforesaid on the Relevant Event Put Date.

8.5.5 The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred.

8.5.6 For the purposes of this Condition, "**business day**" shall mean a day on which commercial banks are open for business in London and Mumbai.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.

8.6 Redemption following exercise of a put option

Upon the exercise of any put option specified in Conditions 8.4, 8.5 or 8.7, payment of the applicable redemption amount shall be conditional upon (a) the Issuer obtaining all approvals required by Indian law, and (b) delivery of the Bondholder's certificate (together with any necessary endorsements) to any Paying Agent on any business day together with the delivery of any other document(s) required by these Conditions, and will be made promptly following the later of the date set for redemption and the time of delivery of such Certificate. If the Paying Agent holds on the Put Date (as defined below) money sufficient to pay the applicable redemption monies of Bonds for which notices have been delivered in accordance with the provisions hereof upon exercise of such right, then, whether or not such Certificate is delivered to the Paying Agent, on and after such Put Date, (i) such Bond will cease to be outstanding; (ii) such Bond will be deemed paid; and (iii) all other rights of the Bondholder shall terminate (other than the right to receive the applicable redemption monies). "**Put Date**" shall mean the Relevant Event Put Date, the Change of Control Put Date or the Non-Permitted Conversion Price Adjustment Event Repurchase Date, as applicable.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date, such approval may or may not be forthcoming.

8.7 Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment

8.7.1 To the extent permitted by applicable law, unless the Bonds have been previously redeemed, converted or purchased and cancelled, if an event triggering an adjustment to the Conversion Price under Condition 6.3 occurs so that the Conversion Price, when calculated pursuant to Condition 6.3, would fall below (i) the Floor Price or (ii) the level permitted by applicable Indian regulatory authorities (if any) (a "**Non-Permitted Conversion Price Adjustment Event**"), the Issuer shall, within ten business days after the occurrence of the relevant event triggering such adjustment, notify the Bondholders, the Trustee and the Agents of such Non-Permitted Conversion Price Adjustment Event, and each Bondholder shall have the right (the "**Non-Permitted Conversion Price Adjustment Event Repurchase Right**"), at such Bondholder's option, to require the Issuer to repurchase in whole or in part such Bondholder's Bonds on the date set by the Issuer for such repurchase (the "**Non-Permitted Conversion Price Adjustment Event Repurchase Date**", which shall be not less than 30 days nor more than 60 days following the date on which the Issuer notifies the Bondholders of the Non-Permitted Conversion Price Adjustment Event) at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such Non-Permitted Conversion Price Adjustment Event Repurchase Date (the "**Non-Permitted Conversion Price Adjustment Event Repurchase Price"**).

8.7.2 Not later than ten business days after becoming aware of a Non-Permitted Conversion Price Adjustment Event, the Issuer shall procure that notice regarding the Non-Permitted Conversion Price Adjustment Event shall be delivered to the Bondholders, the Trustee and the Agents (in accordance with Condition 17) stating:

(i) the Non-Permitted Conversion Price Adjustment Event Repurchase Date;

(ii) the date of the event triggering the Non-Permitted Conversion Price Adjustment Event and, briefly, the events causing such Non-Permitted Conversion Price Adjustment Event;

(iii) the date by which the Purchase Notice must be given;

(iv) the Non-Permitted Conversion Price Adjustment Event Repurchase Price and the method by which such amount will be paid;

(v) the names and addresses of all Paying Agents;

(vi) briefly, the Conversion Right and the then current Conversion Price;

(vii) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Non-Permitted Conversion Price Adjustment Event Repurchase Right or Conversion Right; and

(viii) that a Purchase Notice, once validly given, may not be withdrawn.

8.7.3 To exercise its rights to require the Issuer to purchase its Bonds, the Bondholder must deliver a Purchase Notice, in the then current form obtainable from the specified office of any Agent, together with the Certificates evidencing the Bonds to be redeemed, to

any Paying Agent on any business day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 business days prior to the Non-Permitted Conversion Price Adjustment Event Repurchase Date.

8.7.4 A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall repurchase the Bonds which form the subject of the Purchase Notice delivered as aforesaid on the Non-Permitted Conversion Price Adjustment Event Repurchase Date.

8.7.5 The Trustee shall not be required to take any steps to ascertain whether a Non-Permitted Conversion Price Adjustment Event or any event which could lead to the occurrence of a Non-Permitted Conversion Price Adjustment Event has occurred and will not be responsible to Bondholders for any loss arising therefrom.

8.7.6 For the purposes of this Condition, "**business day**" shall mean a day on which commercial banks are open for business in Mumbai.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date, such approval may or may not be forthcoming.

8.8 Purchases

The Issuer or any of its Subsidiaries may, if permitted under the laws of India, at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Issuer or the relevant Subsidiary is required to submit to the Registrar for cancellation any Bonds so purchased. If purchases are made by tender, the tender must be made available to all Bondholders alike.

8.9 Cancellation

All Bonds which are redeemed or converted or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

8.10 Redemption notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with Condition 17, and specify the Conversion Price for such Bonds as at the date of the relevant notice, the closing price of the Shares (as quoted on the NSE) as at the latest practicable date prior to the publication of the notice, the applicable Early Redemption Amount, together with the interest (if any) accrued but unpaid, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of such notice. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions.

9. Taxation

9.1 All payments by or on behalf of the Issuer under or with respect to the Bonds will be made without withholding or deduction for any present or future taxes, duties, assessments or other governmental charges (including, without limitation, penalties and interest and other similar liabilities related thereto) ("**Taxes**") imposed, levied or assessed by the Issuer's jurisdiction of incorporation, and any other territory or authority or additional territory or authority to whose taxing jurisdiction the Issuer has become subject or from or through which payment is made (the

"**Relevant Jurisdiction**") (or any political subdivision or taxing authority thereof or therein), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount paid to each Bondholder after such withholding or deduction shall be not less than the respective amount to which such Bondholder would have been entitled in respect of such payment in the absence of the withholding or deduction; provided, however, that the Issuer shall not be required to pay any Additional Amounts for or on account of:

9.1.1 any Tax which would not have been imposed but for (i) the existence of any present or former connection between a Bondholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Bondholder, if such holder is an estate, trust, partnership or corporation) and the Relevant Jurisdiction or any political subdivision or territory or possession thereof or area subject to its jurisdiction (other than by the mere acquisition or holding of any Bond or the enforcement or receipt of payment under or in respect of any Bond), including, without limitation, such Bondholder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein or (ii) the presentation of such Bond for payment (where Bonds are in the form of definitive Certificates and presentation is required) on a date more than 30 days after the Relevant Date (except to the extent that the Bondholder would have been entitled to Additional Amounts had the Bond been presented on the last day of such 30 day period);

9.1.2 any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

9.1.3 any Tax which is payable otherwise than by withholding or deduction from payments of (or in respect of) principal of, or any interest on, such Bond;

9.1.4 any Tax that is imposed or withheld by reason of the failure by the Bondholder or any beneficial owner of such Bond to comply with a request of the Issuer given to the Bondholder in accordance with Condition 17 at least 90 days before any such Tax would be payable (i) to provide information concerning the nationality, residence or identity of the Bondholder or any beneficial owner or (ii) to make any declaration or other similar claim or satisfy any information or reporting requirements, which, in the case of (i) or (ii), is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a precondition to exemption from all or part of such Tax; or

9.1.5 any combination of Conditions 9.1.1 to 9.1.4 above,

nor shall the Issuer be required to pay any Additional Amounts with respect to any payment of the principal of, or any interest on, any Bond to any Bondholder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Jurisdiction (or any political subdivision or taxing authority thereof or therein) to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner which would not have been entitled to such additional amounts had it been the Bondholder of such Bond.

9.2 For the purposes hereof, "**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up of the Issuer, the date on which such payment first

becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Bondholders in accordance with Condition 17, and (ii) in respect of a sum to be paid by the Issuer in a Winding-Up of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the Winding-Up of the Issuer. "**Winding-Up of the Issuer**" means a final order or judgment of a court or tribunal of competent jurisdiction is made for the winding-up or liquidation of the Issuer.

9.3 Notwithstanding any other provision of these Conditions, any amounts to be paid on the Bonds by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) (including any amended version thereof that is not materially more onerous to comply with) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (and any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

9.4 If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Bonds, the Issuer will deliver to the Trustee on a date at least 30 days prior to the date of payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officers' certificate (signed by two Authorised Signatories of the Issuer) stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The officers' certificate must also set forth any other information necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date. The Trustee shall be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary and shall not be liable to any person for so doing. The Issuer will provide the Trustee with documentation satisfactory to the Trustee evidencing the payment of Additional Amounts.

9.5 The Issuer will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. Upon the written request of the Trustee or any Bondholder, the Issuer will furnish to the Trustee or such Bondholder, as the case may be, within 60 days after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or if, notwithstanding the Issuer's reasonable efforts to obtain receipts, receipts are not obtained, other evidence of payments by the Issuer.

9.6 For the avoidance of doubt, whenever these Conditions mention the payment of amounts based on the principal amount, interest of any other amount payable under, or with respect to, any of the Bonds, such mention shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

9.7 The above obligation shall survive any redemption, discharge, termination, substitution or variation of the Bonds and any transfer by a Bondholder or beneficial owner of Bonds, and will

apply, mutatis mutandis, to any jurisdiction in which any successor person to the Issuer is then incorporated, organized, engaged in business or resident for tax purposes or any jurisdiction from or through which such person makes any payment on the Bonds and any political subdivision or taxing authority or agency thereof or therein having the power to tax.

10. Events of Default

10.1 The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount, together with interest (if any) accrued but unpaid to such date (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if any of the following events (each, an "Event of Default") has occurred:

10.1.1 failure to pay interest on any of the Bonds within 10 days of the due date or failure to pay the principal amount thereof or any other amount thereon when due;

10.1.2 failure by the Issuer to deliver the Shares as and when such Shares are required to be delivered following conversion of a Bond in accordance with these Conditions unless such failure is due to a technical or administrative error and is remedied by the Issuer within 3 days;

10.1.3 other than Condition 6.3.19(b), the Issuer does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed, which default is not remedied within 45 days after notice of such default shall have been given to the Issuer by the Bondholders of 25% or more of the aggregate principal amount of the outstanding Bonds;

10.1.4 the Issuer is declared by a court of competent jurisdiction to be insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a material part of its debts as they mature, or applies for, or consents to or suffers the appointment of an administrator, liquidator or receiver or other similar person in respect of the Issuer or over the whole or any material part of its undertaking, property, assets or revenues pursuant to an insolvency law and such appointment is not discharged or stayed within 60 days of its taking effect or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation not otherwise prohibited under the Bonds and the Trust Deed;

10.1.5 (i) any other present or future indebtedness for borrowed money of the Issuer shall have been accelerated so that the same becomes due and payable prior to its stated maturity by reason of default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the default upon which such acceleration is based) within 21 days after such acceleration,, or (ii) any such indebtedness for borrowed money is not paid when due or, as the case may be, within any applicable grace period originally provided for, or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in

respect of, any indebtedness for borrowed money provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10.1.5 have occurred equals or exceeds U.S.$100 million or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank selected by the Trustee on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity);

10.1.6 a distress, attachment, execution or other legal process is levied, enforced or sued upon or against any material part of the property, assets or revenues of the Issuer by any person or entity and is not discharged or stayed within 120 days unless enforcement or suit is being contested in good faith and by appropriate proceedings;

10.1.7 an order of a court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases to carry on all or substantially all of its business or operations, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation not otherwise prohibited under the Bonds and the Trust Deed;

10.1.8 an encumbrancer takes possession, or a receiver or other similar person is appointed over, or an attachment order is issued in respect of, the whole or any material part of the undertaking, property, assets or revenues of the Issuer and in any such case such possession, appointment or attachment is not stayed or terminated, or the debt on account of which such possession was taken or appointment or attachment was made is not discharged or satisfied within 120 day of such possession, appointment or the issue of such order;

10.1.9 any governmental authority or agency compulsorily purchases or expropriates all or any material part of the assets of the Issuer without fair compensation; or

10.1.10 any event occurs, which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to 10.1.4 and 10.1.7**.**

"**Subsidiary**" or "**subsidiary**" means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Indian law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.

10.2 If the Bonds have become due and payable pursuant to Condition 10.1, notwithstanding Condition 6.1 and receipt of any payment after the acceleration of the Bonds and provided that no Conversion Notice has been delivered pursuant to Condition 6.2.1, a Bondholder may exercise its Conversion Right by depositing a Conversion Notice with a Conversion Agent or Paying Agent during the period from and including the date of a default notice with respect to an event specified in Condition 10.1 (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the close of business on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Paying Agent or the Trustee and notice of such receipt has been duly given.

If any converting Bondholder deposits a Conversion Notice pursuant to this Condition 10 in the business day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the business day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this Condition 10.

Save as provided below, if the Conversion Right attached to any Bond is exercised pursuant to this Condition 10, the Issuer will deliver Shares (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have twelve business days before it is required to register the converting Bondholder (or its designee) in its register of members as the owner of the number of Shares to be delivered pursuant to this Condition and an additional five business days from such registration date to make payment in accordance with the following paragraph.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 10, the Issuer shall, at the request of the converting Bondholder (who shall deliver to the Conversion Agent a notice of exercise of such option in writing), in lieu of delivery of the relevant Shares, determine and pay to such Bondholder an amount in U.S. dollars (converted from Rupees at the Prevailing Rate (as defined below)) (the "**Default Cure Amount**"), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholders' Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this Condition 10, the amount of such payment shall be deducted from the Default Cure Amount. Payment of the Default Cure Amount shall be paid to the converting Bondholder on the third business day (as defined in Condition 7.6) following the date on which notice of exercise of the option to receive the Default Cure Amount is delivered.

The "**Prevailing Rate**" for a day means the FX rate (INR per U.S.$1.00) based on Bloomberg's "BFIX" USDINR Spot Mid Price rate as at 12.00 (Hong Kong time) on any such day.

The "**Share Price**" means the closing price of the Shares as quoted by the NSE or, as the case may be, Alternative Stock Exchange on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the NSE or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Trustee at the expense of the Issuer for such purpose.

RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date, such approval may or may not be forthcoming.

11. Consolidation, amalgamation or merger

The Issuer will not consolidate with, merge or amalgamate into or transfer substantially all of its assets as an entirety to any corporation or convey or transfer substantially all of its properties and assets as an entirety to any person (the consummation of any such event, a "**Merger**"), unless:

(a) the corporation formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed, the Agency Agreement and the Bonds and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Bond then outstanding will have the right (during the period when such Bond shall be convertible) to convert such Bond into the class and amount of shares, cash and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer;

(b) immediately after giving effect to any such Merger, no Event of Default or event, which would be after notice or passage of time or both, an Event of Default, shall have occurred and be continuing or would result therefrom; and

(c) the corporation formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal, interest and premium (if any) on the Bonds.

12. Prescription

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest and premium) from the relevant date for payment.

13. Enforcement

13.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed and the Conditions or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

14. Meetings of bondholders, modification, waiver and substitution

14.1 Meetings

The Trust Deed contains provisions for convening meetings of Bondholders (and for passing written resolutions or electronic consents) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provision of the Agency Agreement or the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by holders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the circumstances in which the Issuer is entitled to redeem or purchase the Bonds, (ii) to reduce or cancel the principal amount of the Bonds or to reduce the amount payable on redemption or purchase of the Bonds, (iii) to modify the provisions relating to subordination of the Bonds, (iv) to change the currency of the denomination of the Bonds or of any payment in respect of the Bonds including the due dates for payment of principal and interest, (v) to change the governing law of the Bonds, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14.3) or (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-fourth, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed by the Bondholders shall be binding on all Bondholders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the Bondholders of not less than 75 per cent. of the aggregate principal amount of Bonds outstanding (which may be contained in one document or several documents in the same form, each signed by or on behalf of two or more Bondholders) or (ii) consents given by way of electronic consent through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Bondholders of not less than 75 per cent. of the aggregate principal amount of the Bonds outstanding, shall, in any such case, be effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held.

The agreement or approval of the Bondholders shall not be required in the case of any variation of these Conditions and/or the Trust Deed required to be made in connection with the substitution or variation of the Bonds pursuant to Condition 14.3 or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer pursuant to Condition 14.3.

14.2 Modification of the Trust Deed

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to

correct a manifest error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (except as mentioned in the Trust Deed), and any waiver or authorization of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Any such modification, authorization, waiver or determination shall be binding on the Bondholders and, if the Trustee so requires, shall be notified to the Holders promptly in accordance with Condition 17.

14.3 Substitution

Subject to applicable law, the Trustee may, without the consent of the Bondholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Bonds and the Trust Deed, subject to:

(a) the Bonds being unconditionally and irrevocably guaranteed by the Issuer;

(b) the Trustee being satisfied that the substitution is not prejudicial to the interests of the Bondholders (including, but not limited to, each Bondholders' Conversion Right to receive Shares of the Issuer at the then prevailing conversion price); and

(c) certain other conditions set out in the Trust Deed being complied with.

In such event, the Issuer shall give notice to Bondholders in accordance with Condition 17 and, so long as the Bonds are listed on the SGX-ST, shall inform the SGX-ST.

14.4 Entitlement of Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders, except to the extent provided for in these Conditions or the Trust Deed.

14.5 Certificates / Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

15. Replacement of certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16. Further issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with such Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

17. Notices

Notices required to be given to Bondholders pursuant to these Conditions will be valid if published in a daily newspaper having general circulation in Asia (which is expected to be the *Asia Wall Street Journal*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the relevant Global Certificate and such Global Certificate is held on behalf of DTC or any Alternative Clearing System (as defined in the form of the Global Certificates), notices to Bondholders shall be given by delivery of the relevant notice to DTC or such Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

18. Agents

The initial Agents and the Registrar and their initial specified offices are listed below. The Issuer reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar, *provided* that the Issuer will:

(a) at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) a Paying Agent having a specified office in a major financial centre in a jurisdiction other than the jurisdiction in which the Issuer is incorporated; and

(b) so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, if a Global Certificate is exchanged for definitive Certificates. In addition, if a Global Certificate is exchanged for definitive Certificates, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Paying Agent in Singapore.

Notice of any such termination or appointment and of any change in the specified offices of any Agents or the Registrar and of any change in the identity of the Registrar or the Principal Paying Agent will be given to the Bondholders in accordance with Condition 17.

19. Indemnification of the Trustee and its Contracting with the Issuer

19.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Bondholders, including (i) provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction, and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or prefunding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario, and (ii) to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Event of Default or Potential Event of Default has occurred or monitor compliance by the Issuer with the provisions of the Trust Deed, the Agency Agreement or these Conditions and shall not be liable to any person for any loss arising from any breach by that party or any such event.

19.2 Trustee Contracting with the Issuer

The Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

20. Contracts (rights of third parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

21. Governing law and submission to jurisdiction

21.1 Governing law

The Trust Deed, the Agency Agreement, the Bonds and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement and the Bonds are governed by, and construed in accordance with, English law.

21.2 Submission to jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or based upon the Trust Deed, the Agency Agreement, the Bonds or the transactions contemplated hereby or thereby and accordingly any suit, action or proceeding arising out of or based upon the Trust Deed, the Agency Agreement, the Bonds or the transactions contemplated hereby or thereby (a "**Dispute**") may be instituted in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection which it may now or hereafter have to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum, and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding.

21.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Inc. as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Inc. being unable or unwilling for any reason so to act, it will promptly appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Managers, the Trustee or the Agents takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Managers, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Ownership

The Bonds will be evidenced on issue by the Regulation S Global Certificates (registered in the name of a nominee of, and deposited with a custodian for, DTC for the accounts of Euroclear and Clearstream) and the Rule 144A Global Certificates (registered in the name of a nominee of, and deposited with a custodian for, DTC).

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, will make application to DTC for acceptance in its book-entry settlement system of the Bonds represented by the Regulation S Global Certificates. The Issuer will also make application to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Bonds to be represented by the Global Certificates. The Global Certificates will each have a CUSIP, an ISIN and a Common Code. The Global Certificates will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificates, as set out under "*Transfer Restrictions.*" In certain circumstances, as described below, transfers of interests in the Rule 144A Global Certificates may be made as a result of which such legend may no longer be required.

Upon the Global Certificates being registered in the name of a nominee of, and deposited with a custodian for, DTC, DTC will electronically record the nominal amount of the Bonds held within the DTC system.

Investors may hold their beneficial interests in the Global Certificates directly through DTC if they are participants in the DTC system, or indirectly through organizations (including Euroclear and Clearstream) which are participants in such system (together, such direct and indirect participants of DTC are referred to as "**DTC participants**"). All interests in the Global Certificates, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such system.

Payments and Relationship of Participants with Clearing Systems

Payment of the principal of and interest and premium, if any, on each Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Global Certificate. The Issuer expects that, upon receipt of any payment in respect of Bonds represented by a Global Certificate, DTC or its nominee will immediately credit the relevant participants' or account holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the face amount of the relevant Global Certificate as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in a Global Certificate held through such DTC participants will be governed by standing instructions and

customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Bonds for so long as the Bonds are represented by such Global Certificate and the obligations of the Trustee will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid.

Transfer of Bonds

Transfers of interests in the Global Certificates within Euroclear, Clearstream and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in the Rule 144A Global Certificates to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Rule 144A Global Certificates to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in the Regulation S Global Certificates may only be held through Euroclear or Clearstream. In the case of Bonds to be cleared through Euroclear, Clearstream and/or DTC, transfers may be made at any time by a holder of an interest in the Regulation S Global Certificates to a transferee who wishes to take delivery of such interest through the Rule 144A Global Certificates, provided that any such transfer will, subject to the applicable procedures of Euroclear, Clearstream and/or DTC from time to time, only be made upon receipt by any transfer agent of a written certificate from Euroclear or Clearstream, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person that the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A purchasing the Bonds for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Bonds represented by such Regulation S Global Certificates will only be made upon request through Euroclear or Clearstream by the holder of an interest in the Regulation S Global Certificates to the other agent of details of that account at DTC to be credited with the relevant interest in the Rule 144A Global Certificates.

Transfers at any time by a holder of any interest in the Rule 144A Global Certificates to a transferee who takes delivery of such interest through the Regulation S Global Certificates will, subject to the applicable procedures of Euroclear, Clearstream and/or DTC from time to time, only be made upon delivery to any transfer agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Bonds described above and under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian of the Global Certificates, the Registrar and the Paying Agent. On or after the Issue Date, transfers of Bonds between account holders in Euroclear and/or Clearstream and transfers of Bonds between participants in DTC will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers. Cross-market transfers between account holders in Euroclear or Clearstream and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests between the Global Certificates will be effected through the Paying Agent, the custodian of the Global Certificates, the Registrar and any transfer agent receiving instructions (and, where

appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) two business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Paying Agent or the Registrars as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream account holders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free-delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of the Bonds, see "*Transfer Restrictions.*"

DTC will take any action permitted to be taken by a holder of Bonds only at the direction of one or more DTC participants in whose accounts with DTC interests in the Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificate as to which such DTC participant or participants has or have given such direction. However, the custodian of the Global Certificates will surrender the relevant Global Certificate for exchange for individual definitive Bonds in certain limited circumstances.

DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerized book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of Bonds. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly ("**indirect participants**"). Transfers of ownership or other interests in Bonds in DTC may be made only through DTC participants. In addition, beneficial owners of Bonds in DTC will receive all distributions of principal of and interest on the Bonds from the Issuer through such DTC participant.

Although Euroclear, Clearstream and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and account holders of Euroclear, Clearstream and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Trustee or any Agent will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations. While the Global Certificates are lodged with DTC, Bonds represented by individual definitive Bonds will not be eligible for clearing or settlement through Euroclear, Clearstream or DTC. Individual Definitive Bonds Registration of title to Bonds in a name other than a custodian or its nominee for DTC will be permitted only in the circumstances set forth in "*Global Certificates— Exchange for Definitive Certificates.*" In such circumstances, the Issuer will cause sufficient individual definitive Bonds to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Bondholder(s). A person having an interest in a Global Certificate must provide the Registrar with certain information as specified in the Agency Agreement.

Pre-issue Trades Settlement

It is expected that delivery of Bonds will be made against payment therefor on the Issue Date, which will be more than two business days following the date of pricing. Under Rule 15c6-1 of the U.S. Exchange Act, trades in the U.S. secondary market generally are required to settle within two business days (referred to as "T+2") unless the parties to any such trade expressly agree otherwise. Accordingly, since the Issue Date will be more than two business days following the date of pricing, purchasers who wish to trade the Bonds in the U.S. between the date of pricing and the date that is two business days prior to the Issue Date will be required, by virtue of the fact that such Bonds initially will settle beyond T+2, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

Settlement procedures in other countries will vary. Purchasers of Bonds may be affected by such local settlement practices. Purchasers of Bonds who wish to trade Bonds between the date of pricing and the date that is two business days prior to the Issue Date should consult their own adviser.

GLOBAL CERTIFICATES

*Each Global Certificate contains provisions which apply to the Bonds in respect of which it is issued while they are represented by the relevant Global Certificate, some of which modify the effect of the Terms and Conditions of the Bonds (the "**Conditions**") set out in this Offering Circular. The following is a summary of those provisions.*

Unless otherwise defined, terms defined in the Conditions have the same meaning below.

Form of the Bonds

The Bonds sold in offshore transactions in reliance on Regulation S (the "**Regulation S Bonds**") will be represented by one or more global Regulation S certificates in fully registered form (the "**Regulation S Global Certificates**"). The Regulation S Global Certificates will be deposited with a custodian for and will be registered in the name of a nominee for DTC. Beneficial interests in the Regulation S Global Certificates may be held only through DTC and its direct or indirect participants including Euroclear and Clearstream at any time. See "*Clearance and Settlement—Payments and Relationship of Participants with Clearing Systems.*" The Bonds sold within the United States to QIBs in reliance on Rule 144A (the "**Rule 144A Bonds**") will be represented by one or more global Rule 144A certificates in fully registered form (the "**Rule 144A Global Certificates**"), which will be deposited with a custodian for, and will be registered in the name of a nominee for, DTC. Beneficial interests in the Rule 144A Global Certificates may only be held through DTC and its direct or indirect participants including Euroclear and Clearstream at any time. See "*Clearance and Settlement—Payments and Relationship of Participants with Clearing Systems.*" Subject to certain exceptions, beneficial interests in the Rule 144A Global Certificates may only be held by persons who are QIBs, holding their interests for their own account or for the account of one or more QIBs. By acquisition of a beneficial interest in the Rule 144A Global Certificates, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Certificates. See "*Transfer Restrictions.*"

The Regulation S Global Certificates and the Rule 144A Global Certificates are referred to herein as the "**Global Certificates.**" Beneficial interests in the Global Certificates will be subject to certain restrictions on transfer set out therein and in the Agency Agreement and the Global Certificates will bear legends as set out under "*Transfer Restrictions.*"

Investors may hold interests in the Regulation S Global Certificates through Euroclear or Clearstream, if they are participants in those systems.

Investors may also hold such interests through organizations other than Euroclear and Clearstream that are participants in the DTC system. Euroclear and Clearstream will hold interests in the Regulation S Global Certificates on behalf of their account holders through customers' securities accounts in their respective names on the books of their respective depositories, which in turn will hold such interests in the Regulation S Global Certificates in customers' securities accounts in the depositories' names on the books of DTC. Investors may hold their interests in the Rule 144A Global Certificates directly through DTC, if they are DTC participants, or indirectly through organizations which are DTC participants.

No beneficial interest in the Regulation S Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Certificate unless (i) the transfer is to a person that is a QIB, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor provides the Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect

that the transferor reasonably believes that the transferee is a QIB purchasing the beneficial interest for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any state of the United States. No beneficial interest in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Certificates unless (a) the transfer is in an offshore transaction in reliance on Rule 904 of Regulation S, and (b) the transferor provides the Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transfer is being made in an offshore transaction in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Certificates that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Certificates will, upon transfer, cease to be an interest in the Regulation S Global Certificates and become an interest in the Rule 144A Global Certificates, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Rule 144A Global Certificates for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Certificates that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificates will, upon transfer, cease to be an interest in the Rule 144A Global Certificates and become an interest in the Regulation S Global Certificates and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Certificates for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Bonds, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt of the Global Certificates, DTC or the custodian will credit, on its internal system, the respective face amount of the individual beneficial interests represented by each such Global Certificate to the accounts of persons who have accounts with DTC. Ownership of beneficial interests in a Global Certificates will be limited to persons who have accounts with DTC or persons who hold interests through participants, including Euroclear and Clearstream. Ownership of beneficial interests in the Global Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Bonds.

Holders

For all purposes, each person who is for the time being shown in the records of DTC (or any Alternative Clearing System (as defined below)) as the holder of a particular principal amount of Bonds in respect of which the Global Certificates have been issued (in which regard any certificate or other document issued by DTC or any Alternative Clearing System as to the principal amount of Bonds represented by Global Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be recognized as the holder of such principal amounts of Bonds (and the expressions “Holders”, “Bondholders”, “holding of the Bonds” and “holders of the Bonds” shall be construed accordingly).

Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its redemption, conversion or purchase by us will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee's power

In considering the interests of Bondholders while a Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds, and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which such Global Certificate is issued.

Conversions

Subject to the requirements of DTC or any Alternative Clearing System (as defined below), the Conversion Right attaching to any Bonds in respect of which a Global Certificate is issued may be exercised by the presentation to or to the order of the Conversion Agent of one or more Conversion Notices duly completed by or on behalf of an accountholder in such system with an entitlement to such Bonds. Deposit of a Global Certificate with the Conversion Agent together with the relevant Conversion Notice shall not be required. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of a Global Certificate.

Payments

Payments of any amounts payable in respect of the Bonds represented by a Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the relevant Global Certificate to or to the order of the Principal Paying Agent or to the order of such other Paying Agent as shall have been notified to the holders of Bonds for such purpose.

So long as the Bonds are represented by Global Certificates and the Global Certificates are held on behalf of DTC or any Alternative Clearing System, each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January and any day on which banks are required or permitted to be closed in the city of New York.

Notices

So long as the Bonds are represented by Global Certificates and the Global Certificates are held on behalf of DTC or any Alternative Clearing System, notices to holders of the Bonds may be given by delivery of the relevant notice to DTC or such Alternative Clearing System for communication to entitled account holders in substitution for notification as required by the Conditions except that, so long as the Bonds are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the holders of the Bonds on the day after the day on which such notice is delivered to the relevant clearing systems.

Repurchase of the bonds at the option of bondholders

Subject to applicable laws and regulations, the Bondholders' put options in Conditions 8.4, 8.5 and 8.7 may be exercised by the holder of a Global Certificate giving notice to a Paying Agent of the principal amount of Bonds in respect of which the option is exercised and presenting such Global Certificate for endorsement or exercise within the time limits specified in the Conditions.

Meetings

The registered holder (as defined in the Conditions) of a Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.$1,000 in principal amount of Bonds for which such Global Certificate is issued. The Trustee may allow any accountholder (or the representative of such person) of a clearing system entitled to Bonds in respect of which such Global Certificate has been issued to attend and speak (but not to vote) at a meeting of Bondholders on appropriate proof of his identity.

Transfers

Transfers of book-entry interests in the Bonds will be effected through the records of DTC (or any Alternative Clearing System) and their respective direct and indirect participants in accordance with the rules and procedures of DTC (or any Alternative Clearing System) and their respective direct and indirect participants.

Exchange for Definitive Certificates

Exchange

Registration of title to Bonds represented by the Global Certificates in a name other than DTC will not be permitted in respect of the Bonds unless DTC or an additional or alternative clearing system approved by the Issuer and notified to the Trustee and the Principal Paying Agent and, as applicable, the Registrar (an "**Alternative Clearing System**") on behalf of which the Bonds evidenced by the Global Certificates may be held, notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Delivery

If any of the events described in the above two paragraphs under the caption "Exchange" of this section occurs, the relevant Global Certificate shall be exchangeable in full for definitive Certificates in registered form and the Issuer will, at its own expense, cause sufficient definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Bondholders following surrender of such Global Certificate. A person having an interest in the Global Certificates must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such definitive Certificates and (b) in the case of the Rule 144A Global Certificates only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions.

Definitive Bonds issued in exchange for a beneficial interest in the Global Certificates shall bear legends as set out under "*Transfer Restrictions.*"

The Registrar will not register the transfer of, or exchange of interests in, the Global Certificates for definitive Certificates for a period of 15 calendar days ending on (i) the due date for any payment of principal or premium, if any, or (ii) any Interest Payment Date.

TRANSFER RESTRICTIONS

Because of the following restrictions, you should consult legal counsel prior to making any offer, resale, pledge or transfer of the Bonds. For additional information on the procedures and restrictions involving transfers of the Bonds and beneficial interests in the Bonds, see "Terms and Conditions of the Bonds."

The Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the Securities are being offered and sold only (1) to persons reasonably believed to be QIBs (as defined in Rule 144A) in compliance with Rule 144A (such Securities, the "**Rule 144A Bonds**") and (2) to non-U.S. persons outside the United States in compliance with Regulation S (such Bonds, the "**Regulation S Bonds**").

The Rule 144A Bonds and the Regulation S Bonds will initially be represented by separate Global Certificates and have separate common code, ISIN and CUSIP numbers.

As a purchaser of the Securities, you will be deemed to have acknowledged, represented to and agreed with us and the Managers as follows:

- You are not, and have not been for the immediately preceding three months, an "affiliate" of Bharti Airtel Limited and you are purchasing the Securities for your own account or for an account with respect to which you exercise sole investment discretion and you and such account are (a) with respect to the purchase of Rule 144A Bonds, a "qualified institutional buyer" (as defined in Rule 144A of the Securities Act) and are aware that the sale to you is being made in reliance on Rule 144A, or (b) with respect to the purchase of Regulation S Bonds, located outside the United States, not a "U.S. person" as defined in Regulation S, and you will not offer or sell the Securities within the United States or to, or for the account or benefit of, "U.S. persons" except as permitted in the restrictive legend set forth below as long as it applies.

- You acknowledge that the Securities thereof have not been (and will not be) registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

- You acknowledge that neither we nor the Managers or any person representing us or the Managers have made any representation to you with respect to us or the offering and sale of the Securities other than the information contained in or incorporated by reference into this offering circular. You also acknowledge that you have received a copy of this offering circular and acknowledge that you have had access to such financial and other information in this offering circular, including that incorporated by reference herein, and have been offered the opportunity to ask us questions and received answers thereto, as you deemed necessary in connection with the decision to purchase the Securities. You are relying only on the information contained in or incorporated by reference into this offering circular in making your investment decision with respect to the Securities.

- You will not resell or otherwise transfer any of the Rule 144A Bonds thereof prior to the date that is the later of (i) the date that is one year after the last date of original issuance of the Rule 144A Bonds or such shorter period of time as permitted by Rule 144 under the Securities Act ("Rule 144") or any successor provision thereto and (ii) such later date, if any, as may be required by applicable law, except:

  (a) to us or one of our subsidiaries;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) to a person you reasonably believe is a "qualified institutional buyer" (as defined in Rule 144A) that is purchasing for its own account or for the account of another "qualified institutional buyer" and to whom notice is given that the transfer is being made in reliance on Rule 144A, all in compliance with Rule 144A;

(d) outside the United States to persons who are not "U.S. persons" (as defined in Regulation S) in accordance with Regulation S under the Securities Act; or

(e) pursuant to the exemption from registration provided by Rule 144 (if available).

- You will, and each subsequent holder is required to, notify any purchaser of the Securities thereof from you or it of the above resale restrictions.

- You understand that all of the Rule 144A Bonds will, prior to the date that is the later of (i) the date that is one year after the last date of original issuance of the Rule 144A Bonds or such shorter period of time as permitted by Rule 144 or any successor provision thereto and (ii) such later date, if any, as may be required by applicable law, bear a legend substantially to the following effect, unless such Securities have been sold pursuant to an effective registration statement that continues to be effective at the time of such transfer, or sold pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or unless otherwise agreed by us with notice to the Trustee:

  THIS BOND AND THE SHARES DELIVERABLE UPON CONVERSION OF THIS BOND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF THE SHARES DELIVERABLE UPON CONVERSION HEREOF (OR OF A BENEFICIAL INTEREST HEREIN OR THEREIN), THE ACQUIRER:

  (1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS (a) A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) OR (b) NOT A U.S. PERSON AND IS LOCATED OUTSIDE THE UNITED STATES (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF BHARTI AIRTEL LIMITED (THE "ISSUER"), AND

  (2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND AND ANY SHARES DELIVERABLE UPON CONVERSION HEREOF (OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN) PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE LAST ORIGINAL ISSUE DATE HEREOF OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

    (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A "QUALIFIED INSTITUTIONAL BUYER" IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) TO A NON "U.S. PERSON" LOCATED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR

(E) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE).

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(E) ABOVE, THE ISSUER AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS BOND OR A BENEFICIAL INTEREST HEREIN.

- You acknowledge that we, the Managers, the Trustee, the Transfer Agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of the Securities thereof, is no longer accurate, you will promptly notify us and the Managers. If you are purchasing any Security as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

- You acknowledge that each of the Rule 144A Bonds and the Regulation S Bonds will be issued with separate common code, ISIN and CUSIP numbers and will not be fungible.

- As a purchaser of Regulation S Bonds, if applicable, you:

  (a) understand that any Certificate evidencing Regulation S Bonds shall bear a legend in substantially the following form (unless such Bonds have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or unless otherwise agreed by the Issuer in writing, with notice thereof to the Trustee):

  THIS BOND AND THE SHARES DELIVERABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) ("**U.S. PERSON**") EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION

REQUIREMENTS OF THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF THE SHARES DELIVERABLE UPON CONVERSION HEREOF (OR OF A BENEFICIAL INTEREST HEREIN OR THEREIN), THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS (a) A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) OR (b) NOT A "U.S. PERSON" AND IS LOCATED OUTSIDE THE UNITED STATES (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF BHARTI AIRTEL LIMITED (THE "ISSUER"), AND

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND AND ANY SHARES DELIVERABLE UPON CONVERSION HEREOF (OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THIS BOND AND THE CLOSING DATE, EXCEPT:

    (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, OR

    (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

    (C) TO A "QUALIFIED INSTITUTIONAL BUYER" IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

    (D) TO A NON "U.S. PERSON" IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR

    (E) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE AND LOCAL SECURITIES LAWS.

THE ACQUIRER HEREOF (OR OF A BENEFICIAL INTEREST HEREIN) ACKNOWLEDGES THAT THE ISSUER AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE ISSUER DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS SECURITY OR A BENEFICIAL INTEREST HEREIN.

BY ITS ACQUISITION HEREOF OR OF THE SHARES DELIVERABLE UPON CONVERSION HEREOF (OR OF A BENEFICIAL INTEREST HEREIN OR THEREIN), THE ACQUIRER AGREES TO BE BOUND BY ALL THE ABOVE RESTRICTIONS ON TRANSFER.

(b) will, and each subsequent holder of Regulation S Bonds will be required to, prior to any sale of such Regulation S Bonds, to a "qualified institutional buyer" in compliance with Rule 144A under the Securities Act, deliver to the Trustee and/or the Transfer agent, as the case may be, written confirmation that the prospective purchaser is a person you (or that subsequent holder) reasonably believe (or believes) is a "qualified institutional buyer" that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A.

- Either (i) the purchaser is not acquiring or holding the Bonds or an interest therein with the assets of (A) an "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974 ("**ERISA**")) that is subject to ERISA, (B) a "plan" described in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") that is subject to Section 4975 of the Code, (C) any entity deemed to hold "plan assets" of any of the foregoing by reason of an employee benefit plan's or plan's investment in such entity or (D) a governmental plan, church plan, or any other plan or arrangement subject to any legal requirements that are similar to such provisions of ERISA or the Code (collectively, "**Similar Law**") or (ii) the acquisition and holding of the Bonds or an interest therein by the purchaser and the disposition of such Bonds or an interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law.

- If it is acquiring Bonds or an interest therein with the assets of any ERISA Plan (as defined below), then (i) none of the Managers, the Issuer, the Trustee, the Agents or their affiliates or representatives has acted or will act as the ERISA Plan's fiduciary (within the meaning of ERISA or the Code), or has been relied upon for any advice, with respect to the purchaser's decision to acquire the Bonds (or any interest therein).

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Bonds by (i) employee benefit plans that are subject to Title I of ERISA, (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, (iii) plans and other arrangements that are subject to Similar Law, and (iv) entities whose underlying assets are considered to include "plan assets" of any such plans, accounts, or arrangements (each, a "**Plan**").

The following summary is based on the provisions of ERISA and the Code (and the related regulations and administrative and judicial interpretations) as of the date hereof. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, administrative regulations, rulings or administrative pronouncements will not significantly modify the requirements summarized herein. Any such changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. Accordingly, each prospective investor should consult with its own counsel in order to understand the potential applicability of ERISA, Section 4975 of the Code and/or any other Similar Law to an investment in the Bonds that affect or may affect the investor with respect to this investment.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "**ERISA Plan**"), and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan. Persons who may exercise such authority and control or are associated with investment decisions are advised to consult counsel with respect to their fiduciary status.

In considering an investment in the Bonds with a portion of the assets of any Plan, a plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Law. A plan fiduciary should consider the Plan's particular circumstances and all of the facts and circumstances of the investment including, without limitation, the matters discussed above under "Risk Factors," in determining whether an investment in the Bonds satisfies these requirements.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of the Bonds by an ERISA Plan with respect to which the Issuer or Managers are considered to be a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and held in accordance with an applicable statutory, class or individual prohibited transaction exemption. Similar restrictions may apply to Plans that are subject to Similar Law.

In this regard, the U.S. Department of Labor has issued prohibited transaction exemptions ("PTCEs") that may apply to the acquisition and holding of the Bonds. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. There can be no assurance that all of the conditions of any such exemption will be satisfied. In addition to the foregoing, the Pension Protection Act of 2006 provides a statutory exemption (Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code) for transactions between an ERISA Plan and a person that is a party in interest and/or a disqualified person (not including a fiduciary or an affiliate that, directly or indirectly, has or exercises discretionary authority or control or renders investment advice with respect to the assets of any ERISA Plan involved in the transaction) solely by reason of providing services to the Plan or by relationship to a service provider, provided that the ERISA Plan pays no more than adequate consideration in connection with the transaction. Because of the foregoing, the Bonds should not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Law.

Representation

Accordingly, by acceptance of a Bond (or any interest therein), each purchaser and subsequent transferee will be deemed to have represented and warranted that (i) either (1) it is not itself a Plan, is not acting on behalf of a Plan, and for so long as it holds the Bonds will not itself be a Plan or acting on behalf of a Plan, and no portion of the assets used by such purchaser or transferee to acquire and hold the Bonds constitutes assets of any Plan or (2) the purchase and holding of the Bonds (or any interest therein) by such purchaser or transferee, throughout the period that it holds such Bonds (or any interest therein), and the disposition of such Bonds (or any interest therein), will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any Similar Law.

In addition, without limiting the foregoing, by acquiring Bonds (or any interest therein), each purchaser or subsequent transferee that is acquiring the Bonds (or any interest therein) with the assets of an ERISA Plan will be deemed to have represented and warranted that none of the Managers, the Issuer, the Trustee, the Agents or their affiliates or representatives has acted or will act as the ERISA Plan's fiduciary (within the meaning of ERISA or the Code), or has been relied upon for any advice, with respect to the purchaser or transferee's decision to acquire the Bonds (or any interest therein).

The foregoing discussion is general in nature and is not intended to be all inclusive, nor should it be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Law to such investment and whether an exemption would be applicable to the purchase and holding of the Bonds.

This offer is not a representation by the Issuer or the Managers that an acquisition of the Bonds meets all legal requirements applicable to investments by Plans, entities whose underlying assets include assets of a Plan, or that such an investment is appropriate for any particular Plan, or entities whose underlying assets include assets of a Plan.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Managers or any of their respective affiliates or advisors.

Stock exchanges regulation

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 ("**SECC Regulations**"), which regulate, amongst other things, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

SEBI is empowered to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy- backs of securities, employees stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI Listing Regulations. The governing body of each recognised stock exchange is empowered to suspend trading of or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations.

In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Minimum level of public shareholding

Pursuant to an amendment to the SCRR in June 2010 and Regulation 38 of the SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25.00%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-based market-wide circuit breaker system

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index- based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10.00%, 15.00% and 20.00%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20.00% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Shares are listed. Established in 1875, it is the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA and has evolved over the years into its present status as one of the largest stock exchange in India. BSE is a listed stock exchange since 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked, screen-based trading facilities to market makers, to provide electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed “on-market” are exchanged through the National Securities Clearing Corporation Limited. After recognition as a stock exchange under the SCRA in April 1993, the NSE commenced operations in the wholesale debt market segment in June 1994 and operations in the derivatives segment in June 2000.

Internet-based securities trading and services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading hours

Trading on both, NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015, and came into effect on May 15, 2015, which repealed the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations, amongst other things, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, subject to certain exceptions (i) no insider shall communicate, provide or allow access to any unpublished price sensitive information relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE SHARES

Set forth below is a brief summary of some of the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable laws relating to the rights attached to the shares.

General

The authorized share capital of our Company is ₹ 147,780,000,000 comprising 29,555,980,000 equity shares of face value of ₹ 5 each and 1,000 preference shares of face value of ₹ 100 each.

Articles of Association

Our Company is governed by its Articles of Association.

Description of the Shares

Dividends

Under Indian law, an Indian company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held in each Fiscal Year. The Board may declare and pay interim dividends, which require confirmation of a majority of shareholders at the next AGM. The shareholders have no right to declare dividend at a rate higher than such rate recommended by the Board. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal Year except: (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous Fiscal Year arrived at as required to be computed in terms of the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Government of India or a State Government for payment of dividend by our Company in pursuance of a guarantee given by that Government.

The Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014 provides that if the profit for a year is inadequate or nil, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to free reserves, subject to the following conditions: (i) the rate of dividend to be declared shall not exceed the average of the rates at which dividend was declared by the company in the three years immediately preceding that year; (ii) the total amount to be drawn from such accumulated profits from previous years shall not exceed one-tenth of the sum of the paid-up share capital and free reserves as appearing in the latest audited financial statement; (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; (iv) the balance of reserves after withdrawal must not be below 15% of paid-up share capital as appearing in the latest audited financial statement. In accordance with the SEBI Listing Regulations, dividend declared by a company has to be on a per share basis only.

Subject to the provisions of the Companies Act, no shareholder shall be entitled to receive payment of any interest or dividends in respect of his Share(s), whilst any money may be due or owing from him to our Company in respect of such Share(s) either above or jointly with any other person and our Board may deduct from the dividend payable to any such shareholder all sums of money, if any, payable by such shareholder to our Company on account of calls or otherwise in relation to the Shares. Any dividend, interest or other monies in respect of the Shares may be paid in electronic mode or by cheque or warrant to the shareholder or person entitled or in case of joint-holders to the joint-holder first named in the register of members or to such person and to such address as the holder or the joint holders direct in writing to our Company.

The Articles of Association of our Company provide that the profits of our Company, subject to any special rights relating thereto created or authorised to be created by the Articles of Association and subject to the provisions of the Articles of Association, shall be divisible among the Shareholders in proportion to the amount of capital paid up on the share held by them respectively. Provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall unless our Board otherwise determine, only entitle the holder of such share to a proportionate amount of such dividend as from the date of payment. Our Company in general meeting may declare a dividend to be paid to our Shareholders according to their respective rights and interests in the profits and may, subject to the provisions of Section 127 of the Act, fix the time for payment. Further, our Board may from time to time declare and pay to the Shareholders such interim dividends as appear to our Board to be justified by the financial position of our Company.

Our Board has approved and adopted a formal dividend distribution policy in terms of Regulation 43A of the SEBI Listing Regulations, effective from October 25, 2016.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits our Board, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares. However, bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by our Board. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations and the Companies Act.

The Articles of Association of our Company provide that our Company may, in any general meeting, upon the recommendation of our Board, resolve that any part of the amount standing to the credit of share premium account or capital redemption reserve account or any money, investments or other assets forming part of the undivided profits of our Company (including profits or surplus moneys realised on sale of capital assets of the company) standing to the credit fund or reserve of our Company or in the hands of our Company and available for dividend be capitalised and distributed: (a) by the issue and distribution, among the Shareholders or any of them on the footing that they become entitled thereto as capital in accordance with their respective rights and interests and in proportion to the amount paid or credited as paid thereon of paid up shares, bonds or other obligations of our Company; or (b) by crediting shares of our Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid thereon respectively, with the whole or any part of the same remaining unpaid thereon.

Pre-Emptive Rights and Alteration of Share Capital

The Companies Act, 2013 and the Articles of Association give the Shareholders the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include: a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Shareholders in a general meeting.

Our Articles of Association provide that our Company may from time to time, by ordinary resolution:

(a) Increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.

(b) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares.

(c) Sub-divide its shares or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.

(d) Cancel any share, which, at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

Preference Shares

Our Articles of Association provide that our Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as determined by our Board in accordance with the Companies Act.

Section 47 of the Companies Act provides that any preference shareholder present at any meeting of our Company, shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares and, any resolution for the winding up of our Company or for the repayment or reduction of our equity or preference share capital and such preference shareholder's voting right on a poll shall be in proportion to their share in the paid-up preference share capital of our Company. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before our Company.

General Meetings

There are two types of general meetings of the shareholders, AGM and EGM.

Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice subject to the Companies Act and the Articles of Association. Unless the Articles of Association provide for a larger number, such number of shareholders shall constitute a quorum for a general meeting of our Company, whether AGM or EGM as specified under the Companies Act. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act and the rules made thereunder, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum of Association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or

extending guarantees in excess of limits prescribed in Section 186(3) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of dispatch of the notice. The shareholders may exercise their right to vote at general meetings or through postal ballot by voting through electronic voting mechanism.

Voting Rights

Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended deal with the exercise of right to vote by members by electronic means. In terms of Rule 20 and Regulation 44 of the SEBI Listing Regulations, every listed company (other than a Nidhi company or an enterprise or an institutional investor referred to in the SEBI ICDR Regulations) is required to provide to its members facility to exercise their right to vote at general meetings by electronic means. The Ministry of Corporate Affairs, has clarified that voting by show of hands would not be allowable in cases where Rule 20 is applicable. Subject to any rights or restrictions for the time being attached to any Shares, the Articles of Association of our Company provide that every member present in person shall have one vote on a show of hands, and on poll, the voting rights of the member shall be in proportion to the share held in the paid-up equity share capital of our Company.

Further, our Articles of Association provide that a member may exercise the vote at a meeting by electronic means in accordance with the Companies Act and shall only vote once.

Convertible Securities / Warrants

Our Articles of Association provide that our Company may issue debt instruments which are convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) in the general meeting of our Company, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of our Company in the general meeting by a special resolution. Our Company requires the approval of Pastel, subject to specified shareholding of Pastel, for the creation, allotment, variation, re-organization or issue of any convertible securities of our Company.

Register of Shareholders and Record Dates

Our Company is required to maintain the register of members in accordance with the Companies Act. The register of members includes the register of beneficial owners maintained by a Depository.

Under the SEBI Listing Regulations, a listed company shall give a notice in advance of at least seven days (excluding the date of intimation and the record date) to the stock exchanges, set a record date and/or close the register of shareholders.

Annual Reports / Financial Results

Subject to the provisions of the Companies Act (in terms of the time period, the matters that may be produced or laid before such meetings and otherwise), our Board shall convene the annual general meeting of the our shareholders within a period of six months, from the date of closing of financial year for the purpose of receiving the annual report, in relation to the immediately preceding Fiscal and the financial statements.

Under the Companies Act, our Company must file the annual report with the Registrar of Companies within 30 days from the date of the annual general meeting. Our Company must also publish its financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of the Company is situated.

The Company files certain information on-line, including its annual report, quarterly financial results, report on corporate governance and the shareholding pattern statement and such other statements, information and reports as may be specified by the SEBI from time to time, in accordance with the requirements of the SEBI Listing Regulations.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold). Our Company has entered into an agreement for such depository services with the NSDL and the CDSL. The SEBI requires that our Company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days from the date of receipt of request for transfer or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Shares shall be freely transferable subject to applicable laws. The notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with our Company.

Except in case of transmission or transposition of Shares, requests for effecting transfer of Shares shall not be processed unless the Shares are held in dematerialized form with a depository.

According to the Articles of Association of our Company, save as provided in Section 56 of the Companies Act, transfer of a Share shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to our Company together with the certificate or, if no such certificate is in existence, with the letter of allotment of the share and such other evidence as our Board may require to prove the title of transferor and transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members of our Company in respect thereof. Further, the provisions of Section 58 of the Companies Act, regarding powers to refuse registration of transfer and appeal against such refusal should be adhered to. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to our Company on any account whatsoever except when our Company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.

According to the Articles of Association of our Company, any committee or guardian of a person of unsound mind or minor or any person becoming entitled to the transfer of a share in consequence of the death or bankruptcy or insolvency of any Shareholder or by any other lawful means, upon producing such evidence that he sustains the character in respect of which he purposes to act or of his title as our Board thinks sufficient, may subject to the right of our Board to decline registration under Articles of Association, elect either: (a) to be registered himself as a holder of the share, or (b) to make such transfer of shares as the deceased or the insolvent Shareholder could have made.

Further, the Articles of Association of our Company provide that:

(a) Nothing contained in Section 56 of the Companies Act or the Articles of Association shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(b) No person / group of persons shall acquire any shares of our Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by the RBI India from time to time) of the total issued capital of our Company unless prior approval of the RBI has been obtained by such person / group of persons.

Acquisition by the Company of its own Shares

Our Company may buy back its own Shares subject to the provisions of the Companies Act and any related regulations and guidelines issued in connection therewith.

Liquidation Rights

Subject to the provisions of the Insolvency and Bankruptcy Code, 2016, as amended, Companies Act and rules made thereunder, if the company shall be wound up, the liquidator may, with the sanction of a special resolution of our Company, and any other sanction required by the Companies Act, divide amongst the shareholders in specie or kind, the whole or any part of the assets of our Company, whether they shall consist of property of the same kind or not.

In accordance with the provisions of the Articles of Association of our Company, for the purpose aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

FOREIGN INVESTMENT AND EXCHANGE CONTROLS

General

Foreign investment in Indian securities is regulated through FEMA and the various rules and regulations issued thereunder from time to time, including the precise manner in which such investment may be made. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2017 ("**FDI Policy**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI that were in force and effect as on August 27, 2017. The FDI Policy is amended and updated from time to time and will be valid until the DPIIT issues an updated circular.

The foreign investment in our Company is governed by, *inter alia*, the FEMA, as amended, the FEMA Non-Debt Rules, the FDI Policy issued and amended by way of press notes. The FEMA Non-Debt Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which, *inter alia*, regulate mode of payment and remittance of sale proceeds.

Foreign Investment

Foreign investment refers to any investment made by a person resident outside India on a repatriable basis in equity instruments of an Indian company or to the capital of a limited liability partnership. An Indian company may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditionalities prescribed in the FEMA Non-Debt Rules. FCCBs and depository receipts having underlying of instruments being in the nature of debt shall not be included in the sectoral cap.

However, any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned under the sectoral cap.

Foreign investment in India can be either through the automatic route where no prior approval of any regulatory authority is required or through the Government approval route. FEMA Non-Debt Rules prescribe sectoral caps for the sectors or activities as a limit indicated against each sector. The total foreign investment shall not exceed the sectoral or statutory cap. In sectors or activities not listed under the FEMA Non-Debt Rules or not prohibited under paragraph thereto, foreign investment is permitted up to 100% under automatic route, subject to applicable laws or regulations, security and other conditionalities. These conditions, *inter alia*, include certain minimum pricing requirements, compliance with the SEBI Takeover Regulations and ownership restrictions based on the nature of the non-resident investor.

Under the FEMA Non-Debt Rules, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted subsequent to the approval of the Government, subject to satisfaction of certain conditions. While our Company has filed an application dated June 7, 2019 before the DOT and DPIIT seeking approval for increase in foreign investment sectoral cap from 49% to 100%, until such application is approved, foreign investment in our Company is capped at 49% of our total paid up capital.

The FDI Policy and the FEMA Non-Debt Rules prescribe the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company. In relation to indirect foreign investment, FEMA Non-Debt Rules prescribe that indirect foreign investment refers to

downstream investment received by an Indian entity from: (A) another Indian entity which has received foreign investment and (i) the Indian entity is not owned and not controlled by resident Indian citizens, or (ii) is owned or controlled by persons resident outside India; or (B) an investment vehicle whose sponsor or manager or investment manager (i) is not owned and not controlled by resident Indian citizens or (ii) is owned or controlled by persons resident outside India.

In case of convertible equity instruments, the price or conversion formula of the instrument should be determined upfront at the time of issue of the instrument. The price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such instruments, in accordance with the FEMA Non-Debt Rules.

Equity instruments are required to be issued to the person resident outside India making such investment within 60 days from the date of receipt of the consideration. Where such equity instruments are not issued within 60 days from the date of receipt of the consideration the same shall be refunded to the person concerned by outward remittance through banking channels or by credit to his NRE/ FCNR (B) accounts, as the case may be within 15 days from the date of completion of 60 days. An Indian company issuing equity instruments to a person resident outside India and where such issue is reckoned as foreign direct investment, is required to report such issue in Form FC-GPR, not later than 30 days from the date of issue of equity instruments.

The RBI has introduced an online application, Foreign Investment Reporting and Management System ("**FIRMS**") to subsume all the existing reports. FIRMS provides for the Single Master Form ("**SMF**"). With the implementation of SMF, the reporting of FDI, which was a two-step procedure *viz.*, ARF and FC-GPR is merged into a single revised FC-GPR. With effect from September 1, 2018, certain forms including FC-GPR and FC-TRS were being made available for filing in SMF.

For details of the approval applied for by the Company to the DoT and DoT for foreign investment in our Company, see "*Indian Government and other Approvals*".

Investment by Foreign Portfolio Investors

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-issue equity share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI, including its investor group, shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together, including any other direct and shall indirect foreign investments in a company, not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. In case the total holding of an FPI, including its investor group, increases beyond 10% of the total paid-up equity capital of a company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by the SEBI and the RBI in this regard and the company and the investor will be required to comply with applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of the company. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 74% of the total paid-up equity share capital of our Company, respectively. However, as our current overall foreign investment limited is 49%, this is subject to such overall cap.

Investment by Non-Resident Indians

An NRI may purchase or sell equity instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India. The total holding by any individual NRI or Overseas Citizen of India is restricted to 5% of the total paid-up equity capital on a fully diluted basis or 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and Overseas Citizens of India put together is restricted to 10% of the total paid-up equity capital on a fully diluted basis or 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Investments made by NRIs on non-repatriation basis in accordance with the FEMA Non-Debt Rules will be treated as domestic investments at par with the investments made by residents.

Transfer of equity instruments of an Indian company by a person resident outside India

A person resident outside India holding equity instruments of an Indian company or units in accordance with the FEMA Non-Debt Rules may transfer such equity instrument or units in compliance with the applicable conditions prescribed under the FEMA Non-Debt Rules. A person resident outside India (not being a non-resident Indian or an overseas citizen of India or an erstwhile overseas corporate body) may transfer by way of sale or gift the equity instruments of an Indian company or units held by him to any person resident outside India.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Form FCTRS is required to be filed for transfer of equity instruments in accordance with the FEMA Non-Debt Rules, between: (a) a person resident outside India holding equity instruments in an Indian company on a repatriable basis and person resident outside India holding equity instruments on a non-repatriable basis; and (b) a person resident outside India holding equity instruments in an Indian company on a repatriable basis and a person resident in India. The onus of reporting is on the resident transferor/ transferee or the person resident outside India holding equity instruments on a non-repatriable basis, as the case may be. Transfer of equity instruments on a recognised stock exchange by a person resident outside India are required to be reported by such person in Form FC-TRS. The form FCTRS is required be filed within 60 days of transfer of equity instruments or receipt/remittance of funds whichever is earlier.

Laws in relation to ECB and Issue of FCCBs

The current laws relating to ECB as applicable to the issuance of the Bonds are embodied in the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 ("**New ECB Master Directions**") and the External Commercial Borrowings (ECB) Policy — New ECB Framework, issued by the RBI on January 16, 2019 ("**New ECB Policy**"). Under the ECB Guidelines (as defined hereinafter), ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECB under the following categories:

(i) foreign currency denominated ECB ("**FCY ECB**");

(ii) Indian Rupee denominated ECB ("**INR ECB**").

The ECB Guidelines rationalise the erstwhile external commercial borrowings framework by merging the erstwhile Track I (medium-term foreign currency denominated ECB) and Track II (long-term foreign currency denominated ECB) into one track as 'Foreign Currency Denominated ECB'.

The Ministry of Finance, Government of India, through the Issue of Foreign Currency Convertible Bonds And Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 and New ECB Master Directions, regulate the issuance of FCCBs by Indian companies. The notification relating to FCCBs has been amended from time to time by the Ministry of Finance, and certain relaxations in the guidelines have also been notified by the RBI. An Indian company which is not eligible to raise funds from the Indian capital market including a company which has been restrained from accessing the securities market by the SEBI will not be eligible to issue FCCBs. An eligible Indian company may issue FCCBs to persons resident outside India either, through the automatic route, or with approval of the RBI, in accordance with the New ECB Master Directions.

"**ECB Guidelines**" herein refer to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and the circulars issued thereunder by the RBI, the New ECB Master Directions, New ECB Policy and the Master Directions on Reporting under the Foreign Exchange Management Act, 1999 dated January 1, 2016, each as amended from time to time.

Automatic route

For the automatic route, the cases are examined by the Authorised Dealer Category-I banks. Under the ECB Guidelines, all entities which are eligible to receive foreign direct investment are eligible to raise ECB. The minimum average maturity period for ECBs is at least three years, and longer maturity periods apply in certain cases, depending on the end-use proposed for such ECB.

The ECB Guidelines require that lenders, with respect to ECB, should be residents of FATF or IOSCO compliant countries. Further, multilateral and regional financial institutions, where India is a member country, shall also be considered as recognised lenders. Further, (i) the New ECB Policy permits individuals as ECB lenders provided they are foreign equity holders or for subscription to bonds/ debentures listed abroad, and (ii) foreign branches and subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB.

In relation to the utilisation of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities, (ii) investment in capital market, and (iii) equity investment. Further, proceeds from an ECB cannot be utilized for (i) working capital purposes, (ii) general corporate purposes and (iii) repayment of rupee loans except in certain cases. Additionally, on-lending for any of the aforementioned activities is prohibited under the ECB Guidelines except in case of ECB raised by non-banking finance companies in certain cases.

Further, the maximum amount which can be raised every fiscal year by an eligible borrower under the automatic route is U.S.$750 million or its equivalent. The all-in cost (which includes rate of interest, other fees, guarantee fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, payments for withholding tax in Rupees) for both FCY ECB and INR ECB is benchmark rate plus basis points spread. The benchmark rate in case of FCY ECB refers to 6-month LIBOR of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing, while the benchmark rate in case of Rupee denominated ECB (INR ECB) will be the prevailing yield of the Government of India securities of corresponding maturity. As per the ECB Guidelines, various components of all-in-cost have to be paid by the borrower without taking recourse to the drawdown of ECB, *i.e.*, ECB proceeds cannot be used for payment of interest or charges.

Additionally, for FCCBs, the issue related expenses should not exceed 4% of the issue size and in case of private placement, these expenses should not exceed 2% of the issue size, etc.

Approval route

All ECB falling outside the automatic route limits are considered by the RBI under the approval route, wherein prospective borrowers are to send their requests to RBI through the Authorised Dealer banks ("**AD Bank**").

Pricing Guidelines for FCCBs

The pricing of FCCBs should not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the Indian stock exchanges during the two weeks preceding the relevant date. The "relevant date" is the date of the meeting in which the board of directors of the issuer company or a committee of directors duly authorised by the board of directors of the issuer company decides to open the proposed issue.

Filing and Regulatory Requirements in relation to Issuance of Bonds

An ECB borrower is required to obtain a LRN from the RBI before an issuance of Bonds is effected. To obtain this, ECB borrowers are required to submit a completed Form ECB certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the completed Form ECB to the RBI. An ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI.

Procedure in relation to any change to the terms and conditions of the ECB

Subject to certain conditions, the AD Bank can approve any requests from the borrowers for changes in respect of ECB, except for FCCBs or foreign currency exchangeable bonds.

Any redemption of the Bonds prior to satisfaction of the minimum average maturity period prescribed under the ECB Guidelines, including on occurrence of an Event of Default or pursuant to the Bondholder or Issuer redemption rights in Condition 8 of the Terms and Conditions (as further described in the Terms and Conditions) will require the prior approval of the RBI.

Regulatory Requirements in relation to issuance of foreign currency denominated ECB

Pursuant to the ECB Guidelines, any entity which can accept foreign direct investment, can issue, among others, FCCBs, foreign currency denominated floating/fixed rate notes/bonds/debentures (other than fully and compulsorily convertible instruments) with a three-year minimum maturity period.

The Bonds can be subscribed or purchased by any recognised lender as detailed above. Foreign branches / subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB (except FCCBs and foreign currency exchangeable bonds). Foreign branches / subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market-makers/traders for Rupee denominated bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks is not allowed.

The entities raising ECB are required to follow the guidelines for hedging issued, if any, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. Infrastructure space companies are required to have a board approved risk management policy. Such companies are also required to mandatorily hedge 70% of their ECB exposure in case the average maturity is less than five years. The ECB borrower will be required to cover principal as well as coupon through financial hedges. A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB. The financial hedge for all exposure on account of ECB should start from the time of each such exposure (*i.e.*, the day liability is created in the books of the borrower). A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB.

Natural hedge, in lieu of financial hedge, will be considered only to the extent of offsetting projected cash flows/revenues in matching currency, net of all other projected outflows. For this purpose, an ECB may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year.

Change of currency of ECB from one freely convertible foreign currency to any other freely convertible foreign currency as well as to INR is freely permitted.

INDIAN GOVERNMENT AND OTHER APPROVALS

The offering is being made entirely outside India. This Offering Circular or any other document or material relating to the Bonds has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Bonds have not been, and will not be, offered or sold directly or indirectly in India or to, or for the account or benefit of, any person resident in India. If you purchase any of the Bonds, you will be deemed to have acknowledged, represented and agreed that you are eligible to invest in the Bonds and the Shares to be issued upon conversion of the Bonds under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Bonds and the Shares to be issued upon conversion of the Bonds.

Each purchaser of Bonds will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Bonds will bear a legend to the effect that the securities evidenced thereby may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the Bonds account of, such persons, unless we may determine otherwise in compliance with applicable law.

This Offering Circular has not been and will not be filed, registered, produced, published or made available as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Circular which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

This Offering Circular or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction.

For the purposes of this section, FATF compliant jurisdiction and IOSCO compliant jurisdiction shall have the following meaning:

"**FATF compliant jurisdiction**" – a country that is a member of Financial Action Task Force ("**FATF**") or a member of a FATF-style regional body; and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

"**IOSCO compliant jurisdiction**" – a country whose securities market regulator is a signatory to the International Organization of Securities Commission's ("**IOSCO's**") Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements.

This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Circular and the Bonds are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India.

The Shares issued on conversion of the Bonds are to be listed on the Indian stock exchanges on which the Shares are now listed. We have undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing and trading on the BSE and NSE.

Under the FDI Policy, issued by the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted subsequent to the approval of the Government, subject to satisfaction of certain conditions. As of December 31, 2019, the total foreign investment in our Company was 42.73% which may further increase upon completion of this Issue and the QIP Issue. Our Company has filed an application dated June 7, 2019 before the DoT and DPIIT seeking approval for increase in foreign investment sectoral cap from 49% to 100%. However, until such application is approved, our foreign investment is capped at 49%. The Company is required to make certain post-issue filings with the RBI. However, as stated elsewhere in this Offering Circular, in all cases of early redemption or repayment, under current regulations of the RBI applicable to convertible bonds, prior approval of the RBI for such earlier redemption or repayment will be necessary. See *Risk Factors – Risks Relating to the Bonds and the Shares – RBI approval is required for repayment of the Bonds in certain circumstances, including upon redemption or an Event of Default*" and "*Risk Factors – Risks Relating to the Bonds and the Shares – The Issuer may not have the ability to redeem the Bonds*".

The Companies Act, 2013, as amended and the rules framed thereunder, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended and circulars or notifications issued thereunder by the RBI from time to time, allows all entities which are eligible to received foreign direct investment are eligible to raise ECBs (including FCCBs) (i) exceeding U.S. $750 million under the "approval route" (with prior approval of the RBI); and (ii) up to U.S. $750 million under the "automatic route" (without prior approval of the RBI), and subject to compliance with certain conditions specified therein. In accordance with the above rules and regulations, the Company is undertaking the present issue of Bonds.

The following filings are also required to be made by us in connection with issuance of the Bonds and at the time of conversion of Bonds into Shares:

(i) filing with the RBI (through an AD Category I Bank) on Form ECB, before issuance of the Bonds to obtain the loan registration number;

(ii) filing of return of allotment with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi at the time of conversion of Bonds into Shares;

(iii) filing of information on the Foreign Investment Reporting and Management System upon conversion of Bonds into Shares in the prescribed Single Master Form (for Form FC-GPR); and

(iv) monthly filing with the RBI (through an AD Category I Bank) in the prescribed Form ECB 2 Return.

TAXATION

INDIAN TAXATION

The following is a summary of the Indian tax consequences of an investment in Bonds and Shares by investors who are not resident in India. This summary is not a complete guide on the tax consequences under Indian law with respect to the acquisition, ownership or sale of Bonds or of other transactions involving Bonds or of the conversion of the Bonds into Shares or redemption of Shares or sale of the Shares by non-resident investors. Prior to making a decision to invest, potential investors should, therefore consult their own tax advisers on the tax consequences of such transactions under Indian law, the law of the jurisdiction of their residence and any tax treaty between India and their country of residence.

The Income-tax Act, 1961 ("**Act**") is the law relating to taxes on income in India. The Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arisen in India. Sections 4, 5, 6 and 9 of the Act set forth the circumstances under which persons not resident in India are subject to income tax in India.

Bondholders are advised to consult their own tax consultants with respect to the tax implications of an investment in the same particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

1 Residence for the purpose of the Income-tax Act, 1961

For the purpose of the Act, an individual is said to be resident in India if, in any financial year ending on 31st March, the individual: (i) is in India for 182 days or more; or (ii) having been in India for 365 days or more during the four years preceding the year ended 31 March and is in India for 60 days or more in that year ended 31 March. However, in the case of an Indian citizen or a person of Indian origin who is not resident in India and visits India during the financial year or, an Indian citizen who leaves India as a member of a crew of an Indian ship or for the purpose of employment outside India during the year ending on 31st March, the 60 days period in (ii) above is extended to 182 days.

A company is resident in India in any year ended 31 March, if it is an Indian company or if its place of effective management, in that year, is in India. An Indian company means a company formed and registered under the Companies Act and includes a company formed and registered under any law relating to companies formerly in force in India or, a corporation established by or under a Central, State or Provincial Act of India or, an institution, association or a body declared by the Central Board of Direct Taxes of India to be a company for the purpose of the Act; provided that the registered office or, as the case may be, the principal office of the company, corporation, institution, association or body is in India. Further, place of effective management means a place where the key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are in substance made.

A firm or other association of persons, and every other person is regarded as resident in India except where, during the financial year ending on 31st March, the control and the management of its affairs are situated wholly outside India.

2 Interest Income from Bonds of an Indian Company

Interest on Bonds may not be subject to taxes in India, if proceeds of the issuance of Bonds are used for purposes of business carried on by the Company outside India or for the purposes of making or earning any income from any source outside India. However, should the proceeds be used for the purposes of the business of the Company or for the purposes of making or earning any income from any source in India, non-resident investors would be liable to pay tax on the interest paid on Bonds.

As per provisions of section 115AC of the Act, interest income on Bonds of an Indian Company by a nonresident Bondholder issued in accordance with the scheme notified by the Central Government (*Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme 1993)* and purchased in foreign currency shall be chargeable to tax at the rate of 10% (plus applicable surcharge and cess).

Section 115A read with section 194LC of the Act provides that payment of interest in respect of monies borrowed by an Indian company in foreign currency from a source outside India by way of issue of any long term bonds issued after October 1, 2014 but before July 1, 2020, shall be subject to tax at the rate of 5 per cent (plus applicable surcharge and cess) subject to the fulfilment of the condition that such borrowing and the rate of interest is approved by the Central Government. The tax withheld under section 194LC on such interest shall be the final tax payable by the non-resident. Accordingly, where borrowing and rate of interest is so approved, section 115A read with section 194LC of the Act being a more beneficial provision may prevail over section 115AC of the Act.

3 Capital Gains on transfer/redemption of Bonds

As per section 47(viia) of the Act, transfer of Bonds made outside India by a non-resident Bondholder to another non-resident shall not give rise to any capital gains tax in India. Section 115AC of the Act also provides that income by way of long-term capital gains arising from the transfer of Bonds (held for more than thirty six months) of an Indian company issued in foreign currency shall be chargeable to tax at a rate of 10% (plus applicable surcharge and cess).

Short term capital gains on transfer of Bonds (held for not more than thirty six months) shall be chargeable to tax at variable rates (subject to the legal status of the non-resident Bondholder). Applicable tax rates are:

- variable rates upto a maximum rate of 30% (plus applicable rate of surcharge and cess) in case of individuals, Hindu undivided family, association of persons, body of individuals and artificial juridical person;
- 40% (plus applicable rate of surcharge and cess) in case of company incorporated outside India except in the case of FPIs in which case the tax rate will be 30% (plus applicable rate of surcharge and cess).

Accordingly, on redemption of Bonds, the surplus, if any, arising in the hands of non-resident Bondholder may be taxed as long term capital gains at the concessional rate of 10% (plus applicable rate of surcharge and cess), if the Bonds have been held by the non-resident Bondholder for more than thirty six months and at variable rates (subject to the legal status) as mentioned in above para, upto a maximum rate of 40% (plus applicable rate of surcharge and cess), if held otherwise.

4 Withholding of tax

Section 196C of the Act provides for withholding of tax on interest on Bonds and taxable long term capital gains on transfer of Bonds (as referred in section 115AC above) to be made at a rate of 10% (plus applicable rate of surcharge and cess).

Subject to fulfillment of certain conditions, section 194LC of the Act provides for withholding of tax on interest on Bonds payable to a non-resident at the rate of 5% (plus applicable rate of surcharge and cess).

Further, as regards income in the nature of short term capital gains, the tax is required to be withheld under section 195 of the Act at the rates in force i.e. rate of tax specified under the Act or relevant Double Taxation Avoidance Agreement (whichever is beneficial). Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Bond Holder may obtain and furnish a certificate under section 195(3) or section 197 of the Act, from the Assessing Officer.

5 Conversion of Bonds into shares

- As per section 47(x) of the Act, conversion of bonds into shares shall not give rise to any capital gains liable to income tax in India.
- As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (on which DDT is paid by an Indian company) is exempt from tax.

Taxation on sale of Shares

Capital gains arising to the non-resident investor on the transfer of the Shares (whether such transfer occurs in India or outside India to a non-resident investor) will be liable to income tax under the provisions of the Act. If the Shares (including shares issuable on the conversion of the Bonds) are held by the non-resident investor for a period of more than 12 months from the date of advice of their redemption by the depositary, the capital gains arising on the sale thereof, in excess of Rs. 100,000 will be taxable under section 112A of the Act at the rate of 10% (plus applicable surcharge and cess), subject to payment of STT. If Shares are held for a period of not more than 12 months from the date of redemption advice, the capital gains arising on the sale thereof is to be treated as short term capital gains and the same will be taxable under section 111A at the rate of 15 per cent. (plus surcharge and education cess), subject to payment of STT. Any long term capital gains realised on the sale of shares on which no STT has been paid will be subject to capital gains tax at the rate of 10 per cent. (plus applicable surcharge and education cess). Any short term capital gains realised on the sale of shares on which no STT has been paid will be subject to capital gains tax of up to 40 per cent. (plus applicable surcharge and education cess) since the actual rate of tax on short term capital gains depend on a number of factors, including the legal status of the non-resident investor. The STT will be levied on and collected by a domestic stock exchange on which equity shares are sold at the rate of 0.025 per cent. to 0.1 per cent., depending upon the nature of the transaction. It may be noted that, capital gain tax, surcharge and education cess accruing to a non-resident would be withheld at source.

However, as per the provisions of section 196D(2) of the Act, no withholding tax is required to be deducted from any income by way of capital gains arising to FPIs as defined in section 115AD of the Act on the transfer of securities defined in section 115AD of the Act.

1 Tax Treaties

The provision of the Agreement for Avoidance of Double Taxation entered by the Government of India with the country of residence of the non-resident Bondholder / shareholder (as the case may be) will be applicable to the extent more beneficial to the non-resident investor.

Accordingly, taxability of interest and capital gains in India in the hands of non-resident Bondholder shall be governed by the provisions of the relevant tax treaty subject to fulfilment of the conditions provided under the Act or the applicable tax treaty. Under the Act, tax treaty benefit is available subject to condition which *inter alia* include furnishing of the Tax Residency Certificate ('TRC') issued by the government of the country of

which the non-resident Bondholder may be a resident and a self-declaration in Form 10F, if required to be furnished.

2 GAAR

With regards to GAAR, the provisions have come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Act as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the taxpayer. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including the ability to deny a tax benefit or deny a benefit under a tax treaty.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Bonds or Shares into which the Bonds may be converted by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Bonds at the "issue price" (the first price at which a substantial amount of Bonds are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders and that will hold the Bonds or Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Bonds or Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5% or more of the shares of the Issuer by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Bonds or Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Bonds or Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Bonds or Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Bonds or Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships

for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Bonds or Shares by the partnership.

Except as otherwise noted, the summary assumes that the Issuer is not a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes. However, the Issuer's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Issuer is a PFIC in any taxable year during which a U.S. Holder holds the Shares, materially adverse consequences could result for such U.S. Holder.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed U.S. Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING BONDS OR SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Bonds

U.S. Federal Income Tax Characterization of the Bonds

U.S. Treasury regulations provide that, subject to certain exceptions, a debt instrument that provides for one or more contingent payments is a "contingent payment debt instrument" ("**CPDI**"). In certain circumstances, we may be obligated to make additional payments on the Bonds in excess of the stated interest and principal amount (e.g., as described under "*Terms and Conditions of the Bonds—Taxation*," and "*Terms and Conditions of the Bonds—Change of Control Put Option*"). These payments could be viewed by the IRS as causing the Bonds to be treated as CPDIs. If the Bonds are properly characterized as CPDIs for U.S. federal income tax purposes, U.S. Holders would be required to recognise income for U.S. federal income tax purposes at different times and in significantly different amounts than described below, to treat any income realised on the sale, exchange or retirement of a Bond as ordinary income rather than capital gain, and to suffer additional adverse U.S. federal income tax consequences. To the extent the Issuer is required to take a position, it intends to take the position that the Bonds are not CPDIs for U.S. federal income tax purposes. The Issuer's determination is binding on a U.S. Holder unless such holder expressly discloses that it is adopting a contrary position on its income tax return. No assurance, however, can be given that this characterization will be accepted by the IRS or a court. Prospective purchasers of the Bonds should consult their own tax advisers regarding the possible treatment of the Bonds as CPDIs. The remainder of this discussion assumes that the Bonds will not be treated as CPDIs.

Stated Interest

Interest on the Bonds (including any Additional Amounts paid in respect of withholding taxes and before reduction for any Indian withholding tax paid with respect thereto) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder's method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Bonds and original issue discount ("**OID**"), if any, accrued with respect to the Bonds (as described below under "—Original Issue Discount") will constitute income from sources outside the United States.

Subject to certain limitations, a U.S. Holder generally will be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for any Indian income taxes

withheld by the Issuer. Interest generally will constitute "passive category income" for purposes of the foreign tax credit. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Bonds.

Original Issue Discount

The Bonds are expected to be issued with more than a de minimis amount of OID. The amount of a Bond's OID is the excess of the Bond's stated redemption price at maturity over its issue price. In general, the stated redemption price at maturity of a Bond is the total of all payments provided by the Bond that are not payments of qualified stated interest. An interest payment on a debt security generally is qualified stated interest if it is one of a series of stated interest payments on a debt security that are unconditionally payable at least annually at a single fixed rate.

U.S. Holders of Bonds must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Bonds. The amount of OID includible in income by a U.S. Holder of a Bond is the sum of the daily portions of OID with respect to the Bond for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Bond ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Bond may be of any length selected by the U.S. Holder and may vary in length over the term of the Bond as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Bond occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Bond's adjusted issue price at the beginning of the accrual period and the Bond's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Bond allocable to the accrual period. The "adjusted issue price" of a Bond at the beginning of any accrual period is the issue price of the Bond increased by the amount of accrued OID for each prior accrual period and decreased by the amount of payments previously made on the Bond that were not interest payments.

Sale or Other Taxable Disposition

A U.S. Holder generally will recognise gain or loss on the sale or other taxable disposition of a Bond equal to the difference between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Bond. A U.S. Holder's adjusted tax basis in a Bond will be its cost increased by the amount of any OID included in the U.S. Holder's income with respect to the Bond. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income.

Gain or loss recognised by a U.S. Holder on the sale or other taxable disposition of a Bond will be capital gain or loss and will be treated as long-term capital gain or loss if the Bond was held by the U.S. Holder for more than one year. Because gains on a sale or other taxable disposition of the Bonds generally will be treated as U.S. source, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of the Bonds may be limited. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or other taxable disposition of the Bonds.

Constructive Distributions

The Conversion Price of Bonds may be adjusted in certain circumstances. An adjustment (or a failure to make an adjustment) that has an effect of increasing a U.S. Holder's proportionate interest in the Issuer's assets or earnings may in some circumstances result in a constructive distribution to a U.S. Holder for U.S. federal income tax purposes. Adjustments to the Conversion Price made pursuant to a bona fide reasonable adjustment formula that have the effect of preventing the dilution of the interest of the Bondholders, however,

will generally not be deemed to result in a constructive distribution to a U.S. Holder. Certain of the possible Conversion Price adjustments provided for with respect to the Bonds (including, without limitation, adjustments in respect of taxable dividends to the holders of the Issuer's common stock), may not qualify as being made pursuant to a bona fide reasonable adjustment formula. If such a failure to qualify were to occur, a U.S. Holder would be deemed to have received constructive distributions includible in such holder's income in the manner described under "—Shares—Dividends" below even though the U.S. Holder would not have received any cash or property as a result of such adjustments. U.S. Holders should consult their own tax advisers with respect to the tax consequences of any conversion adjustment.

Conversion of Bonds

A U.S. Holder's conversion of Bonds into Shares generally will not be a taxable event for U.S. federal income tax purposes. A U.S. Holder's holding period in Shares received upon conversion should generally include such holder's holding period in the Bonds converted. A U.S. Holder's aggregate tax basis in Shares received upon conversion should generally be the same as such holder's basis in the Bonds converted. A U.S. Holder's holding period in shares received upon conversion that are attributable to accrued interest will begin on the day following the conversion.

Shares

Dividends

Subject to the PFIC rules discussed below, distributions paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid with respect thereto, will generally be taxable to a U.S. Holder as dividend income and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Shares will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

Dividends paid by the Issuer generally will be taxable to a non-corporate U.S. Holder at the reduced rate normally applicable to long-term capital gains, provided the Issuer qualifies for the benefits of the Treaty and certain other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Issuer if the Issuer is treated as a PFIC in the taxable year in which the dividends are received or in the preceding taxable year. See "—Passive Foreign Investment Company Considerations" below.

Dividends paid in Rupees will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received, regardless of whether the Rupees are converted into U.S. dollars at that time. If dividends received in Rupees are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Subject to generally applicable limitations, a U.S. Holder may claim a deduction or a foreign tax credit only for Indian tax withheld at the appropriate rate. Dividends paid by the Issuer will generally constitute foreign source income in the "passive category income" basket for foreign tax credit purposes. The rules regarding foreign tax credits are complex. Prospective purchasers should consult their tax advisers as to the availability of, and limitations on, any foreign tax credit attributable to the payment of any Indian tax.

Sale or Other Taxable Disposition

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of the Shares that are not paid in U.S. dollars, including potential recognition of foreign currency gain or loss.

Because gains on a sale or other taxable disposition of the Shares generally will be treated as U.S. source, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of the Shares may be limited. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or other taxable disposition of the Shares.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Issuer does not believe that it was a PFIC in its most recent taxable year and does not expect to become a PFIC in the current taxable year or in the foreseeable future, but the Issuer's possible status as a PFIC must be determined annually and therefore may be subject to change.

If the Issuer were a PFIC in any taxable year during which a U.S. Holder holds Shares, such U.S. Holder would be required to (i) pay a special U.S. addition to tax on certain distributions and gains on the sale or other disposition of the Shares, and (ii) pay tax on any gain from the sale or other disposition of the Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain Under proposed U.S. Treasury regulations that have a retroactive proposed effective date, the sale or other disposition of the Bonds (other than a conversion into Shares) would be treated in the same manner. Additionally, dividends paid by the Issuer would not be eligible for the special reduced rate of tax described above under "Dividends".

If the Issuer were a PFIC for any taxable year during which a U.S. Holder holds Shares, such U.S. Holder may be eligible to make elections that may mitigate the adverse tax treatment discussed above.

Additionally, if the Issuer were a PFIC for any taxable year during which a U.S. Holder owned any Bonds or Shares, the U.S. Holder would generally be required to file annual reports with the IRS. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Payments of principal and interest (including OID) on, and the proceeds of sale or other taxable disposition of Bonds, as well as dividends and proceeds of a sale or other taxable disposition with respect to Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply

to the ownership or disposition of the Bonds or Shares, including requirements related to the holding of certain foreign financial assets.

SUBSCRIPTION AND SALE

Under the terms and subject to the conditions contained in a purchase agreement dated January 14, 2020 (the "**Purchase Agreement**") among the Issuer and the Managers, the Managers have severally agreed to purchase from the Issuer, and the Issuer has agreed to sell to the Managers, the aggregate principal amount of the Bonds set forth opposite its name below:

Managers	**Principal Amount of Bonds (U.S.$)**
Barclays Bank PLC	200,000,000
BNP Paribas Securities (Asia) Limited	200,000,000
Citigroup Global Markets Limited	200,000,000
GOLDMAN SACHS (ASIA) L.L.C.	200,000,000
J.P. Morgan Securities plc	200,000,000
DBS Bank Ltd.	0
Total	1,000,000,000

The Purchase Agreement provides that the obligations of the Managers to take and pay for the Bonds are subject to the approval of certain legal matters by their counsel and certain other conditions. The Managers have severally agreed to take and pay for all of the Bonds. The Purchase Agreement provides that upon the occurrence of certain events, the Purchase Agreement may be terminated by the Managers. After the initial offering, the offering price and other selling terms may be varied from time to time by the Managers.

The Issuer has agreed to indemnify the Managers against certain liabilities and to contribute to payments which the Managers may be required to make in respect thereof.

The Bonds are a new issue of securities with no established trading market. Our Company has received an approval-in-principle for the listing and quotation of the Bonds on the Singapore Exchange. The Issuer has been advised that the Managers presently intend to make a market in the Bonds, as permitted by applicable laws and regulations. The Managers are not obligated, however, to make a market in the Bonds, and any such market making may be discontinued at any time without prior notice at the sole discretion of the Managers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Bonds.

In connection with this offering, the Managers and/or any of their affiliates may purchase the Bonds for their own account and enter into transactions, including (i) credit derivatives (including convertible asset swaps, repackaging transactions and credit default swaps) relating to the Bonds and/or the Issuer's securities, and (ii) equity derivatives and stock loan transactions relating to the Shares. Such transactions may occur either at the same time as the offer and sale of the Bonds, or in secondary market transactions. Such transactions would be carried out as bilateral transactions with selected counter-parties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counter-parties may also be purchasers of the Bonds). As a result of such transactions, a Manager or its affiliates may hold long or short positions relating to the Bonds. The Managers or certain of their affiliates may purchase the Bonds and be allocated Bonds or the Shares issuable upon conversion of the Bonds for asset management and/or proprietary purposes but not with a view to distribution.

It is expected that delivery of the Bonds will be made against payment therefor on or about the Issue Date, which will be the third business day following the date of pricing of the Bonds. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Bonds on the date of pricing will be required, by virtue of the fact that the Bonds initially will settle three business days following the pricing date (T+3), to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Bonds who wish to trade the Bonds on the date of pricing should consult their own advisor.

The Company has undertaken in the Purchase Agreement that it will not, for a period of 60 days after the Closing Date, without the prior written consent of the Managers (a) directly or indirectly, issue, offer, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares or publicly announce an intention with respect to any of the foregoing, (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Shares or any securities convertible into or exercisable or exchangeable for Shares or publicly announce an intention to enter into any such transaction, whether any such swap or transaction described in Clause (a) or (b) hereof is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) deposit Shares or any securities convertible into or exercisable or exchangeable for Shares or which carry the right to subscribe for or purchase Shares in depositary receipt facilities or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Shares in any depositary receipt facility, or publicly announce any intention to enter into any transaction, other than (i) the issue and offering of the Bonds in the Issue and the Shares issuable upon the conversion of the Bonds as contemplated in this Offering Circular and the issue and offering of any further Bonds pursuant to Condition 16 of the Terms and Conditions of the Bonds, provided that the total aggregate principal amount of Bonds does not exceed US$1 billion, and the Shares issuable upon the conversion of such further Bonds; (ii) the issue of Shares pursuant to the concurrent offering by the Issuer; (iii); the issue of Shares pursuant to the exercise of any options granted under, or the grant of further options in terms of, any employee stock option scheme of the Issuer outstanding on the Closing Date.

Bharti Telecom Limited ("**BTL**") has agreed that without the prior written consent of the Managers, BTL shall not during the period commencing on the date hereof and ending 60 days from the date of the Closing Date (both dates inclusive) ("**Lock-up Period**"), directly or indirectly:

(a) pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of its shareholding in the Company ("**Lock-up Shares**"), which shall include all Shares that BTL may acquire during the Lock-up Period or any other securities of the Company, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Shares or any such substantially similar securities, whether now owned or hereinafter acquired;

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Lock-up Shares and any securities that are convertible into, exercisable or exchangeable for Shares or any such substantially similar securities, whether now owned or hereinafter acquired,

whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise,

(c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility, or

(d) publicly announce its intention to enter into the transactions referred to in (a) to (c) above.

Nothing would restrict the inter-se transfer of any Shares between Promoter and members of our Promoter Group. In addition, BTL, without the prior written consent of the Managers, shall not during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Shares or any other securities of the Company substantially similar to the Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that this offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, this offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer in such jurisdiction.

Selling restrictions

General

No action has been or will be taken in any jurisdiction by us or the Managers that would permit a public offering of the Bonds or the possession, circulation or distribution of this Offering Circular (in preliminary or final form) or any other material relating to us or the Bonds in any jurisdiction where action for the purpose is required. Accordingly, the Bonds and the Shares issuable upon conversion of the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose hands this Offering Circular comes are required by us and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Bonds or have in their possession, distribute or publish this Offering Circular (in preliminary or final form) or any other offering material relating to the Bonds, in all cases at their own expense. This Offering Circular does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Circular comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this Offering Circular and resales of the Bonds and the Shares issuable upon conversion of the Bonds. See "*Transfer Restrictions*."

United States

The Bonds have not been and the Bonds and the Shares issuable upon conversion of the Bonds will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has agreed that, except as permitted by the Purchase Agreement, it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Bonds (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth

the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. The Purchase Agreement provides that the Managers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of the Bonds within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

European Economic Area

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, (as amended, (the "**Prospectus Regulation**"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds and Shares to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

United Kingdom

Each Manager has represented, warranted and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of The Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (ii) it has complied, and will comply with, all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

India

Each Manager has represented, warranted and agreed that it has not offered or sold and will not offer or sell any Bonds in the Republic of India and has not made and will not make any invitation in the Republic of India to subscribe for the Bonds. The offering is being made entirely outside India. This Offering Circular or any other document or material relating to the Bonds has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Bonds have not been, and will not be, offered or sold directly or indirectly in India or to, or for the account or benefit of, any person resident in India. If you purchase any of the Bonds, you will be deemed to have acknowledged, represented and agreed that you are eligible to invest in the Bonds and the Shares to be issued upon conversion of the

Bonds under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Bonds and the Shares to be issued upon conversion of the Bonds.

Each purchaser of Bonds will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Bonds will bear a legend to the effect that the securities evidenced thereby may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the Bonds account of, such persons, unless we may determine otherwise in compliance with applicable law.

This Offering Circular has not been and will not be filed, registered, produced, published or made available as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Circular which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

This Offering Circular or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction.

For the purposes of this section, FATF compliant jurisdiction and IOSCO compliant jurisdiction shall have the following meaning:

"**FATF compliant jurisdiction**" – a country that is a member of Financial Action Task Force ("**FATF**") or a member of a FATF-style regional body; and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

"**IOSCO compliant jurisdiction**" – a country whose securities market regulator is a signatory to the International Organization of Securities Commission's ("**IOSCO's**") Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements.

The Bonds will not be offered or sold, and have not been offered or sold, in India by means of any document and this Offering Circular or any other offering document or material relating to the Bonds will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of any Indian laws.

Singapore

Each of the Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Managers has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or the Shares issuable upon conversion of the Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, be circulated or distributed, whether directly or indirectly, to any persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification*: In connection with Section 309B of the SFA and the Securities and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Hong Kong

Each Manager has represented, warranted and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made thereunder, except for securities which are a "structured product" as defined in the SFO or any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined

in the Companies Ordinance of Hong Kong (Cap. 32) (the "**CO**") or that do not constitute an offer or invitation to the public within the meaning of the CO or the SFO; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Cayman Islands

No offer or invitation to subscribe for Bonds may be made to the public in the Cayman Islands.

Canada

Each Manager has represented, warranted and agreed that (i) the Bonds have not been and the Bonds and the Shares issuable upon conversion of the Bonds will not be registered under the laws of any province or territory of Canada, and (ii) the Bonds and the Shares issuable upon conversion of the Bonds may not be offered or sold in Canada or to, or for the benefit of, residents of Canada except to purchasers resident in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland which are both an "accredited investor" as defined in National Instrument 45- 106 Prospectus and Registration Exemptions and a "permitted client" as defined in National Instrument 31-103 "Registration Requirements, Exemptions and Ongoing Registrant Obligations." Any resale of the Bonds and the Shares issuable upon conversion of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities law, National Instrument 33-105 Underwriting Conflicts (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters. To the extent any conflict of interest between the Issuer and any of the underwriters (or any other dealer acting in connection with this offering) may exist in respect of this offering, the applicable parties to this offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33-105 (Exemption based on U.S. disclosure).

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Bonds (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Switzerland

The Bonds may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Offering Circular

does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Bonds or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, the Company, the Bonds have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Bonds will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Bonds has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Bonds.

People's Republic of China

This Offering Circular does not constitute a public offer of the Bonds, whether by way of sale or subscription, in the People's Republic of China ("**PRC**"). The Bonds are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Bonds may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

Other relationships

The Managers and some of their respective affiliates have, from time to time, performed, and may in the future perform certain commercial banking, investment banking and advisory and other banking services for the Issuer and their respective affiliates for which they have received or will receive customary fees and expenses. The Managers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve the Issuer's securities and other financial instruments, including the Bonds and the Shares issuable upon conversion of the Bonds. The Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or the Issuer's other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments.

Each Manager and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer or any of their affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Manager and its affiliates may, from time to time after completion of the offering of the Bonds, engage in other transactions with, and perform services for, the Issuer or their affiliates in the ordinary course of their business. Each Manager or its affiliates may also purchase the Bonds for asset management and/or proprietary purposes but not with a view to distribution or may hold the Bonds on behalf of clients or in the capacity of investment advisors. While each Manager and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Manager or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Bonds. Each Manager

may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Bonds.

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are initiated by us and also by customers, distributors and other parties.

In this regard, please note the following:

1. *This section discloses outstanding legal proceedings considered material in accordance with our Company's "Policy for Determination of Materiality of any Event/Information" framed in accordance with Regulation 30 of the SEBI LODR Regulations. Additionally, our Company has, in accordance with the resolution passed by our Special Committee of Directors for Fund Raising, solely for the purpose of this Issue on January 8, 2020, also disclosed in this section: (i) outstanding matters which involve issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) outstanding matters alleging material statutory and regulatory violations by our Company and/or our Subsidiaries; (iii) outstanding matters in the nature of economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; (iv) any other outstanding litigation including civil cases, consumer cases and taxation matters, involving our Company and/or our Subsidiaries, which involve an amount equivalent to or above ₹ 7,500 million; and (v) any other outstanding matters, which if result in an adverse outcome would materially and adversely affect our operations or financial position.*

2. *Further, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years preceding the year of issue of this Offering Circular and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company and/ or our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Offering Circular, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Offering Circular involving our Company or our Subsidiaries; (iii) as on the date of this Offering Circular, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution, (except where there is dispute under litigation); (iv) as on the date of this Offering Circular, our Company has not made any default in annual filings of our Company under the Companies Act, 2013; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material frauds committed against our Company in the last three years preceding the year of the issue of this Offering Circular; and (vii) there are no reservations, qualifications, matters of emphasis or adverse remarks of our auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the date of this Offering Circular.*

In addition to the cases set out below, our Company and/or our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, arising in the ordinary course of their respective businesses.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigation involving our Company

Proceedings involving material statutory and regulatory violations by our Company

1. The Government published its approval of TRAI's recommendation on "Spectrum Management and Licensing Framework" in relation to spectrum pricing on November 8, 2012. Subsequently, the DoT passed an order dated December 28, 2012 levying a one-time spectrum charge on incumbent telecom operators, in accordance with the rates provided for in the schedule of the decision dated December 28, 2012 on entities holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012. Additionally, a one-time charge for holding spectrum beyond 4.4 MHz prospectively from January 1, 2013 until expiry of license was levied upon existing operators in accordance with the rates provided in the schedule of the decision dated December 28, 2012. Thereafter, on January 8, 2013, the DoT issued a demand notice raising a demand of ₹ 52,012 million against our Company and Bharti Hexacom as one-time spectrum charges, out of which, ₹ 17,580.70 million was required to be paid within 21 days from the date of issue of such demand notice. Our Company and Bharti Hexacom challenged the demand notice by filing a writ petition before the Bombay High Court, which by its order dated January 28, 2013 has stayed the enforcement of the impugned demand and directed the DoT not to adopt any coercive action for recovery until the final outcome of the matter. The matter is currently pending for final hearing.

   The DoT revised its demand of one-time spectrum charge to ₹ 84,140 million through its letter dated June 27, 2018. Our Company and Bharti Hexacom submitted a response against the said demand on August 29, 2018 requesting the DoT to withdraw the revised demand order and await the final outcome of the matter pending before the Bombay High Court.

   On August 19, 2019, our Company filed an affidavit before the Bombay High Court seeking clarification that the revised demand, being a mere re-calculation of the earlier demand and issued in furtherance to the impugned decisions, is covered by scope of the interim order passed by Bombay High Court on January 28, 2013, wherein the Bombay High Court through order dated October 4, 2019 has: (i) recorded that the DoT has placed on record a copy of the letter dated September 30, 2019 stating that revised demand is subject to the decision of the Bombay High Court; and (ii) accepted the statement from the Union of India that no coercive steps are contemplated pursuant to aforesaid revised demand.

   Transfer petitions by DoT: The DoT had filed transfer petitions twice (one each in 2015 and 2019) before the Supreme Court praying for transfer of one-time spectrum charge matters pending before the Bombay High Court to the Supreme Court, which were dismissed by the Supreme Court through orders dated February 2, 2015 and September 27, 2019, respectively.

2. The DoT, through its order dated February 25, 2010, revised the 2G spectrum charges applicable on telecom service providers with effect from April 1, 2010. Our Company and Bharti Hexacom challenged the DoT order dated February 25, 2010 before the TDSAT. In its order dated September 1, 2010, the TDSAT ruled in favor of the DoT upholding its aforesaid order. Our Company and Bharti Hexacom challenged the decision of the TDSAT before the Supreme Court. The Supreme Court, in its order dated October 22, 2010, stayed the operation of the aforesaid order of the DoT, imposing the following conditions: (i) our Company and Bharti Hexacom to deposit 50% of the disputed outstanding principal amount of the spectrum charges payable net of interest in its registry within a period of two weeks; (ii) the balance 50% of the disputed outstanding amount net of interest be secured by way of bank guarantee of a nationalized bank to be provided within a period of two weeks; and (iii) the managing director of our Company and Bharti Hexacom to give an affidavit to the effect that, in the event the appeal before the Supreme Court is dismissed; our Company and Bharti Hexacom

would pay the balance amount with interest at the rate which may be fixed by the Supreme Court at the appropriate stage. The Supreme Court also stated that in case of a breach of the aforementioned conditions, the impugned DoT order will come into force with immediate effect. All the conditions as stated herein above have been fulfilled and the stay has been maintained. The matter is currently pending before the Supreme Court and will be listed in due course for hearing.

3. Our Company's license to maintain and operate cellular services in the telecom circle of Punjab was terminated on July 15, 1999 by the DoT on account of alleged non-payment of license fee and dues, for the period April 18, 1996 to March 10, 1998 ("**Black-out Period**"), including interest and penalty accrued due to such alleged delay. Our Company deposited the entire license fee, interest and penalty amount of approximately ₹ 4,855.80 million on account of an understanding between the parties that in case the outcome of the dispute was in favour of our Company, the entire amount shall be refunded back with interest. On accepting such condition, the DoT offered the migration package to our Company for restoration of license on September 27, 2001, and along with our Company referred this case to arbitration in 2001. The arbitrator passed an order dated December 20, 2002 rejecting the claim of our Company for refund of license fee and interest for the Black-Out Period aggregating to ₹ 3,992.90 million (after adjusting the balance amount in a separate matter). Our Company challenged the award of the arbitrator before the Delhi High Court which set aside the award on merit through its judgment dated September 14, 2012. However, the Delhi High Court did not grant consequential relief of refund of such amount and observed that our Company was entitled to take appropriate legal recourse under law for the recovery of such amounts. A letter for recovery of the claim (including interest until September 14, 2012) has been filed with the DoT on November 6, 2012 and in case of failure to refund for adjustment with the future license fee payments made by our Company to the DoT. The DoT had replied through a letter dated December 26, 2012, to not adjust any dues arising out of any court order from the license fee.

   The DoT filed an appeal against the order dated September 14, 2012 on February 8, 2013 before the Division Bench of the Delhi High Court. Our Company filed a writ petition before the Delhi High Court seeking refund of the amount with interest up to the date of payment made. The Delhi High Court through its judgment dated May 11, 2016 dismissed the writ petition filed by our Company for the refund of the license fee paid for the 'Black-Out Period'. Our Company filed an appeal against the judgment dated May 11, 2016 before the Division Bench of the Delhi High Court praying to set-aside the judgment dated May 11, 2016 of the Single Bench of the Delhi High Court to the limited extent and to allow the said writ petition filed in the Delhi High Court in 2013. Both the appeals, filed by our Company and the DoT, respectively have been tagged together and are pending for final hearing.

4. The DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of electromagnetic fields ("**EMF**") radiation norms which, *inter alia*, included non-compliance or delay in submission of self-certificates, missing signage, self-certificate not provided in the format prescribed by telecommunication engineering centre and measurement of EMF radiation in base transmission stations. These demand notices have been challenged by our Company and Bharti Hexacom before the TDSAT which has granted interim stay in these matters. In one of the matters, the TDSAT through judgment dated July 30, 2019 has set aside the demand raised by the DoT and imposed costs of ₹ 0.1 million on the DoT. The other matters are currently pending.

5. The port charges payable by private operators, including by our Company to BSNL were modified by Telecommunication Interconnect (Port Charges) Amendment Regulations, 2007 ("**Port Charges Regulations**"). The Port Charges Regulations were challenged by BSNL before the TDSAT. The TDSAT through order dated May 28, 2010 set aside the Port Charges Regulations and directed the TRAI to look into port charges as afresh. Thereafter, the TRAI filed an appeal before the Supreme

Court, which passed an interim order dated December 15, 2010, wherein it held that in respect of each additional port, the private operators have to provide a bank guarantee on the difference between the rate applicable between the 2001 and 2007 per port. The matter is pending before the Supreme Court on the point of jurisdiction.

The TRAI issued Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 to be effective from October 1, 2012. The said regulations were challenged before the Delhi High Court by way of a writ petition. The Delhi High Court passed an interim order dated February 28, 2014 directing that BSNL shall raise bills as per the Telecommunications Interconnection (Port Charges) (Second Amendment) Regulation, 2012. For the existing ports, our Company, Bharti Hexacom and Telenor gave an undertaking that in case the Delhi High Court decides in favour of BSNL, our Company, Bharti Hexacom and Telenor shall pay the differential amount to BSNL along with the stipulated interest of 9% per annum. The matter is to be listed for final hearing.

6. Our Company has challenged the demand penalties imposed by local Telecom Enforcement Resource Monitoring cells, through 20 petitions against the Union of India for the alleged violations of subscriber verification guidelines which, *inter alia*, included alleged (i) discrepancies in entries pertaining to points of sale; (ii) sale of pre-activated SIM cards; (iii) forgery of documents; and (iv) bulk connections under same name. These matters are currently pending before various fora including the TDSAT, various High Courts and the Supreme Court, where interim stays have been granted in favour of our Company. The total amount of demand of penalties across various circles is approximately ₹ 1,565.75 million.

   Further, Bharti Hexacom has challenged the demand penalties imposed by local Telecom Enforcement Resource Monitoring cells, through 13 petitions against the Union of India for the alleged violations of subscriber verification guidelines which, *inter alia*, included alleged (i) discrepancies in entries pertaining to points of sale or subscriber database; (ii) forgery of supporting proof of identity and address on customer acquisition forms ("**CAF**"); (iii) violation of terms and conditions of license agreement and instructions issued by licensor; (iv) issuance of SIM cards on the basis of certificates issued by non-existing entities; and (v) sale of pre-activated SIM cards. These matters are currently pending before the TDSAT where interim stays have been granted in favour of Bharti Hexacom. The total amount of demand of penalties across various circles is approximately ₹ 541.04 million.

7. The DoT through its order dated August 12, 2016 ("**SUC Office Order**"), *inter alia*, prescribed Spectrum Usage Charges ("**SUC**") to be calculated at a rate based on weighted average for the spectrum held by telecom service providers across all access spectrum bands, including the Broadband Wireless Access ("**BWA**") spectrum in 2300 MHz/2500 MHz band acquired during the 2010 auction, subject to minimum of 3% of AGR excluding revenue from wireline services. In terms of clause (iii) of the SUC Office Order, the SUC payable by the telecom service providers during Fiscal 2016 at the weighted average rate derived after taking into consideration the spectrum acquired through auctions in pursuance of Notice Inviting Application No. 1000/06/2016-WF and excluding the spectrum in 2300 MHz / 2500 MHz band acquired/allocated prior to Fiscal 2016, would be treated as the floor amount of SUC to be paid by the telecom service providers. Further, as per the SUC Office Order, in case there is reduction in AGR of the service provider, the floor amount of SUC will be reduced proportionately.

   The amount of SUC payable by the operator to the DoT excluded the spectrum in 2300 MHz/2500 MHz acquired or allocated prior to Fiscal 2016 while calculating the floor amount of SUC to be paid by the operators. Our Company challenged the clause (iii) of the SUC Office Order where BWA spectrum is excluded, before the TDSAT through telecommunications petition dated February 13, 2017 and sought (i) setting aside and quashing of the aforesaid clause; and (ii) passing an ad-interim order

staying the operation of the aforesaid clause. The TDSAT through interim order dated March 21, 2017, *inter alia*, stayed the operation of the aforesaid clause. This matter is currently pending.

8. The DoT issued a ₹ 500 million penalty notice on November 11, 2011 in relation to violation of terms and conditions of International Long Distance ("**ILD**") service license by providing ILD services to a non-licensed entity SingTel by entering into agreement dated December 20, 2017. Our Company challenged the penalty notice before the TDSAT and the TDSAT quashed the penalty notice. The DoT, however, was granted liberty to proceed afresh. The DoT constituted a committee to grant hearing to our Company albeit without issuing any fresh show cause notice. This committee granted the hearing to our Company. Our Company filed a written submission dated December 29, 2014 requesting the DoT to withdraw all the proceedings since the earlier show cause notice served was quashed by the TDSAT (and as such there was no existing show cause notice that survived).

   In February, 2013, the DoT also filed a criminal complaint with the CBI alleging that an estimated loss of ₹ 482.29 million had been caused to the exchequer on account of raising of bills on Indian customers without obtaining the requisite ILD license from the DoT. The CBI, after investigations, filed a closure report stating that no offence under the IPC has taken place. The closure report is under consideration by the jurisdictional court and is currently pending.

   With reference to the TDSAT judgment dated September 28, 2012 the DoT issued a fresh show cause notice dated July 21, 2015 alleging violation of the terms and conditions of ILD license. Our Company submitted its response to the DoT on August 28, 2015 submitting, *inter alia*, that the fresh notice was also based on the similar ground, falls foul of the judgment of the TDSAT dated September 28, 2012 and should be withdrawn. The DoT, however, did not withdraw the notice and issued a notice for oral hearing. Our Company challenged the show cause notice before the TDSAT. The TDSAT through its order dated August 8, 2017 permitted the DoT to proceed with oral hearing subject to the condition that no order will be passed. Accordingly, our Company appeared before the DoT's committee and was heard on the show cause notice on August 10, 2017. Pursuant to said hearing, a written representation was also made to the DoT on August 31, 2017. In the meanwhile, the TDSAT dismissed the petition on August 22, 2017 without going into the merits and granted liberty to our Company to challenge the final order of the DoT. The DoT, through order dated November 14, 2018, imposed penalty of ₹ 500 million on our Company and issued a demand for the alleged violation of the license. Our Company challenged the order of the DoT before the TDSAT by filing a petition under Sections 14 and 14A of the TRAI Act on November 27, 2018 with letter of urgency for urgent listing on November 29, 2018. The TDSAT, through its interim order dated November 29, 2018 stayed the demand notice. The DoT issued a fresh demand notice dated March 8, 2019 alleging that it is in continuation of the earlier demand dated November 14, 2018. The notice has been challenged by our Company before the TDSAT. The TDSAT through order dated March 15, 2019 stayed the fresh demand dated March 8, 2019 issued by the DoT. The matter is pending before the TDSAT.

9. The DoT through circular dated June 29, 2012 imposed annual license fee on internet service providers and amended the definition of AGR in the ISP-IT license agreements to provisionally include all types of revenue from internet services for payment of license fee. The said circular of the DoT was challenged before the TDSAT in the matter titled Internet Service Providers Association of India and others vs. Union of India and another (Petition No. 429 of 2012) ("**ISPAI Matter**") and paragraph 2 of the said circular was set aside by the TDSAT through its judgment dated October 12, 2012 thereby disallowing the Government from levying license fee on pure internet service revenues. Thereafter, the DoT issued the 'Guidelines for Grant of Unified License' dated August 19, 2013 and an amendment dated December 8, 2013 by which it permitted the existing ISP license holders to continue with their existing licenses without migration to new UL regime, but mandated migration of the licenses which

are due for renewal to the UL regime. As our Company's ISP license was nearing its expiry, our Company applied for the UL, which was duly granted by the DoT. The TDSAT through its interim order dated March 25, 2014 ordered that if the petitioner files an undertaking by March 27, 2014 that in case the petition fails, it would pay the full amount demanded by the DoT along with the interest as may be directed by the TDSAT, the petitioner's license will be provisionally extended until the disposal of the petition and therefore, such petitioners were protected against the arbitrary and unlawful demand of the DoT of adding revenue earned from pure internet services in the AGR. However, our Company was not a party to this petition. The license agreement for UL was signed by our Company on October 16, 2014 with ISP Category 'A' Authorization which was effective from March 3, 2014. However, the UL regime also mandated the payment of license fee on pure internet services. This was challenged, *inter alia*, by CJ Online Private Limited, along with our Company ("**Petitioners**"), before the TDSAT, alleging that the Government created a distinction between the existing ISP licensees and the licenses that came up for renewal forcing upon the latter category to pay license fee on pure internet services thereby discriminating amongst them, and that it is leading to non-level playing field between two set of ISP operators providing same services.

The TDSAT through its order dated October 13, 2015 stayed the demand for license fees on pure internet services, subject to submission of undertaking within fifteen days that in case the petition fails, the Petitioners would pay the full amount demanded by the DoT along with interest as may be directed by the TDSAT. Our Company submitted such undertaking dated October 16, 2015. The matter is currently pending.

10. The terms of the licenses granted to telecom operators for maintaining and operating the cellular mobile services in 1994 required the operators to pay license fees and spectrum charges. However, such licenses did not contain any clause whereby the licensor was entitled to enhance the royalty/license fee *inter alia* for microwave spectrum. The DoT through letter dated July 20, 1995 fixed royalty rates both for GSM cellular mobile telephone service and for microwave links. By another letter of the same date the rates of license fee were also levied. Cellular Operators Association of India ("**COAI**"), an industry association of telecommunications service providers of which our Company is also a member, filed a petition before the TDSAT on February 24, 2001 questioning the legality thereof. The DoT through its order dated September 22, 2001 made an offer to the licensees to accept royalty charges and withdraw the aforesaid petition pending before the TDSAT which the COAI agreed to and withdrew the said petition. In continuation of the order dated September 22, 2001, the DOT through their order dated April 18, 2002 introduced the frequency based micro wave access and backbone rates.

Further, the DoT had enhanced the micro wave charges by introducing the slab-wise rates based on the number of carriers in circulars dated November 3, 2006 and November 10, 2008 (earlier it was based on the allocated frequency). The COAI challenged the aforesaid DoT circulars in the TDSAT by filing the petition dated May 28, 2007. The TDSAT through its order dated July 12, 2007 refused to pass any interim order and listed the matter for final hearing while allowing COAI to adjust the excess payments made in case the matter was decided in their favour. The TDSAT through its order dated April 22, 2010 set aside the DoT circulars dated November 3, 2006 and November 10, 2008 and the petition was allowed. Thereafter the DoT challenged the order of the TDSAT through a special leave petition filed before the Supreme Court, which is currently pending.

11. *AGR matters*: The Government introduced a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license.

However, disputes arose in relation to the constituent of the revenue (*i.e.* Gross Revenue and AGR) and, *inter alia*, pertaining to:

- Inclusion of non-telecom revenue (such as interest, dividend, profit on sale of assets, IP1, etc.);
- Inclusion of items which are either not revenue primarily (such as insurance claim, forex gain, etc.) or are not revenue for our Company (such as principal to principal issue);
- Exclusion of items which reduces the revenue (such as bad debts, goodwill waiver, etc.); and
- Allowable deduction of pass through on paid basis (even though revenue is to be considered on accrual).

The definition of AGR was challenged by our Company along with certain other telecommunication service providers and the COAI before the TDSAT. The TDSAT through orders dated July 7, 2006 and August 30, 2007 ("**Orders**") held that the license fee would be payable only on the revenues arising out of 'licensed activities' and not revenue arising out of activities outside the license. Thereafter, the DoT filed an appeal before the Supreme Court which by an order dated October 11, 2011 ("**AUSPI judgment**"), set aside the Orders and held that the TDSAT had no power to get into the validity of the definition and remitted the matter back to the TDSAT to decide by interpreting the terms and conditions of the license agreement and disputes relating to demands raised by the DoT. Subsequently, our Company filed a writ petition before the Kerala High Court and Bharti Hexacom before the Tripura High Court, challenging the validity of the inclusion of the non telecom heads for the purposes of calculating the AGR and was granted favorable stays by the respective High Courts.

Simultaneously, in the matter remanded to the TDSAT by the Supreme Court for interpreting the terms and conditions of the license agreement, the TDSAT through judgment dated April 23, 2015, adjudicated the matters by interpreting the terms and conditions of license. Per the order the definition of 'Revenue' as provided in Accounting Standard AS-9 issued by the Institute of Chartered Accountant of India, is not in conflict with Clauses 19.1 and 19.2 of the license agreement defining gross revenue and adjusted gross revenue. The TDSAT also enunciated certain principles which need to be applied for inclusion and exclusion of any items to revenue for the purpose of license fees. Accordingly, the TDSAT set aside all demands for fresh computation in light of the findings, observations and directions made in the judgment of the TDSAT. While the DoT challenged the TDSAT's judgment before the Supreme Court, our Company filed an appeal dated July 21, 2015 on limited grounds (challenging specific heads of revenue on the grounds that principles of AS 9 have not been applied uniformly). Telenor filed an application in March, 2016 to be impleaded as a necessary party in this appeal before the Supreme Court. The Supreme Court granted liberty to the DoT to file its response to the application filed by Telenor. The Supreme Court through its interim order dated February 29, 2016 allowed the DoT to raise the demand as per their understanding with the condition that the demands raised will not be enforced until the final decision of the matters pending before the Supreme Court. Subsequently, the DoT continued to raise demands.

The Supreme Court heard the matter and through its judgment and order dated October 24, 2019, (i) allowed the appeal filed by the DoT and dismissed the appeals filed by the telecom service providers; and (ii) directed the payments of the amounts due within three months' time to pay the applicable dues and report compliance. Our Company and Bharti Hexacom have filed review petitions before the Supreme Court, *inter alia*, seeking recall and review of the judgment dated October 24, 2019 and the levy of interest, penalty and interest on penalty on us.

High Court of Tripura

Pursuant to the AUSPI judgment, Bharti Hexacom through a writ petition challenged the validity of the definition of the AGR in license agreement before the Single Judge of the Tripura High Court. The Single Judge through judgment dated May 16, 2017 held that the Clauses 19.1 (Gross Revenue) and 19.2 (Adjusted Gross Revenue) of the license agreement are *ultra vires* Section 4 of the Telegraph Act and set aside the demands imposed on Bharti Hexacom by the DoT. Further, the DoT has been directed to levy license fee from Fiscal 2006 as per the recommendations of the TRAI made in September 2006. Aggrieved by the judgment passed by the Single Judge of the Tripura High Court, the DoT filed an appeal before the Division Bench of the Tripura High Court, which was admitted through order dated November 27, 2018. The Division Bench stayed the operation of judgment dated May 16, 2017, subject to the condition that no coercive action will be taken by the DoT including for the recovery of the amount on the basis of demand notice. The matter is currently pending.

High Court of Kerala

The Single Judge of Kerala High Court, on March 28, 2018, dismissed the writ petition filed by our Company. The Single Judge held that the license was not a statutory contract and the terms and conditions of an agreement could not be questioned on the basis that the same are arbitrary in violation of Article 14 of the Constitution of India as doctrine of fairness cannot be used for judging the contractual terms. The Single Judge further held that there was no law that prevented the state from making a bargain in a commercial contract. Accordingly, the Single Judge dismissed the batch writ petition. While dismissing the writ petition, the Single Judge directed the Government not to take any coercive steps for a period of one month or until the filing of appeal, whichever is earlier. Aggrieved by the judgment passed by the Single Judge of the Kerala High Court, our Company filed an appeal before the Division Bench of the Kerala High Court. The Division Bench of the Kerala High Court through its order dated May 29, 2018 granted interim stay of the judgment appealed against and further allowed our Company to continue making payment as was being done throughout the period of license with respect to the telecom activities. The matter is currently pending.

Telenor along with another party filed petitions before the TDSAT on July 5, 2017 challenging the validity of the demand of license fee raised by the DoT for Fiscals 2007-08 to 2013-14, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT through order dated July 10, 2017 stayed the demand raised by the DoT. Subsequently, the DoT filed its reply before the TDSAT in August, 2017. Telenor filed a rejoinder to the reply of the DoT on December 7, 2017. Further, Telenor along with another party filed another petition before the TDSAT in December, 2017 challenging the validity of the demand of SUC raised by the DoT, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT through order dated December 14, 2017 stayed the demand. The matters are currently pending.

An amount of ₹ 342,600 million has been provisioned in our audited accounts for quarter ending September 30, 2019 with respect to AGR matters involving our Company and Bharti Hexacom. We have not made provisions for AGR dues arising from acquisitions of spectrum from other companies or acquisition of other companies in the past because we have a contractual indemnity under the respective merger/ transaction documents to cover such liabilities.

1. *SMS Termination matters:*

   TATA SMS Termination matter: Our Company and Bharti Hexacom filed a petition before the TDSAT against TTML and TTSL (collectively "**Tata Teleservices**") for recovery of SMS termination charges which was allowed by the TDSAT through a judgment dated August 30, 2012. Tata Teleservices have challenged the TDSAT judgment before the Supreme Court. The Supreme Court admitted the appeal of Tata Teleservices and further through order dated October 17, 2012 ordered that if the appeal is

allowed then our Company and Bharti Hexacom will have to refund the amount paid by Tata Teleservices along with interest at the rate of 12% per annum. Tata Teleservices have made a payment of approximately ₹ 4,012 million post deduction of tax at source to our Company. The matter is currently pending.

Aircel SMS Termination matter: Our Company raised a demand on Aircel Limited ("**Aircel**") towards SMS termination charge of approximately ₹ 245.89 million at ₹ 0.10 per SMS. This demand was challenged by Aircel before the TDSAT. The said petition was disposed of by the TDSAT through its order dated September 24, 2012 with a direction to Aircel to restitute to our Company an amount that was suffered as loss by way of damages, *i.e.*, SMS termination charges at ₹ 0.10 per SMS on net inflow of traffic for the restitution period. Aircel challenged the TDSAT judgment before the Supreme Court which admitted the appeal, however rejected the interim prayer. Aircel filed another application before the Supreme Court seeking stay of recovery. The said application was dismissed by the Supreme Court through order dated December 5, 2012. Aircel complied with the orders of the TDSAT and paid the SMS termination charges amounting to approximately ₹ 113 million. The matter is currently pending.

Reliance Communications SMS Termination matter: Our Company's demand of approximately ₹ 118 million at ₹ 0.10 per SMS towards SMS termination charges was challenged by Reliance Communications Limited ("**Reliance Communications**") before the TDSAT. The TDSAT through interim order dated December 3, 2012 restrained us from disconnection of SMS services of Reliance Communications and directed Reliance Communications to pay 50% of the demanded amount at ₹ 0.10 per SMS from the date of filing of the petition. The interim order was challenged by Reliance Communications before the Delhi High Court. The Delhi High Court dismissed the writ petition filed by Reliance through order dated January 21, 2013. The TDSAT through judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. Reliance Communications challenged the TDSAT judgment before the Supreme Court which is tagged with other matters.

BSNL SMS Termination matter: Our Company raised a demand of approximately ₹ 434.6 million towards SMS termination charges on BSNL. Our Company filed a recovery petition before the TDSAT. The TDSAT through judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. BSNL challenged the TDSAT judgment before the Supreme Court and the same was tagged with other matters. Our Company filed a petition against the judgment dated March 31, 2016 before the TDSAT for the recovery of the SMS dues, which was admitted by the TDSAT on April 4, 2019.

2. The DoT on December 23, 2011 directed the service providers, including our Company and Bharti Hexacom, to immediately stop providing 3G ICR services. Our Company, Bharti Hexacom and other service providers challenged the directions of the DoT before the TDSAT, which stayed the directions of the DoT through orders dated December 24, 2011 and July 3, 2012 gave a split verdict and set aside the DoT's directions. The DoT issued notices on September 28, 2012, threatening cancellation of licenses and imposition of a penalty of ₹ 3,500 million and also directed that the 3G intra-circle roaming services were to be stopped in the seven circles. Our Company challenged the notice before the Delhi High Court. The Delhi High Court disposed of the matter through order dated October 3, 2012 directing the DoT to decide the matter after hearing our Company. The DoT in March, 2013 issued further order to immediately stop intra-circle roaming services and imposed a penalty of ₹ 3,500 million. As the TDSAT was not functional, our Company challenged the DoT order before the Delhi High Court. The Single Judge Bench of Delhi High Court stayed the DoT order through order dated

March 18, 2013. The stay order was challenged by the DoT before the Appellate Bench of Delhi High Court which allowed the appeal and vacated the stay granted to our Company through order dated April 4, 2013. Our Company challenged the decision of the Appellate Bench of the Delhi High Court before the Supreme Court. The Supreme Court restored the protection against the order of penalty but at the same time restrained our Company from taking in any new subscribers on our intra-circle 3G roaming arrangement through interim order dated April 11, 2013. The Supreme Court, on September 23, 2013 disposed the matter granting our Company the liberty to approach the TDSAT, while extending interim protection until December, 2013 and also requested the TDSAT to dispose of the matter as soon as possible, preferably, by the end of 2013. Subsequently, our Company filed a petition before the TDSAT. The TDSAT on April 29, 2014 allowed our Company's petitions and quashed the DoT's directions to our Company to stop service and the imposition of the penalty. The DoT filed an appeal against the order of the TDSAT before the Supreme Court seeking an interim order to restrain our Company from adding new subscribers. The Supreme Court admitted the appeal but declined the interim order prayed for by the DoT. The matter is pending before Supreme Court.

3. The DoT through letters dated June 22, 2018 and June 26, 2018 levied a demand of ₹ 12,879.7 million on our Company towards one-time spectrum charge for GSM Spectrum in respect of Chennai service area for the extended period of the license from November 30, 2014 to September 27, 2021 pursuant to a WPC wing order dated December 28, 2012 Our Company through letters to the DoT dated July 12, 2018 and December 24, 2018, respectively, provided a detailed response, stating its grounds for refuting the demand raised by the DoT and its rationale for withdrawal of such demand. Our Company has not received any response from the DoT on the aforesaid and the matter is currently pending. However, the DoT while granting its in-principle approval for the merger of TTSL with our Company and Bharti Hexacom through its letter dated April 10, 2019 included, among others, a condition to securitize the one-time spectrum charge for GSM Spectrum in respect of Chennai service area. Our Company has challenged the conditions set forth under the DoT's letter dated April 10, 2019 granting in-principle approval. The TDSAT, through orders dated May 2, 2019 and May 6, 2019, had *inter alia*, stayed the demand of ₹ 12,879.70 million, subject to our Company submitting 50% of the ₹ 12,879.70 million demand by way of bank guarantee with the registry of the TDSAT. In compliance with the directions issued by the TDSAT, our Company has submitted bank guarantees amounting to ₹ 6,439.85 million. Further, the DoT filed special leave petitions before the Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending.

4. The TRAI issued a show cause notice on September 27, 2016 to our Company alleging violations of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 and the provisions of the License Agreement in terms of Allocation of POIs to RJIL. Further, the TRAI on October 21, 2016 recommended a penalty of ₹ 10,500 million on our Company for the alleged violations mentioned above. A committee of the DoT, formed for the purpose of examining such the recommendation of the TRAI dated October 21, 2016 rejected the recommendations on April 5, 2017. Subsequently, the TRAI vide response dated May 24, 2017 reiterated its recommendation of the imposition of penalty on our Company. Our Company made its submissions before the DoT on December 21, 2017 and January 24, 2018.

5. On February 4, 2019, our Company wrote to DoT seeking attention to a judgment passed by the Supreme Court in an appeal filed by the Competition Commission of India in a parallel matter and represented that in view of this judgment, the Government was estopped from operating on the recommendations dated October 21, 2016. Our Company, subsequently, also wrote to the Minister of

State for Communications seeking intervention to advise DoT to refrain from operating on the recommendations and reject the same. The matter is currently pending with the DoT.

6. On September 6, 2019, and September 7, 2019, the Andhra Pradesh Telecom Enforcement Resources Management Cell ("**TERM Cell**") issued demand notices to our Company, in respect of the Special Audit for Paper CAF for the months of October, 2016 to May, 2017 for ₹ 19.41 million against our Company and for ₹ 2.09 million against Telenor respectively. Our Company has filed two appeals on September 12, 2019 before Deputy Director General, TERM ("**DDG**"), against the demand raised by the Andhra Pradesh TERM Cell on September 6, 2019, and September 7, 2019. In these appeals, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court, pursuant to a writ petition filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

   On September 17, 2019 and September 18, 2019, the Andhra Pradesh TERM cell issued demand notices to our Company, pertaining to the audits (Paper + EKYC) conducted for the months of August, 2017 to December, 2017 for approximately ₹ 2,247.83 million for our Company and approximately ₹ 222.58 million for Telenor. Our Company filed two appeals on September 23, 2019 before the DDG TERM against the demand raised by the Andhra Pradesh TERM Cell on September 17, 2019 and September 18, 2019. In these appeals, amongst other grounds, our Company mentioned that the Punjab and Haryana High Court and the Andhra Pradesh High Court, pursuant to a writ petition filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

   On December 3, 2019, the Andhra Pradesh TERM cell issued demand notices to our Company, pertaining to the (Paper + EKYC) audits conducted for the months of January, 2018 to March, 2018 for ₹ 2,013.91 million. Our Company filed an appeal before the DDG on December 9, 2019 against the demand raised by the Andhra Pradesh TERM Cell on December 3, 2019, which is pending before the DDG. In the appeal, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court and the Punjab and Haryana High Court, pursuant to writ petitions filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeal is pending with the DDG

   On December 17, 2019, the Andhra Pradesh TERM Cell issued demand notices pertaining to the audits (Paper+ EKYC) conducted for the months of April, 2018 and May, 2018 for approximately ₹ 1,541.15 million against our Company and for the months of January, 2018 to May, 2018 for approximately ₹ 442.86 million against Telenor. Our Company has filed two appeals on December 23, 2019 before Deputy Director General, TERM ("**DDG**"), against the demand raised by the Andhra Pradesh TERM Cell on September 17, 2019. In these appeals, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court and the Punjab and Haryana High Court, pursuant to writ petitions filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

Other Regulatory Matters involving our Company

1. Pursuant to the provisions of the "Guidelines for Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified License ("**UL**") on compromises, arrangements and amalgamation of the companies" dated February 20, 2014 ("**Transfer-Merger Guidelines**"), Airtel Broadband Services Private Limited ("**ABSPL**") notified the DoT on February 28, 2014 of its proposed scheme of amalgamation with our Company and its intention to merge its ISP license along with its access spectrum with the UASL of our Company for four service areas, namely, Delhi, Mumbai, Haryana and Kerala. The Bombay High Court through its order dated April 11, 2014

approved the aforesaid merger and our Company approached the DoT for taking the merger on record. After multiple correspondences between the DoT and our Company, the DoT through its communication dated February 2, 2015 granted in-principle approval for merger of licenses between our Company and ABSPL, subject to fulfillment of conditions stated therein. Out of the conditions imposed by the DoT, our Company and ABSPL were aggrieved of the following three conditions and have challenged the same before the TDSAT: (i) demand for ₹ 4,360.9 million as additional entry fee; (ii) furnishing unconditional and unequivocal undertaking from our Company for payment of all demands which would be issued in future with respect to All India ISP License No. 820-1106/ 010-LR dated March 15, 2012 issued to ABSPL; and (iii) demand for bank guarantee equivalent to one-time spectrum charge demanded by the DoT.

The TDSAT passed an interim order dated February 9, 2015, staying the imposition of the impugned conditions and permitted our Company to operationalize the spectrum subject to an undertaking without prejudice that in the event of the matter being decided against our Company, the demand of ₹ 4,360.9 million would be paid with interest as may be determined, within eight weeks of the date of such judgment. Further, the TDSAT, through order dated May 19, 2015 directed the concerned authority of the DoT to record the merger subject to the outcome of the matter. The matter was heard before the TDSAT, which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and a direction to the DoT to extend the effective date of allocation of spectrum to offset the delay caused by the Dot. The TDSAT through its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to the DoT to file a detailed reply, extended the interim stay order on the demands raised by the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by the DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of the specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks. The matter is currently pending.

2. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 27, 2015 of its intention to merge with Augere Wireless Broadband India Private Limited ("**AWBIPL**") entailing the merger of AWBIPL's ISP and UASL with those of our Company. The Delhi High Court through its order dated December 19, 2016 approved the aforesaid scheme. The DoT through its communication dated January 17, 2017 granted in-principle approval of merger of license of AWBIPL with our Company but imposed conditions which were challenged by our Company before the TDSAT. The conditions imposed *inter alia* included: (i) payment of ₹ 172.25 million (difference between the entry fee for UASL of Madhya Pradesh service areas and entry fee for ISP License); (ii) in case of judicial intervention in relation to demand raised for one-time spectrum charges, submission of bank guarantee equivalent to such one-time spectrum charges for the merging license; and (iii) submission of an unconditional and unequivocal undertaking by our Company as required by DoT to pay all future demands that may be raised in connection with the merging ISP license held by AWBIPL. The TDSAT through its order dated January 25, 2017 stayed the impugned conditions and

allowed our Company to operationalize the spectrum subject to our Company providing an undertaking without prejudice that in case the petition fails our Company shall pay ₹ 172.25 million along with interest as may be determined by the TDSAT within eight weeks from the date of judgment. The matter was heard before the TDSAT which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT through its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by the DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks. The matter is currently pending.

3. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on March 2, 2017 of its intention to merge with Telenor, entailing the merger of Telenor's business and UL along with the service authorizations of Telenor pertaining to NLD, ILD and internet services with those of our Company. Subsequently, our Company filed a petition before the NCLT, Delhi for sanction of the aforesaid merger. The NCLT, Delhi through its order dated March 8, 2018 granted sanction to the aforesaid scheme. The DoT through its letter dated April 3, 2018 granted in-principle approval for the aforesaid merger, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included (i) that our Company submits a bank guarantee towards the demand for one-time spectrum charges of ₹ 14,990.9 million; (ii) submission of an unconditional and unequivocal undertaking by our Company to pay all past dues in relation to the merging entities. The conditions so imposed by the DoT were challenged by our Company before the TDSAT. The TDSAT through order dated April 10, 2018 stayed the demand for bank guarantee to secure the amount of ₹ 14,990.9 million made by the DoT and directed DoT to take the merger on record subject to our Company providing an undertaking without prejudice as demanded by the DoT in the impugned letter. The DoT preferred an appeal against the order passed by the TDSAT which was dismissed by the Supreme Court. Subsequently, on May 14, 2018, the DoT gave its approval for the merger of Telenor with our Company. The matter was heard before the TDSAT and while the TDSAT by an order dated March 19, 2019 did not address the prayers in its petition. Our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to issue the confirmation letter to our Company for taking the merger on record. The TDSAT through its order dated April 4, 2019 admitted the review petition.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without

prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks. The matter is currently pending.

4. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 31, 2017, of its intention to merge with Bharti Digital and to merge ISP license of Bharti Digital (in Gujarat, Himachal Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West) with our Company's UASL. NCLT, Delhi through its order dated July 4, 2018 sanctioned the aforesaid scheme of amalgamation and the DoT was approached for taking the merger on record. The DoT through communication dated August 17, 2018 granted in-principle approval for the merger of our Company and Bharti Digital, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included: (i) payment of ₹ 1,856.25 million towards the difference between the entry fee; (ii) securing the demand of one-time spectrum charge for ₹ 14,412.7 million dues by way of bank guarantee; and (iii) submitting an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process. Our Company and Bharti Digital challenged the impugned conditions before the TDSAT and the TDSAT through its order dated August 30, 2018 directed the DoT to take the merger on record and allowed our Company to operationalize the spectrum subject to our Company submitting an undertaking without prejudice before the TDSAT that in case the petition fails, it shall pay ₹ 1,856.25 million along with interest as may be determined by the TDSAT, within eight weeks of final judgment. The DoT had preferred an appeal against the TDSAT order dated August 30, 2018 before the Delhi High Court, which has been dismissed by the Delhi High Court through its judgment dated November 30, 2018. The matter was heard before the TDSAT which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT through its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

   The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by DoT towards entry fee. The appeal is currently pending.

   On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks; and (iv) the time period to comply with the cross-holding conditions was extended by 12 weeks from the date of the order. The matter is currently pending.

5. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company and Bharti Hexacom notified the DoT on May 22, 2018, of its intention to merge the consumer mobile business of TTSL with our Company and Bharti Hexacom (in Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh, Orissa, Punjab, Tamil Nadu (including erstwhile Chennai), Uttar Pradesh (E), Uttar Pradesh (W), West Bengal and Rajasthan). NCLT, Delhi

through its order dated January 30, 2019 sanctioned this composite scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT through its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge of ₹ 71,559.30 million due, by way of bank guarantee; (ii) payment of an amount of ₹ 12,879.70 million to the DoT purportedly towards the alleged one-time spectrum charges for the erstwhile Chennai licensed service area; and (iii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid for the past periods and subject to outcome of the judicial process.

Our Company and Bharti Hexacom challenged the aforesaid conditions before the TDSAT, which, through orders dated May 2, 2019 and May 6, 2019 has, among other things, stayed the demand of bank guarantee of ₹ 71,559.30 million, and held that any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process. The TDSAT has further stayed the demand of ₹ 12,879.70 million. Our Company has also been directed to submit 50% of ₹ 12,879.70 million demand by way of bank guarantee with the registry of the TDSAT and the DoT has been directed to take the merger on record. In compliance with the directions issued by the TDSAT, our Company has submitted bank guarantees amounting to ₹ 6,439.85 million. Further, the DoT had filed special leave petitions before the Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending.

6. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on April 18, 2018, of its intention to merge the consumer mobile business of TTML with our Company (in Mumbai and Maharashtra). NCLT Delhi through its order dated January 30, 2019 sanctioned the scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT through its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge for ₹ 10,425.10 million dues by way of bank guarantee; and (ii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process.

Our Company has challenged the aforesaid conditions before the TDSAT, which through orders dated May 2, 2019 and May 6, 2019 has, among other things, stayed the demand of bank guarantee of ₹ 10,425.10 million, and held that any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process. Further, the DoT has been directed to take the merger on record. Further, the DoT had filed special leave petitions before Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending.

7. *Cable landing station ("**CLS**") matter:*

The TRAI by way of Principal Regulation dated June 7, 2007, Regulation dated October 19, 2012 and Regulation dated December 21, 2012 ("**Regulations**") had specified the charges for Access Facilitation

and Co-location to be charged by the owner of CLS. Our Company and Tata had challenged the Regulations and were granted a stay from the Madras High Court. Thereafter, the Madras High Court through judgment dated November 11, 2016 dismissed both the petitions. Our Company had filed an appeal before division bench of the Madras High court. The Madras High Court through its judgment dated February 2, 2018 set aside Schedules I, II and III of the Regulation dated December 21, 2012 and further directed the TRAI to re-enact the quashed Schedules. The TRAI and Reliance Communications Limited preferred an appeal before the Supreme Court against the said division bench judgment dated February, 2018. The Supreme Court through its order dated October 8, 2018 disposed off the special leave petitions and requested the TRAI to re-determine the fixation of rates within six weeks from the date of the order, after following the procedure of transparency and principles of natural justice. The Association of Competitive Telecom Operators ("**ACTO**") and Reliance Jio Infocomm Limited ("**RJio**") filed an application before the Supreme Court seeking direction that the 2018 Regulations dated November 28, 2018, should be made applicable retrospectively with effect from January 1, 2013 along with a direction to refund of excess CLS amount. The Supreme Court passed an order dated December 14, 2018 restraining the notices sent for disconnection. The Supreme Court through its order dated January 28, 2019 disposed the application with a direction to ACTO to file a fresh petition before the TDSAT.

Tata Communication has filed the special leave petition against the impugned common judgment dated February 2, 2018 passed by the High Court of Judicature at Madras. Our Company has filed the impleadment application in this Special Leave Petition. The matter is on board for hearing.

RJIO and AT&T have not paid the CLS charges amounting to approximately ₹ 1,227.16 million and approximately ₹ 82.77 million respectively including interest citing retrospective applicability of charges of 2018 Regulations notified by the TRAI and also seeking refund of excess amount. Our Company has issued demand/disconnection notices to RJio, AT&T. Pursuant to demand/disconnection notice RJio and AT&T have approached the TDSAT seeking stay on the disconnection notice and further seeking clarification about the retrospective applicability of 2018 charges from January 1, 2013. The TDSAT through a common order dated November 7, 2019 has declined to grant any interim relief as had been sought by RJio and AT&T and disposed off both the applications. The TDSAT has further stated that the payments if any made by RJio and AT&T pursuant to the demands which had been impugned by RJio and AT&T shall be subject to the final outcome of the present petition. RJio challenged the order dated November 7, 2019 before the Madras High Court, wherein the Madras High Court has directed RJio to furnish the bank guarantees to the said amount and further directed the TDSAT to decide the matter. The ordered bank guarantee has been furnished by RJio in the TDSAT. The matter is pending.

8. TRAI matters:

I *IUC–2015 matter:* Our Company and Bharti Hexacom ("**Petitioners**") have filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated February 23, 2015 ("**IUC–2015 Regulations**") before the Delhi High Court, inter alia, on the ground that which, inter alia, fixed MTC at ₹ 0.14 and FTC as 'nil' for local and NLD calls. The Petitioners have challenged the IUC–2015 Regulations, inter alia, on the following alleged grounds:

- The ITC–2015 are *ultra vires* the TRAI Act and contrary to the object and purpose of Section 11 of the TRAI Act;
- The consultation paper lacked transparency as the TRAI did not share the model used by it to determine the cost model for calculating Interconnection Usage Charges ("**IUC**");

- The IUC–2015 are in violation of Articles 14 and 19(1)(g) of the Constitution of India to the extent it arbitrarily and in a non-transparent manner, fixes mobile termination charges ("**MTC**") for local and National long distance call at ₹ 0.14 per minute and fixed termination charges ("FTC") as 'nil'; and
- The TRAI allegedly departed from its policy of work done and cost based principle in the IUC–2015. It fixed the FTC at 'nil' thereby allegedly completely ignoring its settled policy.

The matter is currently pending.

II *IUC–2017 matter:* Our Company and Bharti Hexacom ("**Petitioner**") filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated September 19, 2017 ("**IUC–2017 Regulations**") before the Bombay High Court on September 28, 2017, *inter alia*, on the ground that the IUC–2017 Regulations were arbitrary, unreasonable, illegal, void, and in violation of Articles 14 and 19(1)(g) of the Constitution of India and were issued in an non-transparent manner, reducing the termination charge from ₹ 0.14 per minute to ₹ 0.06 per minute with effect from October 1, 2017 and thereafter to bill and keep, that is "nil" with effect from January 1, 2020. The Petitioner further alleged that the IUC–2017 Regulations were contrary to the provisions of the TRAI Act and TRAI's International Calling Card Services (Access Charges) Regulations, 2014 and that IUC–2017 Regulations discouraged the competition, and were contrary to and there was a failure on the part of the TRAI to maintain transparency during the consultation process as the TRAI has to follow a cost based approach. The Petitioner prayed for the issue of a writ, direction or order in the nature of Writ of Certiorari declaring the regulations dated September 19, 2017 ultra vires and quashing and setting aside the regulations and pass ad-interim/interim/ex-parte order in respect of the prayer. The Bombay High Court through order dated September 29, 2017 refused to grant interim stay. This matter is currently pending

III *ITC–2018 matter:* Our Company has filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018 ("**ITC–2018 Regulations**") which, *inter alia*, reduced the International Termination Charge ("**ITC**") from ₹ 0.53 per minute to ₹ 0.30 per minute, before the Bombay High Court. Our Company challenged the ITC–2018 Regulations, *inter alia*, on the following alleged grounds that the ITC 2018 Regulations are:

- *Ultra vires* and contrary to the provisions of the TRAI Act;
- In violation of Section 11(4) of the TRAI Act;
- In violation of Articles 14 and 19(1)(g) of the Constitution of India; and
- Inimical to the orderly growth of telecom industry, fair competition as well as consumer interest and thus were *ultra vires* the TRAI Act.

The matter is currently pending.

Proceedings involving moral turpitude or criminal liability on our Company

1. Mr. Jyoti Prasad Chandra ("**Complainant**") filed a criminal complaint ("**Complaint**") in September, 2011 under Sections 406, 418, and 420 read with Section 120(B) of the IPC before Additional Chief Judicial Magistrate, Barrackpore against our Company, the managing director of our Company, Indus Towers and other persons (collectively, the "**Accused Persons**") in the Complaint. He alleged that

pursuant to a leave and license agreement entered into with our Company dated June 9, 2007 ("**Leave and License Agreement**"), his land was acquired by the Accused Persons for the purpose of installation and maintenance of telegraph equipment, but said equipment was never installed by the Accused Persons. Further, he alleged that the Accused Persons defaulted on making monthly payments to the Complainant as provided under the Leave and License Agreement. On November 28, 2011 the Court of Judicial Magistrate-III, Barrackpore issued summons to the Accused Persons under Section 63 of the Cr. PC. Subsequently, our Company filed a petition under Section 482 of the Cr. PC before the Calcutta High Court challenging the criminal proceedings in the Trial Court. The Calcutta High Court issued an order on July 25, 2012 staying the proceedings before the Trial Court until further order. The matter is currently pending.

2. Mr. Md. Fazlur Rehman ("**Complainant**") filed a complaint ("**Complaint**") before the Court of Chief Judicial Magistrate, Dibrugarh on February 22, 2015 under Sections 406 and 34 of the IPC against the chief executive officer of our Company, alleging that our Company had advertised a scheme wherein, upon an online recharge of ₹ 449, through the website of our Company, internet data of 2.5 GB with a validity period of 30 days was provided. However, the Complainant claims that after doing the aforementioned recharge he received only 2 GB data with a validity period of 28 days. The Complaint was subsequently transferred to the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh, which took cognizance of the offences, alleged in the Complaint, through order dated October 16, 2015. Pursuant to this, our Company filed a criminal petition under Section 482 of the Cr. PC before the Gauhati High Court on April 4, 2016 for quashing of the Complaint. The Gauhati High Court through orders dated April 4, 2016 and May 6, 2016 stayed the proceedings in the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh with respect to the Complaint. The matter is currently pending.

3. Mr. Shailesh Navalshankar Pandya ("**Applicant**") filed application under Section 319 of the Cr. PC ("**Application**") before the Judicial Magistrate, First Class, Vasai praying that our Company be added as accused in the regular case filed by the Applicant and that cognizance of offenses under Sections 420, 465, 467, 468, 471, and 474 read with Section 34 of the IPC be taken against our Company. The Applicant alleged that our Company, in collusion with its agents and hirelings, forged signature of the Complainant and prepared a rubber stamp of Bhakti Infotech Private Limited, a private company of which the Applicant is a director. Further, he alleged that our Company along with the other respondents mentioned in the Application also forged the Pan Card, electricity bill, memorandum of association and articles of association of Bhakti Infotech Private Limited, and by using these documents got 77 SIM cards issued in the name of Bhakti Infotech Private Limited without the consent, knowledge and permission of the Applicant, owing to which the Applicant suffered a loss of ₹ 1,250 million. Our Company filed a reply before the Judicial Magistrate, First Class, Vasai on September 29, 2016 denying the averments and seeking dismissal of the Application. Subsequently, our Company filed written arguments on record of the Court on March 16, 2017 and the matter is pending for orders on the Application.

4. Ms. Akansha Srivastava ("**Applicant**") filed an application under Section 156(3) of the Cr. PC before the Chief Judicial Magistrate, Ghaziabad against our Company and certain officers of our Company (collectively the "**Accused Persons**") alleging the commission of offences under Sections 323, 504, 506, and 406 of the IPC and Section 72 of the IT Act on August 24, 2006 claiming that owing to certain loopholes in the security network of our Company, personal and confidential information of her son such as billing address, call details, call duration, etc. were disclosed to other persons. Further, she alleged that when her son raised his grievances with the Accused Persons, they did not believe him and assaulted and threatened him. The Court ordered investigation basis the Police Report and took cognizance of the matter. The matter is currently pending.

5. Mr. Bishnu Prasad Mishra ("**Complainant**"), an ex-employee of our Company and Bharti Infratel, filed a complaint ("**Complaint**") under Section 200 of the Cr. PC against our Company and its managing director, and Bharti Infratel, amongst others with the Sub-Divisional Judicial Magistrate, Bhubhaneshwar on December 2, 2014 for offences under Sections 477, 420, 415, 427, 426, 418, and 406 read with Section 34 of the IPC alleging *mala-fide* appropriation of EPF payments and variable pay due to him and seeking recovery of such arrears. The Sub-Divisional Judicial Magistrate, Bhubhaneshwar took cognizance of the offences through order dated December 19, 2016. An application under Articles 226 and 227 of the Constitution of India read with Section 482 of the Cr. PC was filed before the Orissa High Court seeking to quash the Complaint and the order dated December 19, 2016, and the Orissa High Court stayed the proceedings before the Trial Court. The matter is currently pending.

6. Mr. K. Lakshmana Kailash ("**Complainant**") filed criminal complaint before the Court of Additional Chief Metropolitan Magistrate-VI, Bangalore on August 28, 2008 under Section 190(A) read with Section 200 of the Cr. PC and Sections 197 and 203 of the IPC against our Company amongst others, alleging that our Company intentionally fabricated false evidence against the Complainant and misdirected the police investigation with respect to the offense of posting of derogatory remarks about Shivaji Maharaj on Orkut, a social media website in order to protect the person who actually posted such remarks. The Court of Additional Chief Metropolitan Magistrate-VI, Bangalore through order dated September 5, 2009 took cognizance of the aforementioned offences and issued summons against our Company. Our Company filed a petition under Section 482 of the Cr. PC before the Karnataka High Court on September 15, 2009 seeking to quash the proceedings initiated by the order dated September 5, 2009. By way of order dated August 30, 2013, the Karnataka High Court partially allowed the petition filed by our Company, quashing the proceedings against the other accused persons and allowing the proceedings against our Company to continue. The matter is currently pending.

7. Mr. V.S. Suresh ("**Complainant**") filed a private complaint ("**Complaint**") before the Metropolitan Magistrate-VII, Chennai against our Company and the erstwhile CEO of our Company, Mr. Rajiv Rajagopal (collectively "**Accused Persons**"). The Complainant also filed an FIR under Sections 292, 292A and 294 of the IPC, Sections 3, 4 and 6 of the Indecent Representation of Women Act, 1956 and Sections 2, 3 and 6 of Young Person (Harmful Publication) Act, 1956 alleging that our Company through their mobile services sent obscene messages soliciting the Complainant to purchase such obscene pictures through his mobile handset. The Accused Persons filed criminal original petitions under Section 482 of the Cr. PC before the Madras High Court seeking to stay the proceedings in the Complaint. The Madras High Court stayed the proceedings through order dated July 29, 2013. The matter is currently pending.

8. The Delhi Development Authority ("**DDA**") filed two criminal complaints before the Trial Court against our Company and others for misuse of property under Section 14 read with Section 29(2) of the Delhi Development Authority Act, 1957 ("**Act**") with respect to sites situated at K-6, ground floor, NDSE II and C-657 New Friends Colony, New Delhi on September 27, 2002 and February 27, 2003 respectively. The DDA alleged that our Company installed a Remote Switching Unit in residential areas without taking advance permission at such sites, thereby violating the provisions of the Act. Our Company filed petitions under Section 482 of the Cr. PC on November 1, 2004 pursuant to which the Delhi High Court stayed the Trial Court proceedings in both criminal complaints through orders dated November 4, 2004. The matters are currently pending.

9. Mr. Malik Mushtaq Ahmed ("**Complainant**") filed a criminal complaint under Sections 406, 418, 420, 109, 120-B of Ranbir Penal Code ("**RPC**") (applicable for the State of Jammu and Kashmir) in the Court of Judicial Magistrate of First Class, Pulwama against our Company, its managing director and

other officials alleging non-activation of his mobile connection. Our Company filed a petition under Section 561-A of the Code of Criminal Procedure, 1989 (Jammu & Kashmir) before the Jammu and Kashmir High Court at Srinagar for dismissing the Complaint by the Complainant, and the Court stayed the proceedings before the Trial Court. The matter is currently pending.

10. Mr. Jawahar Lal Saini ("**Complainant**") filed complaint ("**Complaint**") before the Court of Judicial Magistrate, First Class, Jabalpur under Section 138 of Negotiable Instrument Act, 1881 read with Section 200 of the Cr. PC against an unnamed director of Bharti Cellular Limited along with Mr. Amit Agrawal, proprietor of Delta Telecom (collectively "**Accused Persons**"), alleging that Mr. Amit Agrawal represented to the Complainant that he was the authorized signatory/representative of Bharti Cellular Limited and entered into a Lease & License agreement with the Complainant on December 8, 2017 ("**Agreement**") on behalf of Bharti Cellular Limited for establishment of transmission tower and took ₹ 0.2 million as security deposit from the Complainant. He further alleged that pursuant to no transmission site being established on the property of the Complainant, Mr. Amit Aggarwal issued two cheques for an amount of ₹ 0.27 million to the Complainant, which on presentation were dishonoured by the bank. The Judicial Magistrate, First Class, Jabalpur through order dated April 25, 2008 issued summons to the Accused Persons. Our Company filed petition before the Madhya Pradesh High Court at Jabalpur under Section 482 of the Cr. PC for quashing the Complaint and setting aside the order of the Judicial Magistrate, First Class, Jabalpur dated April 25, 2008. The matter is pending.

11. Mr. Nitin Jayantibhai Patel filed a criminal complaint before the Judicial Magistrate, First Class, Anand, at Gujarat under Sections 211 and 503 of the IPC on March 14, 2006 against our Company and an employee thereby alleging that our Company and its employee harassed him in order to collect outstanding dues owed by the Complainant to our Company. The Chief Judicial Magistrate, Anand through order dated January 18, 2008, issued summons against our Company. The matter is currently pending.

12. Mr. Iqbal Ahmed filed an original suit on April 23, 2007 seeking the declaratory injunction and the ownership of an impugned property and on September 23, 2008 an impugned complaint under Section 156(3) of the Cr. PC ("**Complaint**") before the Chief Judicial Magistrate, Saharanpur (Uttar Pradesh) alleging that our Company through its managing director along with some other persons, have illegally taken possession of his land for installation of telecom tower. The magistrate through order dated March 8, 2010 dismissed the Complaint under Section 203 of the Cr. PC holding the dispute to be civil in nature. Against the said order, a criminal revision was filed on August 11, 2010 and was allowed ex parte and the Court took cognizance under Section 447 of the IPC and issued summons on September 21, 2010. Against the order dated September 21, 2010 another revision complaint was filed on March 16, 2012 which was dismissed by the learned District Judge. The managing director of our Company filed a petition before the Allahabad High Court for quashing of the proceedings. The Allahabad High Court has stayed proceedings before the Trial Court. The matter is currently pending.

13. The Municipal Corporation of Delhi filed a complaint ("**Complaint**") before the Metropolitan Magistrate, Patiala House Court, New Delhi against our Company under Sections 461, 416, 417 and 430 of the Delhi Municipal Corporation Act, 1957 ("**Act**") alleging misuse and violation of the aforesaid provisions of the Act with respect to premises situated at K-6, Ground Floor, NDSE-II, New Delhi. On November 27, 2007 the Metropolitan Magistrate, Patiala House Court, New Delhi passed ex-parte orders and a non-bailable warrant was issued. Consequently, our Company filed a petition under Section 482 of the Cr. PC before the Delhi High Court, which through order dated January 11, 2019 stayed the matter. The matter is currently pending.

14. Three criminal complaints were filed by the Municipal Corporation, Cochin in the Police Stations at Ernakulum (Kerala) against our Company, alleging violation of provisions of Prevention of Damage to

Public Property Act, 1984 and that it had laid underground cables without prior permission. The Police sought certain information from our Company, which our Company provided. The matter is currently pending.

Direct Tax Proceedings

1. Tax Deducted at Source ("**TDS**") on income of Distributer: The Calcutta High Court through order dated May 19, 2011 had upheld the order passed by the Income Tax Appellate Tribunal dated April 4, 2006, holding that the trade margin offered by our Company to its distributors in respect of pre-paid products such as SIM card and recharge vouchers, attracted the provisions relating to tax deductible at source under the Income-Tax Act. The Calcutta High Court further held that the relationship between our Company and its distributors was that of principal to agent and not of principal to principal. Our Company had filed an appeal against the Calcutta High Court judgment before the Supreme Court. The matter is currently pending before the Supreme Court.

   The Karnataka High Court in a similar writ petition involving the same issue regarding assessment years 2005-2006 to 2008-2009, held through judgment dated August 14, 2014 that "trade margins" do not attract provisions related to deduction of tax at source and that the relationship between our Company and its distributors is that of principal to principal and no commission is paid when our Company sells SIM cards to the distributors. The Karnataka High Court has allowed our Company's appeal and set aside the orders of the Assessing Authority dated August 23, 2013. The Karnataka High Court remitted the matter back to the Assessing Authority in order to investigate how our Company has maintained its accounting books and how it treats the sale price and the sale discount and noting that if the accounts do not reflect payment of commission, then provisions for deduction of tax at source should not be attracted. The Income Tax Department filed an appeal against the Karnataka High Court's judgment before the Supreme Court. The matter is currently pending before the Supreme Court and clubbed with the appeal filed by our Company against the judgment of the Calcutta High Court.

   The Rajasthan High Court through its judgment and order dated July 11, 2017 allowed the income tax appeals filed by the assessee and dismissed the appeals filed by the Commissioner of Income Tax, including the matters pertaining to Bharti Hexacom, which were filed by the Department. The High Court further held that there is no occasion to invoke provisions of Section 194H of Income-Tax Act as no amount has been paid by the assessee, Bharti Hexacom to its distributors.

   Similar issue is pending at different stages in various other jurisdictions across the country before the Commissioners of Income Tax (Appeals), Income Tax Appellate Tribunals, High Courts and the Supreme Court for our Company and Bharti Hexacom. The amounts involved in these matters were approximately ₹ 7,239 million for our Company and ₹ 591 million for Bharti Hexacom. Accordingly, our Company and Bharti Hexacom have paid various amounts under protest in this regard.

2. The Commissioner of Income Tax, Delhi – II ("**CIT**") initiated proceedings under Section 263 of the Income-Tax Act directing the assessing officer to reopen the assessment proceeding against our Company for the Fiscal 2007-08 on grounds that the assessment order dated October 30, 2012 of Assessing Officer ("**AO**") was erroneous and prejudicial to the interest of revenue through order dated March 30, 2014. Our Company filed an income tax appeal before the Income Tax Appellate Tribunal, Delhi Bench 'A', New Delhi ("**ITAT**") challenging the order of the CIT dated March 30, 2014. While the challenge order of the CIT dated March 30, 2014 was pending before the ITAT, in accordance with directions of the CIT, the AO passed an order under Sections 263, l44C, and 143(3) of the Income-Tax Act on March 31, 2015 in respect of the assessment for the year 2007-08, alleging that our Company did not pay tax under Section 28(iv) of the Income-Tax Act, on the purported notional profit derived from our Company's transfer of passive infrastructure to Bharti Infratel. The AO taxed our Company's

notional credit lying in the revaluation reserve being the difference between fair value of the investment in Bharti Infratel recorded in Company's books and the net worth of the undertaking transferred to Bharti Infratel as benefit arising in the course of business under Section 28(iv) of the Income-Tax Act. Accordingly the AO by its order dated March 31, 2015 raised a demand of ₹ 12,185 million. Subsequently through order dated May 6, 2015 the ITAT allowed the appeal filed by our Company, setting aside the order of the CIT and holding that the issue had already been examined by the AO and dispute resolution panel at the time of passing the assessment order on October 30, 2012. Further, the ITAT held that in the absence of receipt of consideration for transfer, no notional sum can be attributed as consideration and hence issue of capital gain does not arise. The ITAT further held that, in the absence of any benefit or perquisite accruing to the assessee during the course of business and the impugned transfer being purely a capital transaction, the notional gain cannot be taxed under Section 28(iv) of the Income-Tax Act. The CIT has filed an appeal before the Delhi High Court against the order of the ITAT being ITA No. 864 of 2015. The Delhi High Court has admitted the appeal and the matter is pending. In the meanwhile, as a result of the order of the ITAT setting aside the order of the CIT passed under Section 263, the order of the AO passed in accordance with the orders of CIT, became futile. Therefore, our Company had also filed an appeal against the order of the AO dated March 31, 2015 before the CIT (Appeal). The CIT (Appeal) allowed the appeal of our Company and deleted the demand raised by the AO. The AO filed an appeal against the order of CIT (Appeal) before the ITAT, which was dismissed by the ITAT by way of order dated July 30, 2019. The matter is thus pending before the Delhi High Court.

Indirect Tax Proceedings

1. Entry Tax: Several states had enacted laws which provided for levy of tax on the entry of goods into the state for sale, use or consumption therein. The constitutional validity of these legislations was challenged in different High Courts on various grounds, *inter alia*, including that the same were in violation of the constitutional right to freedom of trade and commerce enshrined under Article 301 of the Constitution of India and that the levy did not pass the judicially evolved tests of being 'compensatory' in nature. It was also contended that the levies were in violation of Article 304(a) of the Constitution of India for being discriminatory in nature. Some of the High Courts had struck down the Legislations enacted by the respective States being *ultra vires*.

   Certain constitutional aspects of Entry Tax were subsequently referred to the Nine Judge Constitutional Bench of the Supreme Court which through judgment dated November 11, 2016 held, *inter alia*, that only such taxes which are discriminatory in nature are prohibited by Article 304(a) of the Constitution of India. It also held that the compensatory tax theory evolved in earlier rulings of the Court (basis which various High Courts ruled the levy to be unconstitutional) had no juristic basis and that there was no constitutional or juristic basis of 'compensatory' tax and that tax simpliciter is not covered under Article 301 of the Constitution of India as an impediment to free flow of trade and commerce between the States, etc. Certain questions of law, including the question whether Entry Tax can be imposed by the States on the goods imported from outside the country, etc., were left open by the Constitutional bench. Thereafter, the regular Division Bench of the Supreme Court disposed of the matters arising from several States through order dated March 22, 2017, granting liberty to the assessees to file fresh petitions before the respective High Courts, raising additional grounds in the light of the judgment of the Constitutional Bench.

   Subsequently, in the matters arising from the state of Kerala and other connected matters from Orissa, Bihar and Jharkhand, the regular bench of the Supreme Court held that Entry tax could be and was legitimately imposed by the State on the goods imported from outside the country (settling one of the issues left open by the Constitutional Bench). In terms of the liberty granted by the Supreme Court,

fresh writ petitions were filed by our Company, Bharti Hexacom, and Bharti Telemedia Limited in Uttar Pradesh, Kerala, Madhya Pradesh, Assam, Orissa, Chhattisgarh, Jharkhand, and Rajasthan (as may be applicable). The High Courts of Rajasthan, Uttar Pradesh and Kerala granted interim relief to our Company, Bharti Hexacom, and Bharti Telemedia Limited (as may be applicable). Our Company, Bharti Hexacom, and Bharti Telemedia Limited challenged the vires of the local legislations, *inter alia*, on grounds of being discriminatory.

The Allahabad High Court through its common Judgment dated May 4, 2018, dismissed a bunch of petitions filed by companies belonging to several industries, upholding the constitutionality of the Uttar Pradesh Entry of Goods Tax in to Local Area Act, 2017 ("**Act**").

In Uttar Pradesh, a separate challenge against the demands issued by the tax department, was also raised by our Company on the issue of classification, involving a question as to whether the Main Switching Centers (MSC) and Base Transreceiver Stations (BTS) (or Cell Sites) could be treated as a composite unit and classified as a 'machinery' under the said Act. On our Company's appeal, the State Appellate Tribunal remanded the matter to the Assessing Authority for a fresh assessment taking into account the factor that MSC and BTS were capable of working as independent units. The Tribunal however held that Cell Site, MSC and BTS qualified as 'machinery', and to that extent our Company is aggrieved of the Tribunal's order. A revision petition was filed by our Company, before the Allahabad High Court challenging the Tribunal's order, which is pending. In the state of Bihar there is exposure for the period of Fiscal 2006 to June 2017 and our Company's and Bharti Telemedia Limited's challenge is pending before the Patna High Court. In various circles, certain amounts have been deposited under protest with the department. The aforementioned matters, wherein Entry Tax legislations have been challenged by various industries across different High Courts are pending to be decided by respective High Courts, except for the Allahabad High Court.

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. Our Company received a notice from the National Company Law Tribunal, Principal Bench at New Delhi ("**NCLT**") through application ("**Application**") filed by M/s CPM India Sales & Marketing Private Limited ("**Applicant**") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("**the Code**") dated January 10, 2018, alleging that an outstanding operational debt of approximately ₹ 8.6 million is payable by our Company through purchase orders to the Applicant, which remained unpaid despite serving demand notice under Section 8 of the Code. Our Company through its reply dated March 15, 2018, contested the Application, on the grounds, *inter alia*, that that the debt arising out of certain of the contested purchase orders was already paid and that the Applicant has forged and fabricated documents. The matter is pending before the NCLT.

2. Mr. Anand Arya ("**Complainant**"), a subscriber of mobile services offered by our Company, filed a consumer complaint before the National Consumer Complaints Redressal Commission, New Delhi ("**Commission**") on October 23, 2015, against our Company, alleging that the quality of services offered by our Company had been deteriorating since 2010 and more particularly from March, 2015 and owing to that the Complainant claimed that he had suffered extremely serious mental trauma and mental torture at least three times when there were medical emergencies. The Complainant sought damages to the tune of ₹ 448.2 million and demanded that our Company pay penalty to the rate of one thousand times the amount of mobile bills paid in 2015 by the Complainant which amounts to ₹ 11.73 million. Further, the Complainant also prayed that our Company be directed to deposit amount to the tune of ₹ 44,373.78 million in the Prime Minister's relief fund. The Commission through order dated November 24, 2015 issued show cause notice to our Company. Our Company filed its reply before the Commission on September 26, 2016. The matter is currently pending.

Proceedings involving material statutory and regulatory violations by Telenor

1. The Supreme Court through its judgment dated February 2, 2012, in *Centre for Public Interest Litigation v. Union of India & Ors.*, quashed the grant of licenses and allocation of spectrum of various licensees including Unitech Wireless. The judgment further directed TRAI to make fresh recommendations for grant of license and to allocate spectrum in all telecom circles in India by way of an auction. Subsequently, after the completion of such auction in November 2012 ("**November Auctions**"), Supreme Court through another judgment dated February 15, 2013, directed all telecom operators, whose licenses were cancelled pursuant to the previous Supreme Court judgment dated February 2, 2012, to close down their services immediately, however the licensees who continued their operations post February 2, 2012, whether or not participated in the November Auctions, were ordered to pay the reserve price fixed by the Government. Telenor participated in the November Auctions and through the bid terms it was entitled to acquire and continue to operate the business of Unitech Wireless in the six circles of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh (east) and Uttar Pradesh (west), where Telenor was awarded the spectrum. The DoT also issued a letter of intent dated December 19, 2012 pursuant to which Telenor paid the auction price for the aforesaid six circles amounting to ₹ 13,260.32 million. Thereafter, the DoT issued a show cause notice dated November 17, 2014 for payment of reserve price amounting to ₹ 6,526.90 million in addition to interest payable on the said amount, for continuation of services until November 27, 2013 in the aforesaid six circles and until February 16, 2013 in the remaining circles. Later, the DoT reconsidered the demand amount specified in the aforesaid show cause notice and issued a demand notice dated September 22, 2016 for payment of ₹ 8,408.67 million that included interest amounting to ₹ 1,881.77 million, calculated for the period from the date of the aforesaid show cause notice until the date of this demand notice. Telenor and another party challenged this demand notice before the TDSAT which granted interim stay on the matter. While the matter was pending, the DoT issued a revised demand notice dated February 14, 2017 for payment of ₹ 7,701.58 million for the continued service wherein the principle amount was reduced from ₹ 6,526.90 million to ₹ 4,862.30 million, however the interest levied was increased, calculated from February 15, 2013 instead of November 17, 2014 (specified in the earlier demand notice). Telenor and another party challenged this revised demand notice before the TDSAT and obtained stay orders extending the interim protection. The matter is currently pending before the TDSAT for hearing.

2. For details of proceedings involving material statutory and regulatory violations with regards to AGR matters of our Company with Telenor, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

3. For details of proceedings involving material statutory and regulatory violations with regards to port charges matters by our Company along with Telenor, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

4. For details of proceedings involving the merger of our Company with Telenor, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 321.

Litigation involving our Subsidiaries

Bharti Infratel

Proceedings involving moral turpitude or criminal liability on Bharti Infratel

1. For details of proceedings involving moral turpitude or criminal liability on our Company along with Bharti Infratel, see "- *Litigation involving our Company – Proceedings involving moral turpitude or criminal liability on our Company*" on page 328.

Indirect Tax Proceedings

1. Pursuant to its audit for Bharti Infratel, Commissioner, Service Tax, Delhi noted that while discharging its service tax liability, Bharti Infratel had allegedly wrongly availed and utilised the cenvat credit in respect of various goods and input services which were used in the construction, erection and maintenance of pre-fabricated shelters and towers and not for providing output services, by allegedly erroneously treating them as inputs or capital goods. Accordingly, a show cause notice dated February 26, 2010 was issued by Commissioner, Service Tax, Delhi to Bharti Infratel demanding irregularly availed cenvat credit for the period from August 2007 to September 2009 which was adjudicated by the commissioner through order-in-original dated June 25, 2015 confirming recovery of irregularly availed cenvat credit on inputs and capital goods of approximately ₹ 3,333.97 million and imposed penalties in Bharti Infratel.

   Separately, five other show cause notices, namely, (i) dated February 23, 2010 (for the period from October 2009 to March 2010); (ii) dated September 20, 2011 (for the period from April 2010 to September 2010); (iii) dated July 10, 2012 (for the period from October 2010 to September 2011); (iv) dated April 17, 2013 (for the period from October 2011 to June 2012); and (v) dated May 19, 2014 (for the period from July 2012 to March 2013) were issued by Commissioner, Service Tax, Delhi to Bharti Infratel which were adjudicated by another order-in-original dated March 27, 2015 confirming demand for irregularly availed cenvat credit on inputs and capital goods of approximately ₹ 431.80 million.

   Bharti Infratel, being aggrieved, filed two separate appeals challenging the order passed by the Commissioner, Service Tax, Delhi before the Customs, Excise and Service Tax Appellate Tribunal, New Delhi, which was referred to the larger bench of the Tribunal. The larger bench passed an interim order dated March 3, 2016 and decided the issue in favour of the revenue. Subsequently, Bharti Infratel, filed SERTA before the High Court of Delhi, which through judgment dated October 31, 2018, *inter alia*, held that towers and prefabricated buildings are accessories of base transmission systems and cannot be considered as immoveable goods, and consequently, the petitioners therein, including Bharti Infratel, are eligible to take cenvat credit of duty or service tax paid on such goods or while rendering services relating to such goods.

   The Commissioner of Service Tax, Delhi has filed a special leave petition on April 24, 2019 before the Supreme Court against Bharti Infratel seeking, *inter alia*, (i) ad-interim ex-parte stay on operation of the judgment dated October 31, 2018 passed by the High Court of Delhi; and (ii) grant special leave to appeal against such judgment.

Bharti Telemedia Limited

Proceedings involving material statutory and regulatory violations by Bharti Telemedia Limited

1. Bharti Telemedia Limited filed a petition dated April 28, 2009 before the TDSAT for declaration that it is required to pay license fee on AGR basis and for direction to the Union of India ("**UOI**") to calculate the license fee only from the licensed activities as per AGR. The TDSAT through judgment dated May 28, 2010 *inter alia*, allowed the said petition and provided for license fee on AGR basis. Further, the TDSAT excluded certain items from purview of AGR such as taxes, installation charges, commission, sale of set top boxes and accessories, subscription fees payable to broadcaster in respect of pay channel. The TDSAT in its order dated May 28, 2010 relied on the TDSAT order dated August 26, 2008 passed in the Tata Sky Limited vs. Union of India ("**Tata Sky matter**"). Thereafter, the UOI challenged the TDSAT's order dated May 28, 2010 which was admitted by the Supreme Court and tagged with the UOI's appeal in the Tata Sky matter (Civil Appeal No. 3549 of 2009). The Supreme Court through judgment dated October 11, 2011 ("**AUSPI judgment**"), *inter alia*, held that the TDSAT had no jurisdiction to decide on the legality and validity of the license conditions including the

definition of AGR in the telecom matter and set aside the TDSAT orders dated July 7, 2006 and August 30, 2007. With the aforesaid findings, the Supreme Court remanded the matter back to the TDSAT for adjudication.

The TDSAT on December 15, 2011 passed the order in the remanded matter that no demand (original or revised) would be enforced without leave of the TDSAT. Subsequently, nearly two years later the UOI on March 19, 2014 raised a demand of approximately ₹ 2,985 million (including interest until March 2014) on account of short payment of license fee from Fiscal 2008-09 until Fiscal 2012-13 and the same had to be paid within 15 days on the alleged basis that Bharti Telemedia Limited was required to pay a license fee at 10% of the gross revenue. Bharti Telemedia Limited challenged the said demand before the TDSAT on April 2, 2014 and the TDSAT through order dated April 4, 2014 granted the interim protection and directed that the UOI shall not take any coercive measure for realization of the said demand. Bharti Telemedia Limited was paying the license fee on AGR as per the TDSAT order dated May 28, 2010 whilst the UOI was seeking to levy license fee on the gross revenue of the DTH financials.

Tata Sky's appeal along with the appeal filed by UOI pending before the Supreme Court and the interim applications filed by Bharti Telemedia Limited were listed on August 27, 2015. A statement was made on behalf of TATA Sky that the AUSPI judgment of 2011 (Telecom AGR) would apply for the DTH matter also and as such they wanted to withdraw their appeal. The Supreme Court, through its order dated August 27, 2015, dismissed Tata Sky's appeal and allowed the appeal filed by the UOI and further directed that such dismissal is not to adversely affect the matters pending before the TDSAT. Bharti Telemedia took a stand different from Tata's stand, but the Supreme Court dismissed Tata's appeal and the I.A.s filed by Bharti Telemedia and Sun TV. The TDSAT on January 11, 2018 adjourned the matter *sine die*.

Further, Bharti Telemedia Limited filed a writ petition before the Kerala High Court against the UOI and the TRAI in December 16, 2015, *inter alia*, seeking issuance of order or direction (i) issuing a writ, order or direction holding Clause 3.1.1 of the license agreement is in violation of Articles 14 and 19(1)(g) of the Constitution of India as it discriminates between similarly placed competing distribution platforms; (ii) holding and declaring that the powers of the DoT to charge license fee under Section 4 of the Telegraph Act is confined only to revenue earned from licensed activities; and (iii) setting aside/quashing Clause 3.1.1 to the license agreement being *ultra vires* of Section 4 of the Telegraph Act to the extent that it includes revenue earned from non-licensed activities and expenses which are of a pass through nature. The Kerala High Court through its order dated December 17, 2015 granted an interim relief as prayed in the petition, which was extended until further orders through the Kerala High Court's order dated February 18, 2016.

The DoT filed transfer petitions before the Supreme Court on July 4, 2019, praying for the clubbing of all the matters pertaining to AGR and DTH pending before the Kerala High Court. The Supreme Court has, through its order dated September 23, 2019, allowed the said transfer petitions. The matter is currently pending.

Proceedings involving moral turpitude or criminal liability on Bharti Telemedia Limited

1. Onkar Entertainment Private Limited ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Court of Additional Chief Metropolitan Magistrate - VIII, Calcutta, alleging commission of offences under Sections 406 and 420, read with Section 120(B) of the IPC against Bharti Telemedia Limited and certain of its directors and officers, amongst others ("**Accused Persons**") on December 6, 2017, claiming that the Accused Persons violated the agreement dated November 26, 2015 signed between our Company and the Complainant, by not providing the agreed upon DTH platform for the

channel of the Complainant. The Court of Additional Chief Metropolitan Magistrate, VIII Calcutta took cognizance of the matter through order dated December 16, 2017 and issued summons to the Accused Persons under Section 200 of the Cr. PC. Bharti Telemedia Limited filed a petition under Section 482 of the Cr. PC before the Calcutta High Court on May 4, 2018 to quash the proceedings and obtain stay of proceedings before the Trial Court, which was subsequently granted to it. The matter is pending.

Indirect Tax Proceedings

1. For details of Indirect Tax Proceedings with respect to Entry Tax matters against our Company along with Bharti Telemedia, see *"- Litigation involving our Company – Indirect Tax Proceedings*" on page 333.

Bharti Hexacom

Proceedings involving material statutory and regulatory violations by Bharti Hexacom

1. For details of proceedings involving material statutory and regulatory violations with regards to spectrum charges matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

2. For details of proceedings involving material statutory and regulatory violations with regards to EMF matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

3. For details of proceedings involving material statutory and regulatory violations with regards to port charges matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

4. For details of proceedings involving material statutory and regulatory violations with regards to CAF matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

5. For details of proceedings involving the transfer/merger of TTSL with our Company and Bharti Hexacom, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company"* on page 321.

6. For details of proceedings involving material statutory and regulatory violations with regards to the TRAI matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 321.

7. For details of proceedings involving material statutory and regulatory violations with regards to AGR matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

8. For details of proceedings involving material statutory and regulatory violations with regards to SMS termination matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

9. For details of proceedings involving material statutory and regulatory violations with regards to 3G ICR matter by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312.

Direct Tax Proceedings

1. For details of Direct Tax Proceedings with respect to TDS on income of distributer proceedings against our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Direct Tax Proceedings*" on page 331.

Indirect Tax Proceedings

1. For details of Indirect Tax Proceedings with respect to Entry Tax matters against our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Indirect Tax Proceedings*" on page 332.

Bharti Digital

Proceedings involving material statutory and regulatory violations by Bharti Digital

1. For details of proceedings involving the merger of our Company with Bharti Digital, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 321.

Bharti Airtel Lanka (Private) Limited

Other regulatory matters involving Bharti Airtel Lanka (Private) Limited

1. On April 1, 2019, Dialog Axiata PLC and Dialog Broadband Networks (Private) Limited (the "**Petitioners**") filed an application under Article 126 of the Constitution in the Supreme Court of Sri Lanka. The respondents in this matter are the Telecommunications Regulatory Authority of Sri Lanka ("**1st Respondent**") and the Attorney General of Sri Lanka.

   The Petitioner has sought to challenge the decision of the 1st Respondent to allocate 70 MHz of spectrum in the 2600 band. It is the Petitioners' case that the "conduct of the 1st Respondent in deciding to allocate the 70 MHz of spectrum in the 2600 MHz frequency band in secret and without recourse to a transparent and competitive bidding process based on an independent commercial valuation of the said spectrum is in total breach of the 1st Respondent's statutory duties and is wholly arbitrary, capricious, unreasonable" and is seeking, *inter alia*, a declaration from the court that the said decisions are in violation of the Petitioners' fundamental rights guaranteed under Article 12(1) and Article 14(1)(g) of the Constitution and a direction to the 1st Respondent to, *inter alia*, "conduct an open, transparent and competitive bidding process based on an independent commercial valuation for any allocation of spectrum". Further, the Petitioner has also sought an interim order, *inter alia*, "restraining the 1st Respondent from taking any steps whatsoever or howsoever in furtherance of its purported decisions to allocate 70 MHz of spectrum in the 2600 MHz frequency band."

   If the Petitioner succeeds in this application there could be a possibility that all future spectrum allocations will be based on a competitive bidding process which will impact the entire industry as a whole including Bharti Airtel Lanka (Private) Limited.

   On April 18, 2019, Bharti Airtel Lanka (Private) Limited filed intervention papers seeking to intervene in the aforesaid application. Sri Lanka Telecom PLC ("**SLT**") and Mobitel (Private) Limited ("**Mobitel**") have also sought to intervene.

   The Supreme Court of Sri Lanka granted interim order "restraining the 1st Respondent from "permitting any person/entity whomsoever to utilise the said spectrum in any manner whatsoever pending the hearing and determination of this Application" and granted leave to proceed and allowed interventions by Bharti Airtel Lanka (Private) Limited, SLT and Mobitel.

   Bharti Airtel Lanka (Private) Limited has pleaded, *inter alia*, that

(a) "The court make an order that in the 2600 spectrum a minimum frequency as determined by court be allocated to each operator;

(b) That the said allocation be made on a formula approved by court;

(c) That a direction be given to the 1st Respondent that a similar scheme be adopted for the allocation of spectrum in other spectrums."

The parties have now completed their pleadings in this case. The matter is now fixed for arguments on January 24, 2020.

1. On October 31, 2019, Dialog Axiata PLC (the "**Petitioner**") filed an application under Article 126 of the Constitution in the Supreme Court of Sri Lanka. The Respondents in this matter are the Telecommunications Regulatory Authority of Sri Lanka ("**1st Respondent**") and the Attorney General.

   In this application the Petitioner has sought to challenge a notice published by the 1st Respondent on October 1, 2019 under the heading "ASSIGNMENT CRITERIA FOR THE ASSIGNMENT OF 5 MHZ OF FDD SLOT RELEASED UNDER MERGER OF HUTCHISON AND ETISALAT" and is seeking, *inter alia*, a declaration that the said notice is in violation of the Petitioner's fundamental rights guaranteed under Article 12(1) and Article 14(1)(g) of the Constitution. Further, the Petitioner is also seeking an interim order "restraining the 1st Respondent from taking any steps whatsoever or howsoever pursuant to the Notice".

   If the Petitioner succeeds in this application there could be a possibility that the 5 MHz of spectrum in the 900 band allocated to Bharti Airtel Lanka (Private) Limited might get adversely impacted.

   On November 11, 2019, Bharti Airtel Lanka (Private) Limited filed intervention papers seeking to intervene in this application. Sri Lanka Telecom PLC ("**SLT**") and Mobitel (Private) Limited ("**Mobitel**") also sought intervention in this case.

   The matter is coming up before the Supreme Court of Sri Lanka on May 15, 2020 to consider the granting of leave to proceed and interim order.

Airtel Congo S.A.

Indirect Tax Proceedings

1. Airtel Congo S.A. underwent a general accounting audit for the Fiscals 2012, 2013 and 2014. On November 7, 2016 as a result of this verification, the tax authorities made a notification of adjustments amounting to XAF 57,230,455,658 for IRVM and VAT. On December 22, 2016 Airtel Congo S.A. made a protest against the notification. On September 24, 2018 the services tax authorities maintained the charges against Airtel Congo S.A. On October 3, 2018 the DGE of Brazzaville issued a notice of assessment (AMR) demanding from Airtel Congo S.A. the payment of an amount of XAF 85,296,464,550. On November 5, 2018 Airtel Congo S.A. applied for a waiver of the guarantee deposit of administrative fees before the Minister of Finance. On November 22, 2018 the Minister of Finance granted Airtel Congo S.A. a waiver of the guarantee deposit and processing fees. On November 27, 2018 Airtel Congo S.A. filed an application to the Tax Managing Director to seek arbitration over disagreements between his internal services and Airtel Congo S.A.

Airtel Congo RDC S.A.

Proceedings involving material statutory and regulatory violations by Airtel Congo RDC S.A.

1. Airtel Congo RDC S.A. ("**Claimant**") was initially subject to three tax assessments seeking the payment of 1,459,523.53 USD for the alleged implementation of new versions of 3G technology

without the requisite license. The Claimant on March 20, 2018 brought an application against the government of D.R. Congo, the DGRAD Tax authority and the Principal Collector ("**Respondents**") to the Court in order to obtain a rebate of the aforementioned amount sought from the Claimant along with a counterclaim of USD 1,000,000 in damages. The Claimant argued that the tax assessments were illegal since they were not based on a piece of legislation enacted by the Congolese national parliament that was in force at the time of the taxation. The Claimant further argued that based on the applicable legislation on the matter, there was no tax base for the taxation made by the administration in light of the terms and conditions of the license granted to the Claimant by the government. All the pleadings were entered. The matter was heard by the Court on June 26, 2018 and sent to the Public Prosecutor's Office for its legal opinion on the case before the Court's final ruling. The matter will be taken by the Court for its ruling on the case once the Public Prosecutor issues his legal opinion on the case.

2. The Nederland British Company (NBC Sprl) ("**Claimant**") sought a court injunction against Airtel Congo RDC S.A., Africell DRC, Vodacom Congo and Oasis ("**Respondents**") on the ground that the Respondents were using spectrum which was allocated to the Claimant by provision of its license. The Claimant and the Respondents thereafter failed to settle the matter under the mediation of the Telecom regulator. The Claimant subsequently moved to seek a court order compelling the Respondents to pay USD 20,000,000 in damages. The Court delivered an injunction against the Respondents to cease the usage of the aforesaid spectrum on October 25, 2012 which was overruled by the Court of Appeal on June 7, 2013. The Claimant has not initiated any further proceedings as of date.

Proceedings involving moral turpitude or criminal liability on Airtel Congo RDC S.A.

1. Mr. Nengbangba and another person ("**Claimants**"), two DRC local ex-officials filed a claim on August 19, 2018 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to reimburse a sum of USD 2,950 and to pay USD 1,000,000 in damages for the alleged fraudulent swaps of the Claimant's SIM cards. The Court subsequently issued an investigation order to search Airtel Congo RDC S.A.'s premises and interview witnesses which have been appealed against by Airtel Congo RDC S.A. for violation of the constitutional right to a fair trial. The trial is pending for the appeal before the Supreme Court.

2. Mr. Lulanga Zihundula ("**Plaintiff**") is the former landlord of Mr. Thomas Mayuma De Souza ("**Defendant**"), a former Airtel Congo RDC S.A. employee. The Plaintiff brought an action to Court in order to recover USD 900 of rent arrears which the defendant owed to the Plaintiff, who undertook garnishment procedures over the Defendant's monies held by Airtel Congo RDC S.A. in order to recover these rent arrears and costs. The claim was granted by the Trial Judge along with legal cost of about USD 230. The Defendant challenged the garnishment procedure before the Tribunal de Grande Instance de Kinshasa/Gombe. On May 15, 2018 the Plaintiff brought an action against Airtel Congo RDC S.A. before the Trial Court in Kinshasa/Gombe for concealment and handling of the stolen goods arguing that Airtel Congo RDC S.A. should be held liable under civil law and responsible under criminal law. The Plaintiff sought damages for USD 150,000. At this stage pleadings were entered. The case was pleaded on October 11, 2019 and the decision of the court is awaited.

3. Ms. Ndudi Bakambu ("**Claimant**"), a local DRC national filed an application on July 30, 2007 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to make a payment of USD 200,000 in general damages following a traffic accident allegedly caused by Airtel Congo RDC S.A.'s vehicle. Airtel Congo RDC S.A. moved to bring its insurer into the lawsuit as a third party defendant. Subsequently, the third party defendant initiated negotiations to reach an out of court settlement agreement with the Claimant. There is an on-going search at the registrar's to verify whether a settlement agreement is recorded.

4. Mr. Alain Bassie ("**Claimant**"), an ex-employee served a notice on February 25, 2016 to Airtel Congo RDC S.A. and the then managing director and human resources manager ("**Respondents**") purporting that the assignment letter received by the Claimant on March 11, 2013 was wrongfully backdated by the Respondents to December 26, 2012. The Claimant subsequently filed an application seeking USD 3,500,000 in damages. The matter is pending before the High Court of Kinshasa/Gombe.

5. Mr. Babel Mbaya ("**Claimant**"), an ex-employee of Airtel Congo RDC S.A. filed a complaint against Airtel Congo RDC S.A. and a local labour inspector ("**Respondents**"), alleging that the settlement agreement entered into on June 20, 2015 before the labour office is forged. The amount claimed in damages under the notice dated January 12, 2017 to the Respondents is USD 500,000. The High Court of Kinshasa/Matete rejected the claim, pointing the validity of the settlement agreement between the Claimant and Airtel Congo RDC S.A.. The ruling is yet to be notified to all the parties by the registrar. Another complaint lodged by the Claimant seeking the annulment of the minutes of non-conciliation pertaining to the proceeding before the labor inspectorate was also denied by the High Court of Kinshasa/Matete.

6. Mr. Otiom Apiker ("**Claimant**"), an ex-employee of Airtel Congo RDC S.A. filed a complaint through notice on June 26, 2013 to Airtel Congo RDC S.A. (civilly liable) and the then line manager of the Claimant ("**Respondents**"), seeking a court order compelling the Respondents to make a payment of USD 45,000 in damages. The Claimant accused the line manager of fraudulently adding 1,200 customer acquisitions to the Claimant's KPI in an attempt to reduce the Claimant's chances to meet his monthly sales targets and obtain the related bonus. The Tribunal of Gombe dismissed the case on July 10, 2013 for lack of jurisdiction and the Claimant moved to file the complaint before the Tribunal of Ngaliema which ruling has been appealed by the line manager. The matter is pending before the Supreme Court.

7. Socoda ("**Claimant**"), a local copyright agency initiated a complaint through notice dated September 18, 2018 to Airtel Congo RDC S.A., seeking to compel Airtel Congo RDC S.A. to pay an outstanding fee of USD 25,975 and USD 500,000 in damages for the alleged infringement of copyright, counterfeit, rebellion and forgery. The Claimant had filed the complaint to block the then impending dismissal of the civil lawsuit the Claimant brought against Airtel Congo RDC S.A., which sought to recover the aforesaid outstanding amount and obtain an attachment order in that respect. The Claimant's civil lawsuit was nevertheless dismissed and the Claimant has not moved to continue the complaint before the High Court of Matadi as of date.

8. Following investigations led by the Prosecutor Office in 2016, the management of Airtel Congo RDC S.A. was summoned to explain gaps between the amounts declared in certain of its importation licenses and the value of goods eventually imported. The Prosecutor Office alleged that the said gaps amounted into illegal transfers of foreign currency made by Airtel Congo RDC S.A. to the range of USD 72,000,000. Airtel Congo RDC S.A. clarified to the Prosecutor Office that importation licenses are issued by banks based on the estimated value of proposed imports indicated by the importer prior to the importation of the said goods. Airtel Congo RDC S.A. further clarified that upon the effective importation of the goods, the banks are to issue updated importation licenses reflecting the value of the imported goods, subject to the Central Bank approval, and in accordance with the foreign exchange regulations in the Democratic Republic of Congo. Airtel Congo RDC S.A. proceeded to share the updated licenses issued by the banks in full to the Prosecutor Office. As of date the Prosecutor Office has not made any new demand with regard to its initial query and Airtel Congo RDC S.A. awaits the conclusion of investigation.

Airtel Money RDC S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Money RDC S.A.

1. Mr. Christian Mupanda along with another person ("**Claimants**"), two local nationals of DRC filed a claim against the former director and manager of Airtel Money RDC S.A. and Airtel Money RDC S.A. ("**Respondents**"), alleging forgery by the Respondents of the Claimants' concept of electronic money wallet, seeking a court order compelling the Respondents to make a payment of USD 1,000,000 in damages and the cessation of any activity affecting the Claimant's rights. Through judgment dated April 20, 2015, the High Court rejected the claim ruling that the alleged *"forgery was not proven in fact nor in law"*. The appeal lodged by the Claimants against the above ruling was found admissible in part. The matter is pending the determination of the Supreme Court.

*Airtel Networks Kenya Limited ("**ANKL**")*

Proceedings involving material statutory and regulatory violations by ANKL

1. On August 7, 2017 ANKL filed a suit against the Communications Authority of Kenya ("**Communications Authority**") seeking the following:

   - An order of Certiorari to quash the unlawful demand of USD 20,025,000 made by the Communications Authority. The Communications Authority stated that payment of the aforesaid amount was a condition precedent to the renewal of ANKL's radio frequency spectrum and operating licenses.
   - An order of Prohibition to prohibit Communications Authority from in any manner seeking to enforce the unlawful demand of USD 20,025,000.
   - An order of Mandamus to compel Communications Authority to renew ANKL's Network Facility Provider License and issue ANKL the signed license terms and conditions.

   The parties presented their respective legal arguments before the High Court on various dates. The High Court through judgment dated December 18, 2017 held that the renewal of ANKL's license was not conditional on the payment of USD 20,025,000 as demanded by the Communications Authority. The High Court issued an order of Mandamus directing the Communications Authority to conclude the terms of the reserved Network Facility Provider License or such other documents confirming the renewal of the ANKL's Network Facility Provider License as well as the signed license terms and conditions. The Communications Authority filed a notice of appeal on January 24, 2018 and through letter dated January 24, 2018 addressed to the Deputy Registrar of the High Court requested for typed copies of the court proceedings for the purpose of compiling the record of appeal. Although no purposeful steps have been taken to obtain the proceedings, the Communications Authority may be content to await the High Court to provide the typed proceedings. During this waiting period and notwithstanding inertia by the Authority, the proposed appeal is still within time. Rule 82 of the Court of Appeal Rules excludes from computation of time, the period taken by the High Court to type the proceedings. As a consequence of the failure by the Communications Authority to comply with the order issued by the High Court on December 18, 2017, ANKL filed an application seeking that the Director General of the Communications Authority be cited for contempt of court. On June 6, 2018 ANKL filed the aforesaid application and served the application upon the Communications Authority. The Communications Authority filed an affidavit in response to the application. The suit was mentioned on December 16, 2019. The purpose of such mention was to inform the court whether the board of directors of the Communications Authority had been appointed and if so, to take a date for hearing of the contempt application. As the board of directors of the Communications Authority had not been appointed, the court directed the suit to be listed for mention on March 17, 2020.

Airtel Madagascar S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Madagascar S.A.

1. Ms. Rakotondrabe Lalatiana Maryse Yvonne ("**Claimant**"), a distributer, alleged that her SIM card was swapped by a dealer on the March 14, 2018 on the basis of a false identity card and without adequate verification. The dealer and Airtel Madagascar S.A. are the Respondents in this matter. The Claimant alleged that a sum of Ariary 4,165,917 (approx. USD 1,175) was stolen as a result from her Airtel money account. Airtel Madagascar S.A. reimbursed the above sum of Ariary 4,165,917 (approx. USD 1,175) to the Claimant following the court hearing held on the July 23, 2018. No charges were retained against the dealer by the court and the public prosecutor has appealed that decision. The matter is being transferred from the court of Maevatanana venue to the correctional court of Mahajanga. The legal proceedings are ongoing and the first date of the hearing is yet to be fixed.

2. Mr. Wang Jing Xue, a local customer filed a complaint against Airtel Madagascar S.A., alleging that his mobile number was being used by a third party. Airtel Madagascar S.A. confirmed in writing on June 21, 2018 that the aforesaid mobile phone number was not used by another customer. There are no damages sought against Airtel Madagascar S.A.. The Economic Police investigation is ongoing.

Airtel Malawi Limited

Proceedings involving material statutory and regulatory violations by Airtel Malawi Limited

1. In 2003, Mobile Telecommunications Company (MTC) bought Celtel International B.V. in Sub-Saharan Africa inclusive of Airtel Malawi Limited through a share purchase. For the sake of uniformity the trade name for all operations acquired by Mobile Telecommunications Company were changed to Zain in all operating countries except the Sudan. The 2010 takeover of the Zain Group by our Company is also is same format as the earlier. The Competition and Fair Trading Commission (CFTC) was of the opinion that it ought to have been notified about both transactions by virtue of Section 35 of the Competition and Fair Trading Act cap 48:09 of the Laws of Malawi. Thus, it issued an order to force notification on January 21, 2013. The above order was filed in the High Court of Malawi, Lilongwe District Registry and was made a judgment of the Court on January 23, 2013. On January 30, 2013 Airtel Malawi Limited obtained an order staying the said judgment in order to proceed to a Judicial Review of the Competition and Fair Trading Commission decision. On December 5, 2013, the Lilongwe Commercial Court ruled in favour of our Company and Airtel Malawi Limited. On February 4, 2014 a notice of appeal was issued by the Respondents. On March 5, 2014, the Registrar gave its statement. On November 26, 2018 the Supreme Court set aside the order made by the High Court Judge on review on the basis that the Lilongwe Commercial Court did not have the jurisdiction in this matter. While our Company and Airtel Malawi Limited are pursuing judicial review before the General Division of the High Court of Malawi, it had on February 26, 2019 filed on a without prejudice basis an application to the CFTC for its approval of the 2010 takeover by our Company. The total notification fee was computed and paid under the CFTA Regulations was K 13,887,000 (USD 19,200). This was calculated at the rate of 0.05% of the total assets being higher than turnover and was only paid when Airtel Malawi Limited had submitted the without prejudice application to the CFTC. In response, the CFTC informed Airtel Malawi Limited that there was a balance of K 729,489 (USD 1,006) to be paid based on Celtel's audited accounts for 2009. On March 19, 2019, Airtel Malawi Limited informed the CFTC that payment of the sum of K 13,887,000 was made based on the 2009 restated audited accounts of Airtel Malawi Limited. On April 4, 2019, the CFTC insisted that the merger fees are calculated based on audited financial accounts of the year preceding the transaction of which in this case is 2009 (as the transaction took place in 2010), hence Airtel Malawi Limited was still liable to pay the balance of K 729,489 (USD 1,006) for the

Commission to start considering our Company's submitted Application. On April 11, 2019, Airtel Malawi Limited informed the Commission that payment of the sum of K 13,887,000 was made based on the restated audited accounts of Celtel Malawi Limited of 2009, which had replaced the initial audited accounts of Celtel Malawi Limited of 2009 on the ground that when Auditors restate the accounts of previous period(s), the old accounts cannot be used anymore as they do not represent a true and fair state of affairs of our Company and accordingly, the CFTC was convinced. On July 2, 2019, the CFTC wrote a letter of comfort to Airtel Malawi Limited stating that it had concluded its investigations and the results showed that the transaction did not change the parameters that influence competition in the relevant market which means that the acquisition of Zain by our Company did not create conditions which are adverse to competition to the relevant market. However, the CFTC advised that final determination rests with the Board of Commissioners to which it submitted its findings. The members of the Board of the Commissioners have been appointed just recently and are yet to communicate final decision.

*Airtel Networks Zambia PLC ("**ANZ**")*

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of ANZ

1. On June 16, 2015, Thomas Allan Zgambo and Clayson Hamasaka ("**Petitioners**") commenced an action against ANZ, claiming that ANZ had breached various security and privacy laws under the Constitution and the Electronic Communications and Transactions Act ("**ECT**") by allegedly intercepting their communications and providing them to Government investigatory and security agencies in or around April, 2014. The Petitioners claimed the following reliefs:

   (i) A declaration that ANZ had breached its obligations under the Constitution and the ECT by diverting the Petitioners' communications;

   (ii) Damages for breach of privacy;

   (iii) An injunction, restraining ANZ from further invading the privacy of the petitioners; and

   (iv) Costs for the action.

   In order to prove their case, the Petitioners had applied to court for the submission by ANZ of their Call Data Records ("**CDRs**") and those of five other numbers which they claimed to have been the numbers to which the alleged interceptions had been diverted. ANZ opposed the application on the basis that the Petitioners could not request CDRs in respect of phone numbers that were not registered to them and the court, agreeing with ANZ, restricted the production only to the Petitioners' CDRs which were to be produced at the Petitioners' expense.

   The matter was scheduled to commence for trial on December 6, 2019 but was struck off the active cause list due to non-attendance by the Petitioners in addition to their failure to comply with the cost of producing the CDRs. The Petitioners have since had the matter restored to the active cause list and receipt of a revised date of trial is awaited.

Tax liabilities of our Company and our Subsidiaries

The direct tax proceedings have contributed ₹ 14,061 million to our contingent liabilities, on a consolidated basis, as of September 30, 2019. The indirect tax proceedings pertaining to customs duty, sales tax / service tax / VAT and entry tax have contributed ₹ 48,391 million to our contingent liabilities, on a consolidated basis, as of September 30, 2019.

Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoter during the last three years immediately preceding the year of the issue of this Offering Circular.

Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Offering Circular, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Offering Circular involving our Company or our Subsidiaries.

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Offering Circular.

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As of December 31, 2019, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution, except where there is dispute under litigation.

Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Offering Circular, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Except the "AGR matters" stated in this section at "- *Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 312, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations. For details, please see "*Financial Statements*" on page 356.

Reservations, qualifications, matters of emphasis or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Offering Circular and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as stated below, there are no reservations, qualifications, matters of emphasis or adverse remarks of our auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the date of this Offering Circular.

Audited Standalone Financial Statements

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
September 30, 2019	**Material uncertainty related to Going Concern** "The accompanying Interim Condensed Standalone Financial Statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the Interim Condensed Standalone Financial Statements, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which, along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. Our opinion is not modified in respect of this matter."	Impact on financial statements: The best estimate of the provision has been recorded in the financial statements. Corrective steps by our Company: Our Company has recognised the provision for outstanding adjusted gross revenue. Our Company has also filed a review petition before the Supreme Court and is seeking other reliefs, with others affected in the industry, from the Government. Further, the management's actions include, inter-alia, accessing diversified sources of finance to discharge its obligation under the Court judgement.
	Emphasis of matter "We draw attention to Note 9(i)(i) to the Interim Condensed Standalone Financial Statement, which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion on the Statement is not modified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2019	**Emphasis of matter** "We draw attention to Note 23(I)(f)(vi) of 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."	Impact on financial statements: No impact on the financial statements of our Company except already disclosed. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending on appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's Report) Order, 2016 "(i)(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	Impact on financial statements: No impact on the financial statements of our Company. Corrective steps by our Company:

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	situation details with respect to certain fixed assets in the records maintained by the Company."	Our company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
	Companies (Auditor's Report) Order, 2016 "(xi) In our opinion and to the best of our information and according to explanation given to us, the remuneration paid/ accrued by the Company to its Chairman and Managing Director & CEO (India and South Asia) for the year ended March 31, 2019 is in excess by Rs. 300.66 Million vis-à-vis the limits specified in section 197 of Companies Act, 2013 ('the Act') read with Schedule V thereto as the Company does not have profits. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders, as necessary."	Impact on financial statements: No impact on the financial statements of Company Corrective steps by our Company: Our Company has complied with the prescribed statutory requirements and has also taken shareholders' approval for payment of remuneration to CMD and CEO (India & South Asia) in its annual general meeting held in August, 2019.
March 31, 2018	**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."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's Report) Order, 2016 "(i)(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."	Impact on financial statements: No impact on the financial statements of our Company Corrective steps by our Company: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
	Companies (Auditor's Report) Order, 2016 "(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.	Impact on financial statements: No impact on the financial statements of our Company. Corrective steps by our Company: Our Company has complied with the prescribed statutory requirements and has also taken shareholders' approval for payment of commission to non-executive

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	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."	directors in its annual general meeting held in August, 2018.
March 31, 2017	**Emphasis of matter** "We draw attention to Note 22(i)(f)(v) to the standalone Ind AS financial statements which describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's report) Order, 2016 "(i)(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."	Impact on financial statements: No impact on the financial statements of our Company Corrective steps by our Company: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
March 31, 2016	**Emphasis of matter** "We draw attention to Note 26(ii)(g)(vi) 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 Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's Report) Order, 2016 "(i)(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."	Impact on financial statements: No impact on the financial statements of our Company Corrective steps by our Company: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
March 31, 2015	**Emphasis of matter** "We draw attention to Note 26(ii)(g)(vii) 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 Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's report) Order, 2015 "(i)(a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, however, 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 capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the programme, a portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The Company is in the process of reconciling the quantitative and situation details of the physical verification results with the records maintained by the Company and as informed to us, the impact is not expected to be material."	Impact on financial statements: No impact on the financial statements of our Company Corrective steps by our Company: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.

Audited Consolidated Financial Statements

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
September 30, 2019	**Material uncertainty related to Going Concern** "The accompanying Interim Condensed Consolidated Financial Statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 2 to the Interim Condensed Consolidated Financial Statements, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the	Impact on financial statements: The best estimate of the provision has been recorded in the financial statements. Corrective steps by our Company: Our Company has recognised the provision for outstanding adjusted gross revenue. Our Company has also filed a review petition before the Supreme Court and is seeking other reliefs, with others

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which, along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. Our opinion is not modified in respect of this matter."	affected in the industry, from the Government. Further, the management's actions include, inter-alia, accessing diversified sources of finance to discharge its obligation under the Court judgement.
	Emphasis of matter "(a) We draw attention to Note 9(i)(a) of the Statement, which describes the uncertainties related to legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion on the Statement is not modified in respect of these matters."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Emphasis of matter "(b) We draw attention to Note 4(c) of the Statement, which describes the auditors of Indus Towers Limited ("Indus"), a joint venture Company, have included an 'Emphasis of matter' paragraph in their audit report on the financial statements of that Company for the six month period ended September 30, 2019 with respect to accounting treatment of adjustments of Rs. 2,039 million in carrying value of deferred tax assets, by setting off the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judicature. However, this is not in compliance with Ind AS 12, Income taxes. The Group's share out of the above adjustment is Rs. 856 million. Our opinion on the Statement is not modified in respect of these matters."	Impact on financial statements: No impact on the financial statements of our Company except already recognised Corrective steps by our Company: The adjustment of deferred tax asset against reserve created out of scheme of merger is pursuant to the approved Scheme of Merger and, hence, does not require any corrective action.
March 31, 2019	**Emphasis of matter** "We draw attention to Note 24(i)(f)(vi) of the Consolidated Financial Statements, which describes the uncertainties related to the outcome of Department of Telecommunications demand with respect to one-time spectrum charges. Our opinion is not modified in respect of this matter."	Impact on financial statements: No impact on the financial statements of our Company except already disclosed Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending on appeal before the Bombay High Court, and our Company continues to contest

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
		this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2018	**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."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2017	**Emphasis of matter** "We draw attention to Note 26(i)(f)(v) to these consolidated Ind AS financial statements which, describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2016	**Emphasis of matter** "We draw attention to Note 27(ii)(f)(vi) to the consolidated IGAAP financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2015	**Emphasis of matter** "We draw attention to Note 36(ii)(f)(vii) to the consolidated financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
		spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as our Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27th AGM.

For details of reservations, qualifications, matters of emphasis or adverse remarks by our statutory auditors for the Fiscals 2019, 2018, 2017, 2016 and 2015, see "*Legal Proceedings – Reservations, qualifications, matters of emphasis or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Offering Circular and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks*" on page 345.

Our Company's audited consolidated financial results for the quarter and six months period ended September 30, 2019 and audited consolidated financial statements for Fiscals 2019 and 2018, as included in this Offering Circular have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors and our Company's audited consolidated financial statements for the Fiscal 2017, as included in this Offering Circular have been audited by S. R. Batliboi & Co. LLP Chartered Accountants ("**SBRA**"), the erstwhile statutory auditors of our Company.

Deloitte Haskins & Sells LLP ("**DHS LLP**"), the current statutory auditors of the Issuer, is a firm registered with the Institute of Chartered Accountants of India. It has been reported that in connection with certain alleged lapses identified by the Serious Fraud Investigation Office in one of its audit assignments, the Ministry of Corporate Affairs in India ("**MCA**") has filed, among others, a petition with the National Company Law Tribunal ("**NCLT**") seeking an order under Section 140(5) of the Companies Act to impose a restriction on DHS LLP (and another large audit firm which was the joint auditor with DHS LLP of the Issuer in a recent past fiscal year) from being appointed as an auditor of any company for a five-year period, (the "**Proposed Restriction**"). The MCA has also made other applications before other judicial/quasi-judicial forums seeking certain other orders against DHS LLP and the other audit firm. Both the auditors have raised objections to the proceedings on technical and legal grounds. DHS LLP has challenged against the orders issued by the NCLT including, in particular, the applicability of Section 140(5) to it and appeals are pending before the National Company Law Appellate Tribunal ("**NCLAT**"). Separately, the other audit firm has also challenged the proceedings before the Bombay High Court and the matter is under appeals. The matters are currently subjudice. As of date, there are no orders that prevent DHS LLP from continuing as auditors of the Issuer. These alleged lapses are completely unrelated to the Issuer's financial statements and procedures.

S.R. Batliboi & Co. LLP was informed by the RBI via a press release dated June 3, 2019 that the RBI will not approve S.R. Batliboi & Co. LLP for carrying out statutory audit assignments for commercial banks for one year commencing from April 1, 2019. This does not impact SRBA's role as the statutory auditor of our Company for the year ended March 31, 2017.

GENERAL INFORMATION

1. Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by RoC. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC.

2. Our Company obtained a certificate of commencement of business on January 18, 1996.

3. The Registered and Corporate Office of our Company is located at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India.

4. Our Company filed a prospectus dated February 7, 2002, in respect of an IPO of its equity shares of face value of ₹10 each. Such equity shares were listed on BSE, NSE and the Delhi Stock Exchange pursuant to the IPO, and were subsequently delisted from the Delhi Stock Exchange with effect from October 13, 2004.

5. This Issue has been approved by our Board and our Shareholders pursuant to resolutions dated December 4, 2019 and January 3, 2020, respectively.

6. Our Company has received an approval-in-principle for the listing and quotation of the Bonds on the Singapore Exchange Securities Trading Limited. The Singapore Exchange assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the Singapore Exchange is not to be taken as an indication of the merits of the Issuer, the Group, their subsidiaries, their associated companies or the Bonds.

   For so long as any Bonds are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for definitive Certificate(s). In addition, in the event that a Global Certificate is exchanged for definitive /Certificate(s), an announcement of such exchange will be made through the Singapore Exchange and such announcement will include all material information with respect to the delivery of the definitive Certificate(s), including details of the paying agent in Singapore.

   The Bonds will be traded on the Singapore Exchange in a minimum board lot size of U.S.$200,000 for so long as the Bonds are listed on the Singapore Exchange.

7. Our Company has received in-principle approvals from NSE and BSE, both dated January 8, 2020, to list the Shares issuable upon conversion of the Bonds under Regulation 28(1) of the SEBI Listing Regulations. We shall apply to the Stock Exchanges for the final listing and trading approvals on conversion of the Bonds into Shares.

8. Our Company has obtained necessary consents, approvals and authorization required for this Issue.

9. Copies of the Memorandum and Articles of Association will be available for inspection between 10:00 am to 1:00 pm on any weekday (except Saturdays and public holidays) at the Registered and the Corporate Office.

10. Except as disclosed in this Offering Circular, there has been no material change in our Company's financial position since September 30, 2019, the latest audited consolidated financial statements, filed with the Stock Exchanges, in accordance with the requirements of the SEBI Listing Regulations.

11. The initial Floor Price for the conversion of Bonds into the Shares, determined in accordance with FCCB guidelines, is 452.09.

FINANCIAL STATEMENTS

S. No.	Particulars
1	Independent Auditor's Report on Interim Condensed Financial Statements
2	Interim Condensed Financial Statements for the six months ended September 30, 2019
3	Independent Auditor's Report on Audit of Consolidated Financial Statements of our Company for the year ended March 31, 2019
4	Audited Annual Consolidated Financial Statements of our Company for the year ended March 31, 2019
5	Independent Auditor's Report on Audit of Consolidated Financial Statements of our Company for the year ended March 31, 2018
6	Audited Annual Consolidated Financial Statements of our Company for the year ended March 31, 2018
7	Independent Auditor's Report on Audit of Consolidated Financial Statements of our Company for the year ended March 31, 2017
8	Audited Annual Consolidated Financial Statements of our Company for the year ended March 31, 2017

REGISTERED AND CORPORATE OFFICE OF THE COMPANY

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