



HCIL COMTEL PRIVATE LIMITED

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF

HCIL COMTEL PRIVATE LIMITED

CONVENED PURSUANT TO THE ORDER DATED MAY 11, 2020 OF

THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, PRINCIPAL BENCH, NEW

DELHI IN RELATION TO THE SCHEME OF ARRANGEMENT

BETWEEN

BHARTI AIRTEL LIMITED

BHARTI AIRTEL SERVICES LIMITED

HUGHES COMMUNICATIONS INDIA PRIVATE LIMITED

AND

HCIL COMTEL PRIVATE LIMITED

**HCIL COMTEL PRIVATE LIMITED***(Formerly known as HCIL Comtel Limited)***CIN** – U32204DL2007PTC168125**Registered Office:** 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India**Tel.:** +91-124-713 2500 **Fax.:** +91-124-713 2840**Email:** corporate@hughes.in **Website:** www.hughes.in**MEETING OF THE UNSECURED CREDITORS OF HCIL COMTEL PRIVATE LIMITED***(convened pursuant to the order dated May 11, 2020 of the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi)***DETAILS OF THE MEETING:**

Day	Saturday
Date	August 1, 2020
Time	3:30 P.M. to 4:30 P.M. (Indian Standard Time)
Mode*	Meeting to be held through Video Conferencing or Other Audio Visual Means

* Please note that there shall be no meeting requiring physical presence at a common venue in view of the present circumstances, on account of the CoVID-19 pandemic.

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO. CA(CAA)-186 (PB) OF 2019
(under Sections 230-232 of the Companies Act, 2013)
IN THE MATTER OF THE COMPANIES ACT, 2013**

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN BHARTI AIRTEL LIMITED, BHARTI AIRTEL SERVICES LIMITED, HUGHES COMMUNICATIONS INDIA PRIVATE LIMITED AND HCIL COMTEL PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

AND

IN THE MATTER OF:

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

...Transferor Company 1 / Applicant Company 1

AND

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

...Transferor Company 2 / Applicant Company 2

AND

Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited), a company incorporated under the Companies Act, 1956, having its registered office at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037

...Transferee Company 1 / Applicant Company 3

AND

HCIL Comtel Private Limited (formerly known as HCIL Comtel Limited), a company incorporated under the Companies Act, 1956, having its registered office at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037

...Transferee Company 2 / Applicant Company 4

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF HCIL COMTEL PRIVATE LIMITED

Notice is hereby given that by an order dated the 11th day of May, 2020 in Company Application No. CA(CAA)-186(PB)/2019 (“**Order**”), the Hon’ble Principal Bench of the National Company Law Tribunal at New Delhi (“**Tribunal**”), has directed a meeting to be held of the unsecured creditors of HCIL Comtel Private Limited (“**HCIL Comtel**”) for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed composite scheme of arrangement (“**Scheme**”) between Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of HCIL Comtel will be held on Saturday, the 1st day of August, 2020 between 3:30 P.M. and 4:30 P.M. (“**Meeting**”) through video conferencing or other audio visual means (“**VC/OAVM**”), as per the Order read with the applicable operating procedures (with requisite modifications as may be required) referred to in Circular No.14/2020 dated April 8, 2020 read with Circular Nos. 17/2020 dated April 13, 2020 and 22/2020 dated June 15, 2020 issued by the Ministry of Corporate Affairs, Government of India. Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the CoVID-19 pandemic. At such day, date and time, the said unsecured creditors of HCIL Comtel are requested to attend the Meeting.

Persons entitled to attend and vote may vote through the e-voting facility made available during the Meeting through VC/OAVM. The facility of appointment of proxies by unsecured creditors will not be available for such Meeting. However, a body corporate which is an unsecured creditor is entitled to appoint a representative for the purposes of participating and / or voting during the Meeting.

Copies of the notices in relation to the Meeting, together with the documents accompanying the same, including the explanatory statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Rules**”) (“**Explanatory Statement**”) and the Scheme can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of HCIL Comtel at 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India during business hours. HCIL Comtel is required to furnish a copy of the Scheme within one day of any requisition of the Scheme made by any unsecured creditor, to HCIL Comtel by e-mail at evoting@hughes.in.

The Tribunal has appointed Mr. P. Nagesh, Advocate, as the Chairperson of the Meeting, and failing him, Mr. Saurabh Kalia, Advocate, as the Alternate Chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Naveen Pandey, practicing Company Secretary, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof. The Scheme, if approved at the Meeting, will be subject to the subsequent approval of the Tribunal.

TAKE NOTICE that the following resolution is proposed under Section 230(3) and other applicable provisions of the Act and the provisions of the memorandum of association and the articles of association of HCIL Comtel, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

“RESOLVED THAT, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”), the applicable rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), other applicable laws and subject to the provisions of the memorandum of association and the articles of association of HCIL Comtel Private Limited (“**HCIL Comtel**”) and subject to the approval of the Hon’ble National Company Law Tribunal at New Delhi (“**Tribunal**”) and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the board of directors of HCIPL (“**Board**”, which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the composite scheme of arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act (“**Scheme**”) as enclosed to the notice of the Tribunal convened meeting of the unsecured creditors of HCIPL and placed before this meeting, be and is hereby approved.

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

TAKE FURTHER NOTICE that pursuant to the applicable provisions of the Act and the rules made thereunder read with the applicable operating procedures (with requisite modifications as stated herein or as may be required) referred to in Circular No.14/2020 dated April 8, 2020 read with Circular Nos. 17/2020 dated April 13, 2020 and 22/2020 dated June 15, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the Order, the Meeting is taking place through video conferencing or other audio visual means (“**VC/OAVM**”). There shall be no meeting requiring physical presence at a common venue in view of the present circumstances, on account of the CoVID-19 pandemic. Persons entitled to attend and vote may vote through the e-voting facility made available during the Meeting through VC/OAVM.

A copy of the Explanatory Statement, the Scheme and other enclosures are enclosed and form part of the notice.
Dated this 27th day of June, 2020.

For HCIL Comtel Private Limited

Sd/-
Mr. Pranav Roach
(Director & Authorized Signatory)

Registered Office: 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India
CIN: U32204DL2007PTC168125
Email: corporate@hughes.in

NOTES:

1. **THE NOTICE IN RELATION TO THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF HCIL COMTEL (“MEETING”), TOGETHER WITH THE DOCUMENTS ACCOMPANYING THE SAME, INCLUDING THE EXPLANATORY STATEMENT AND THE SCHEME (COLLECTIVELY, THE “NOTICE”) IS BEING SENT TO ALL THE UNSECURED CREDITORS OF HCIL COMTEL WHOSE NAMES ARE APPEARING IN THE CERTIFICATE GIVEN BY THE CHARTERED ACCOUNTANT CERTIFYING THE LIST OF UNSECURED CREDITORS AS ON SEPTEMBER 30, 2019, AS HAD BEEN FILED WITH THE TRIBUNAL, BY E-MAIL IN VIEW OF THE ONGOING COVID-19 PANDEMIC. THIS NOTICE IS BEING SENT ON THE EMAIL ID REGISTERED WITH THE COMPANY. IF THE EMAIL ID OF ANY UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS NOT REGISTERED WITH THE COMPANY, SUCH UNSECURED CREDITOR IS REQUESTED TO SEND AN EMAIL TO EVOTING@HUGHES.IN FROM THE EMAIL ID IT WISHES TO REGISTER NOT LATER THAN JULY 20, 2020. THIS WILL ENABLE SUCH UNSECURED CREDITOR TO RECEIVE AN ELECTRONIC COPY OF THIS NOTICE, LINKS AND OTHER INFORMATION THAT WILL ENABLE THE UNSECURED CREDITOR TO ATTEND THE MEETING AND CAST ITS VOTE AT THE MEETING.**
2. **A PERSON/ ENTITY WHO IS NOT AN UNSECURED CREDITOR AS ON THE CUT-OFF DATE (I.E. SEPTEMBER 30, 2019) SHOULD TREAT THIS NOTICE FOR INFORMATION PURPOSES ONLY AND WILL NOT BE ENTITLED TO VOTE.**
3. **THE NOTICE WILL BE DISPLAYED ON THE WEBSITE OF HCIL COMTEL AT WWW.HUGHES.IN.**
4. **IN VIEW OF THE ONGOING COVID-19 PANDEMIC, HCIL COMTEL SEEKS TO CONVENE THE MEETING THROUGH VIDEO CONFERENCING OR OTHER AUDIO VIDEO MEANS (“VC/OAVM”), FOLLOWING THE ORDER READ WITH THE PROCEDURES MENTIONED IN CIRCULAR NO.14/2020 DATED APRIL 8, 2020 READ WITH CIRCULAR NO.17/2020 DATED APRIL 13, 2020 AND CIRCULAR NO.22/2020 DATED JUNE 15, 2020 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, WITH NECESSARY MODIFICATIONS AS MAY BE REQUIRED, AND PHYSICAL ATTENDANCE OF SHAREHOLDERS HAS BEEN DISPENSED WITH. THE PROCEEDINGS OF THE MEETING SHALL HOWEVER**

BE DEEMED TO BE CONDUCTED AT THE REGISTERED OFFICE OF HCIL COMTEL WHICH SHALL BE THE DEEMED VENUE OF THE MEETING.

5. **THE UNSECURED CREDITORS OF HCIL COMTEL ARE ENTITLED TO VOTE THROUGH THE E-VOTING FACILITY MADE AVAILABLE DURING THE MEETING WHICH WILL BE HELD THROUGH VC/OAVM MEANS, AS DESCRIBED BELOW. FURTHER, SINCE THE MEETING WILL BE HELD THROUGH VC/OAVM.**
6. **THE FACILITY FOR APPOINTMENT OF PROXIES BY THE UNSECURED CREDITORS WILL NOT BE AVAILABLE FOR THE MEETING AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
7. **A BODY CORPORATE WHICH IS AN UNSECURED CREDITOR OF HCIL COMTEL IS ENTITLED TO APPOINT AN AUTHORIZED REPRESENTATIVE FOR THE PURPOSE OF PARTICIPATING AND, OR VOTING DURING THE MEETING HELD THROUGH VC/OAVM. FURTHER, SUCH BODY CORPORATES (I.E. OTHER THAN INDIVIDUALS, HUF, NRI, ETC.) ARE REQUIRED TO SEND SCANNED CERTIFIED TRUE COPY (PDF FILE) OF THE RELEVANT RESOLUTION / AUTHORITY LETTER TOGETHER WITH ATTESTED SPECIMEN SIGNATURE OF THE DULY AUTHORIZED SIGNATORY(IES) WHO ARE AUTHORIZED TO VOTE, TO THE SCRUTINIZER AT INFO@CORPSMITH.ORG FROM THEIR REGISTERED EMAIL ADDRESS WITH A COPY MARKED TO EVOTING@HUGHES.IN, NO LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. THE SUBJECT MATTER OF THE EMAIL SHOULD BE "HCIL COMTEL UNSECURED CREDITORS MEETING".**
8. **UNSECURED CREDITOR (IN CASE SUCH UNSECURED CREDITOR IS AN INDIVIDUAL) OR THE AUTHORIZED REPRESENTATIVE OF THE UNSECURED CREDITOR (IN CASE SUCH UNSECURED CREDITOR IS A CORPORATE MEMBER) SHOULD ADDITIONALLY E-MAIL COPY OF THEIR VALID AND LEGIBLE IDENTITY PROOF (PDF FILE) ISSUED BY A STATUTORY AUTHORITY (I.E. PAN CARD/ AADHAAR CARD/ PASSPORT/ DRIVING LICENSE/ VOTER ID CARD) TO THE SCRUTINIZER AT INFO@CORPSMITH.ORG FROM THEIR REGISTERED EMAIL ADDRESS WITH A COPY MARKED TO EVOTING@HUGHES.IN, NO LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. THE SUBJECT MATTER OF THE EMAIL SHOULD BE "HCIL COMTEL UNSECURED CREDITORS MEETING".**
9. **THE RECORDED TRANSCRIPT OF THE MEETING HELD VIA VC/OAVM SAME SHALL BE MAINTAINED IN SAFE CUSTODY BY HCIL COMTEL.**
10. Unsecured creditors may avail the nomination facility as provided under Section 72 of the Act.
11. In terms of the directions contained in the Order, "*the quorum of the meeting of the unsecured creditors shall be 100, to be personally present.*". Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the

Meeting shall be adjourned by 30 minutes and thereafter, the persons present shall be deemed to constitute the quorum.

12. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the unsecured creditors of HCIL Comtel if the resolution mentioned above in the Notice has been approved at the Meeting by a majority of persons representing three-fourths in value of the unsecured creditors of HCIL Comtel, voting through e-voting facility made available during the Meeting through VC/OAVM.
 13. In terms of the directions contained in the Order, the notice convening the Meeting will be published by HCIL Comtel through advertisement in the "*Financial Express*" (Delhi NCR edition, in English) and "*Jansatta*" (Delhi NCR edition, in Hindi) indicating the day, date, mode and time of the Meeting and stating that the copies of the Scheme and the Explanatory Statement and other relevant documents can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of HCIL Comtel during business hours.
 14. The unsecured creditors desiring to exercise their vote through e-voting facility are requested to carefully follow the instructions set out in the notes below under the headings "*Voting through E-voting*".
 15. The voting rights of an unsecured creditor for the purposes of e-voting shall be reckoned on the basis of the outstanding amount due by HCIL Comtel to that unsecured creditor as on September 30, 2019 and a person who is not an unsecured creditor on such date should treat the notice for information purposes only.
 16. The scrutinizer will submit his combined report to the chairperson and/ or the alternate chairperson (as the case may be) after completion of the scrutiny of the votes cast by the unsecured creditors of HCIL Comtel through e-voting during the Meeting. The scrutinizer's decision on the validity of the votes shall be final. The results of the votes cast through e-voting process will be announced on or before Monday, August 3, 2020. The results along with the report of the scrutinizer shall be displayed at the registered office of HCIL Comtel situated at 1, Shivji Marg, Westend Greens, NH-8, New Delhi – 110037 and its website www.hughes.in.
- ATTENDING THE MEETING**
17. Please click on the link "Join Microsoft Teams Meeting" received by email from evoting@hughes.in on your email id registered with HCIL Comtel to join the Meeting through Video Conferencing.
 18. Click on the tab "Join on the web instead".
 19. Insert your name in the "Name" field and click on the "Join Now" tab.
 20. You will join the meeting once the organizer accepts your entry into the Meeting.
 21. In case of any technical difficulty in joining the meeting, you may kindly contact our helpdesk at Email: evoting@hughes.in or Mr. Rishab Sharma (Contact No. +91 9599760604).

VOTING THROUGH E-VOTING

22. The e-voting process shall be activated upon instructions of the Chairperson during the Meeting.
 23. The procedure and instructions for e-voting facility are as follows:
 - a) Open your web browser during the e-voting period as mentioned above, and navigate to <https://pollev.com> and click on the “Log in” tab.
 - b) Enter the login credentials (i.e. Username and password entered during the registration process). Prior registration of the credentials is required at least 48 hours before the Meeting. For registration, please refer to “PROCEDURE FOR REGISTERING THE EMAIL ADDRESS FOR ENABLING E-VOTING FACILITY” below.
 - c) Once you have logged in, please click on the “Home” tab. Under the caption “Join presentation” please enter the “username” in the filed box and click “Join”. This is the same “username” that you will be receiving on your email id registered with HCIL Comtel.
 - d) You will be directed to the voting page. Please select “Yes” if you wish to vote in favour of the Resolution and “No” if you wish to vote against the Resolution.
 - e) Once you have clicked either “Yes” or “No”, your response will be recorded with the presenter. You can see your response by clicking on the “History” tab.
 - f) Once you have recorded your response, you may not be allowed to modify your vote.
 - g) In case of any queries, you may kindly contact our helpdesk at Email: evoting@hughes.in or Mr. Rishab Sharma (Contact No. +91 9599760604).
 24. In the event any unsecured creditor faces difficulties in logging in and cast their vote on the e-voting platform, such unsecured creditor(s) can choose to cast the vote by sending an email to the Scrutinizer at info@corpsmith.org from their registered email address with a copy marked to evoting@hughes.in from the email id registered with HCIL Comtel. In the event a poll is demanded during the Meeting, Unsecured creditors can convey their vote by sending an email to the Scrutinizer at info@corpsmith.org from their registered email address with a copy marked to evoting@hughes.in from the email id registered with HCIL Comtel. In any event the Chairperson of the Meeting may decide to call for voting by the unsecured creditors in any manner as may be deemed appropriate.
 25. The resolutions shall be deemed to be passed at the registered office of HCIL Comtel on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.
 26. Unsecured creditors may join the Meeting through Laptops, Smartphones, Tablets and iPads. Further, the unsecured creditors will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to their respective network connectivity. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
 27. The unsecured creditors of HCIL Comtel can join the Meeting 15 minutes before and after the scheduled time of commencement of the Meeting by following the procedure mentioned in this Notice.
 28. Log-in to the VC/OAVM platform by the unsecured creditor using the email id registered with HCIL Comtel shall be considered for record of attendance of such unsecured creditor for the Meeting, and the attending of Meeting will be counted for the purpose of reckoning the quorum in terms of the Order.
 29. Submission of Questions/queries prior to the Meeting: Unsecured creditors desiring any additional information or having any question or query are requested to e-mail HCIL Comtel at evoting@hughes.in, at least 2 days before the date of the Meeting so as to enable HCIL Comtel to keep the information ready.
 30. Speaker Registration before the Meeting: Unsecured creditors who wish to register as speakers are requested to send an email to evoting@hughes.in. The unsecured creditors shall be provided with a ‘queue number’ before the Meeting. Unsecured creditors are requested to remember the same and wait for their turn to be called by the Chairperson of the Meeting during the Question & Answer Session. Due to inherent limitation of transmission and coordination during the Meeting, HCIL Comtel may have to dispense with or curtail the Question & Answer Session. Hence, unsecured creditors are encouraged to send their questions/queries etc., in advance as provided in Note 29 above.
- PROCEDURE FOR REGISTERING THE EMAIL ADDRESS FOR ENABLING E-VOTING FACILITY**
31. Open the link <https://Pollev.com> on a browser and click on the “Registration” tab.
 32. Click on “Sign-up” tab and after filling in your details including a password that should remember, please press the tab “Create Account”.
 33. You will get a confirmation email on your email id registered with HCIL Comtel. Please open the email and click on the tab “Confirm Email Address”.
 34. You will be redirected to a page with a caption “Response history”.
 35. Click on the “Registration” tab again. You will get directed to a page with a caption “Register with a presenter”. Please click the said caption.
 36. You will be directed to the “Participant registration” page. Now you will be required to insert the “Presenter Username” that you will be receiving on your email id registered with HCIL Comtel. For example, if the username is “Evoting976”, insert that and click on the “Search” tab.
 37. After clicking the username, you will be directed to the

“register with E Voting” page and your name and email id will appear on the screen. Please click on the “Register” tab.

38. You will see “Registration complete” caption. This means you have successfully completed the registration process. Please click on “Join presentation” tab.
39. All documents referred to in the Notice and the accompanying Explanatory Statement will be available for inspection by the unsecured creditors at the registered office of HCIL Comtel on all days, except Saturday, Sunday and public holidays, between 11:00 A.M. and 1:00 P.M. upto the date of the Meeting.
40. Any queries/ grievances in relation to the Notice may be addressed to Ms. Damini Srivastava through e-mail at evoting@hughes.in.

Enclosures: As above

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF HCIL COMTEL PRIVATE LIMITED

1. This explanatory statement is being furnished pursuant to Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 (“Act”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“Rules”) (“**Explanatory Statement**”).
2. Pursuant to the order dated May 11, 2020 under Section 230(1) of the Act in Company Application No. CA (CAA)-186(PB)/2019 (“Order”), passed by the Principal Bench of the Hon’ble National Company Law Tribunal at New Delhi (“Tribunal”), a meeting of the unsecured creditors of HCIL Comtel Private Limited (“**HCIL Comtel**” or “**Transferee Company 2**”) is being convened on Saturday, the 1st day of August, 2020 between 3:30 P.M. and 4:30 P.M. (“**Meeting**”) through video conferencing or other audio visual means (“**VC/OAVM**”), for the purpose of considering and, if thought fit, approving with or without modification(s), the composite scheme of arrangement between Bharti Airtel Limited “**BAL**” or “**Transferor Company 1**”, Bharti Airtel Services Limited (“**BASL**” or “**Transferor Company 2**”), Hughes Communications India Limited (now known as Hughes Communications India Private Limited) (“**HCIPL**” or “**Transferee Company 1**”) and HCIL Comtel and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act (“**Scheme**”). The Scheme as filed with the Tribunal is enclosed as **ANNEXURE 1**. Please refer to paragraphs nos. 94 and 96 of this Explanatory Statement for the rationale and salient features of the Scheme, respectively.
3. BAL, BASL, HCIPL and HCIL Comtel are hereafter collectively referred to as the Companies.
4. Capitalized terms which are used in this Explanatory Statement but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated.
5. In terms of the directions contained in the Order, “*the quorum of the meeting of the unsecured creditors shall be 100, to be personally present*”. Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by 30 minutes and thereafter, the persons present shall be deemed to constitute the quorum.
6. For the purposes of computing the quorum, the authorized representatives shall also be considered, subject to requisite documents being submitted in the manner described above.
7. In terms of the Order, the Tribunal has appointed Mr. P. Nagesh, Advocate, as the Chairperson of the Meeting and failing him, Mr. Saurabh Kalia, Advocate, as the Alternate Chairperson of the Meeting, including for any

adjournment(s) thereof. The Tribunal has also appointed Mr. Naveen Pandey, practicing Company Secretary, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof.

8. The board of directors (“**Board**”) of BAL, at its meeting held on May 6, 2019, approved the Scheme pursuant to resolution dated May 6, 2019.
9. The Board of BASL at its meeting held on May 6, 2019, approved the Scheme pursuant to its resolution dated May 6, 2019.
10. The Board of HCIPL at its meeting held on May 24, 2019, approved the Scheme pursuant to its resolution dated May 24, 2019.
11. The Board of HCIL Comtel at its meeting held on June 1, 2019, approved the Scheme pursuant to its resolution dated June 1, 2019.
12. The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, for (a) transfer of the VSAT Undertaking 1 (*defined under Clause 1.35 of Part A of the Scheme*) of BAL and vesting of the same with HCIPL; and (b) transfer of the VSAT Undertaking 2 (*defined under Clause 1.41 of Part A of the Scheme*) of BASL and vesting of the same with HCIL, both on a going concern basis by way of a slump sale in accordance with Section 2(42C) of the Income-tax Act, 1961. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.
13. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the unsecured creditors of HCIL Comtel if the resolution mentioned above in the notice has been approved at the Meeting by a majority of persons representing three-fourths in value of the unsecured creditors of HCIL Comtel, voting during the Meeting through VC/OAVM.

Details of BAL as per Rule 6(3) of the Rules

14. Details of BAL (i.e. Transferor Company 1)

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

15. Summary of the main objects as per the memorandum of association of BAL:

The objects for which BAL has been established are set

out in its memorandum of association. The main objects as set out in Clause III(A) of the memorandum of association are as under:

- “1. To promote & establish Companies, Funds, Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network. Multimedia communication systems or the combinations thereof and for execution of undertakings. Works, projects or enterprises in the Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares /securities in such companies, and funds and interest in such associations or partnerships.
2. To provide telecom networks and to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, video-text, voice mail & data systems, private switching network services. transmission networks of all types, computer networks like local area network, wide area network, Electronic Mail, Intelligent network, Multi media communication systems or the combinations thereof.
3. To carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockists, and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments - whether corded, cordless, mobile or of any other kind; tele- terminals, fax machines, telegraphs, recording instruments and devices, telephone message/ answering machines and devices; dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc; telecom switching equipments of all kinds; telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto.
4. To buy, sell, manufacture, assemble, repair, design, alter, research and improve, develop, exchange, ware- house, let on hire, import, export, and deal in all sorts of Electronic, non-Electronic, Computerized and Electrical items and equipment including Computer and Data Processing Equipment, Peripherals. Printers. Disc-drives, Intelligent Terminals, Modems, Software, Hardware, Personal Computers, 'CAD'CAM' Computer, Graphic Systems, Office Automation Equipments, Word processors, Photoposetting, Text Editing and Electronic Printing and/or Typing Systems, Circuits, including integrated, hybrid, 'VLSI' Chips,

Microprocessors and Microprocessor based equipment, Semiconductor Memories including bubble Memories, Discrete electronic devices, Facsimile Equipments, Copying Machines. Xerox Machines, Telephone Cable Pressurization Systems, Printed Circuit Boards, all sorts of automatic Float charges, Electronic, Electrical and Computerized Systems and Equipment and Plant and Machineries and Field Engineering support and for all above, their incidental and allied equipment, accessories, components, parts, sub-parts, tools, manufactured and semi manufactured goods, raw materials, plant and machineries, substance, goods, articles and things and VCR, VCP, Cassettes, Cameras, Radios, Stereo and Amplifiers, television sets, audio visual equipment, teleprinters, telecommunications satellite Station and electronic equipment, remote control systems, business machines, calculators, hoists, elevators, trolleys and their components including valves, transistors, resistors, condensors, coils and circuits.

5. To guarantee/ counter guarantee the obligations of any of its subsidiary/ associate/ group companies and/or other companies in which the company has equity interest under any agreements/ contracts/ debentures, bonds, stocks, mortgages, charges and securities.”
16. Sub-clause 13 of Clause III.(B) of the memorandum of association of BAL permits the arrangement envisaged under the Scheme and the same has been extracted below:
“13. To purchase or otherwise acquire, sell, dispose of concerns and undertakings, mortgages, charges, patents, licences, securities, concessions, options, policies, book debts and any claims and any interest in real or personal property and any claims against such property or against any persons or company and to carry on any business in the concern or undertaking so acquired.”
17. Main business carried on by BAL:

BAL is engaged in the business of providing global telecommunication services with operations currently in 18 countries across Asia and Africa. Headquartered in New Delhi, India, BAL ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, BAL's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national and international long distance services to carriers. It has Unified License to operate in Punjab, Himachal Pradesh, Karnataka, Andhra Pradesh, Delhi and Kolkata and Unified Access Service License in remaining circles except in Rajasthan and North-Eastern Circle. In the rest of the geographies, it offers various services such as 2G, 3G and 4G wireless services and mobile commerce.

18. Details of change of name of BAL during the last five years:

BAL was incorporated on July 7, 1995 under the provisions of the Companies Act, 1956 under the name “Bharti Tele-Ventures Limited”. Thereafter, on April 24,

2006, its name was changed to its present name i.e. "Bharti Airtel Limited". Accordingly, there has been no change in the name of BAL during the last five years.

19. Details of change in registered office of BAL during the last five years:

There has been no change in BAL's registered office during the last five years.

20. Details of change in objects of BAL during the last five years:

There has been no change in BAL's objects during the last five years.

21. Details of the capital structure of BAL including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (in Rs.)
Authorized Share Capital as on June 12, 2020	
29,55,59,80,000 equity shares of Rs. 5/- each	1,47,77,99,00,000
1,000 preference shares of Rs 100/- each	1,00,000
Total	1,47,78,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on June 12, 2020	
5,45,55,57,355 equity shares of Rs. 5/- each	27,27,77,86,775
497 preference shares of Rs 100/- each	49,700
Total	27,27,78,36,475

There would be no change in the pre and post-arrangement, capital structure and shareholding pattern of BAL pursuant to the Scheme.

Please refer to **ANNEXURE 21** for the details regarding the pre and post-arrangement, expected capital structure and shareholding pattern of BAL.

22. Names of the promoter and promoter group of BAL along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Telecom Limited	Plot No. 16, Udyog Vihar, Phase IV, Gurgaon, - 122001, Haryana, India
2.	Pastel Limited	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
3.	Indian Continent Investment Limited	6, Sir William Newton Street, Port Louis, Mauritius
4.	Viridian Limited	C/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius

Notes:

(i) Bharti Telecom Limited ("BTL") is promoter of BAL.

(ii) Indian Continent Investment Limited is a "person acting in concert" with the promoter (i.e. BTL).

(iii) Viridian Limited is a "person acting in concert" with Pastel Limited ("Pastel"), member of BAL promoter group.

(iv) Pastel is a member of BAL Promoter Group in accordance with Regulation 2(1)(t) of the SEBI (Substantial Acquisition and Takeover) Regulations, 2011 ("**SEBI Takeover Regulations**") read with Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and is neither BAL Promoter nor a person acting in concert with BAL Promoter, BTL, under Regulation 2(1)(q) of the SEBI Takeover Regulations.

23. Names of the directors of BAL as on June 12, 2020 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Sunil Bharti Mittal (Chairman)	19, Amrita Shergill Marg, New Delhi - 110003
2.	Ms. Chua Sock Koong (Non-executive Director)	15A Oei Tiong Ham Park Singapore - 268302
3.	Mr. Craig Edward Ehrlich (Independent Director)	Block B, 6/F, Best View Court 66 MacDonnell Road Hong Kong
4.	Mr. Dinesh Kumar Mittal (Independent Director)	B-71, Sector-44, Noida - 201301, Uttar Pradesh
5.	Ms. Kimsuka Narasimhan (Independent Director)	No.12, Marina Boulevard No.31-03, Marina Bay Financial Centre Tower 3 Singapore - 018982
6.	Mr. Manish Santoshkumar Kejriwal (Independent Director)	Flat No. 3703, 37th & 38th Floor, Vivarea Building, B Wing, Sane Guruji Marg, Jacob Circle, Mahalaxmi Mumbai - 400011
7.	Mr. Rakesh Bharti Mittal (Non-executive Director)	4 Pearl Lane, DLF Chattarpur Farms, Chattarpur, Delhi 110074
8.	Mr. Shishir Priyadarshi (Independent Director)	A-1/6, Panchsheel Enclave New Delhi - 110017
9.	Ms. Tan Yong Choo (Non-executive Director)	22, Park Villas Green Singapore - 545430
10.	Mr. V.K. Viswanathan (Independent Director)	F-01,1st Floor, Legacy Caldera 56 SRT Road, Cunningham Cross Road Bengaluru - 560052
11.	Mr. Gopal Vittal (Managing Director & CEO (India and South Asia))	A2/1202, World SPA East Sector-30, Gurgaon 122001

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

The Scheme was unanimously approved by the Board of BAL on May 6, 2019. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Sunil Bharti Mittal	For the resolution
2.	Ms. Chua Sock Koong	For the resolution
3.	Mr. Craig Edward Ehrlich	For the resolution
4.	Mr. Dinesh Kumar Mittal	For the resolution
5.	Ms. Kimsuka Narasimhan	For the resolution
6.	Mr. Manish Santoshkumar Kejriwal	For the resolution
7.	Mr. Rakesh Bharti Mittal	For the resolution
8.	Mr. Shishir Priyadarshi	For the resolution
9.	Ms. Tan Yong Choo	For the resolution
10.	Mr. Gopal Vittal	For the resolution

Mr. V.K. Viswanathan was unable to attend the meeting.

All directors present in the meeting participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

25. As on September 30, 2019, the amount due to the unsecured creditors of BAL was Rs. 33,715.79 Crores (Rupees Thirty Three Thousand Seven Hundred and Fifteen Crores and Seventy Nine Lakhs).
26. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of BAL:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of BAL and their respective "Relatives" (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in BAL, if any.

27. Disclosure about the effect of the Scheme on the following persons in relation to BAL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	There shall be no change in the shareholding of Promoter and Non-Promoter shareholders of BAL pursuant to the Scheme since the transfer of VSAT Undertaking 1 of BAL into HCIPL will take place for a lump sum cash consideration in terms of

		Clause 9 of Part B of the Scheme.
2.	Creditors	<p>In terms of Clause 3.1 of Part B of the Scheme, upon the Effective Date and with effect from the Appointed Date, all VSAT Undertaking 1 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to HCIPL so as to become from the Appointed Date, the Liabilities of HCIPL in relation to the VSAT Undertaking 1 and HCIPL undertakes to meet, discharge and satisfy the same.</p> <p>In terms of Clause 3.2 of Part B of the Scheme, notwithstanding anything to the contrary stated herein, it is clarified that apart from the VSAT Undertaking 1 Transferring Liabilities, no other Liabilities that shall be attributable to and/or arising out of the activities or operations of the VSAT Undertaking 1 shall be transferred to HCIPL as part of the VSAT Undertaking 1 and the same shall be borne by BAL. For the avoidance of doubt, it is hereby clarified that all tax Liabilities attributable to and/ or arising out of the activities or operations of the VSAT Undertaking 1 for a period up to the Appointed Date shall continue to be Liabilities of BAL and shall be borne by BAL.</p>
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, BAL does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
4.	Debenture Holders/ Debenture Trustee	The Scheme is expected to have no effect on the interests of the security/ bond trustee appointed in connection with the overseas bonds issued by BAL as well as the debenture trustee appointed in connection with the debentures issued by BAL.
5.	Employees / Key Managerial Personnel	The employees and KMPs of BAL shall continue as employees and KMPs of BAL upon the Effective Date.
6.	Directors	The directors of BAL shall

		continue as directors of BAL after the Effective Date.
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28. In compliance with the provisions of section 232(2)(c) of the Act, the Board of BAL, has adopted a report, *inter-alia*, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of BAL is enclosed as **ANNEXURE 10**.
29. Interim condensed standalone, audited financials of BAL for the period ended December 31, 2019 is enclosed as **ANNEXURE 11**.
30. No investigation proceedings are pending in relation to BAL under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
31. BAL has filed a copy of the Scheme with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.

Details of BASL as per Rule 6(3) of the Rules

32. Details of BASL (i.e. Transferor Company 2)

Bharti Airtel Services Limited	
Corporate Identification No. (CIN)	U64201DL1997PLC091001
Permanent Account No. (PAN)	AAACB8917G
Incorporation Date	December 5, 1997
Type of Company	Public Limited Company
Registered Office Address	Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Email	bhartiairtelservices@bharti.in
Stock Exchange(s) where securities of BASL are listed	The shares of BASL are not listed on any Stock Exchange.

33. Summary of the main objects as per the memorandum of association of BASL:

The objects for which BASL has been established are set out in its memorandum of association. The main objects as set out in Clause III(A) of the memorandum of association are as under:

- “1. To establish and carry on in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under the strategic alliance or Joint Venture or any other business arrangement to manufacture telecom equipments/products or all kinds of parts thereof for wired, wireless or satellite based communications including but not limited to equipments/products relating to Terminals, Transmission, Switching, Billing, Customer Services, Networking Management or any other intermediary or connected items thereof.
2. To establish and carry on business in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under the strategic alliance

or Joint Venture or any other business arrangement to manufacture, assemble, fabricate, import, export, buy, sell, repair, convert, erect, maintain, let on hire and otherwise deal in all sorts of Electronic, Electrical and Computer, Products/Equipments to Printed Circuit Boards, Sonic and Ultrasonic Equipments and Apparatus, Radar Equipments, Accounting and business machines and Control Equipments and all accessories, spares, stores, parts, components, assemblies and all kinds of instruments, apparatus, appliances and gadgets used for or in connection with any of the aforesaid items.

3. To establish and carry on in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under the strategic alliance or Joint Venture or any other business arrangement to establish, provide, maintain, conduct, set up and develop laboratories for process development, research, invent ion, improvement, discovery, assembly, mixing of all kinds of telecom equipments/products or parts thereof.
4. To establish, promote, design, develop, undertake, sponsor, locate, assist and sell appropriate know-how for production and/or for setting up and/or development of Telecom manufacturing/ service (Radio Paging, Basic, Mobile and Satellite Communications) industries.
5. To establish, install, maintain, operate and carry on in India and elsewhere either on its own or in alliance with any other person/body/bodies corporate incorporated in India or abroad either under strategic alliances or joint ventures or any other business arrangements of providing/operating basic telecommunication services, cellular mobile telephone services, internet services, web based electronics, e-commerce and other allied services, V-sat voice and data mail services, very small aperture terminals (V-Sat) communications, value added network services (VANS), electronic data inter charge services, datacom network services, video conference services, e-mail, graphics, signals and other information based services on fixed line or wireless (radio, microwave, cellular, satellite, VHF/UHF) or any combination thereof.
6. To create a pool/reservoir of technical, administrative, managerial persons, consultants, advisors of varying qualifications, experience and expertise in the fields of telecom industry whether services or otherwise either by taking them on hire, employment or otherwise and place their services on hire and/or supply such manpower to any individual, firm, Company, organization, Government Department or others in telecom or other related sector in India or abroad, from time to time, according to the needs of the organization(s) and to establish and run training institutes for providing in house training, monitoring of job performance and developing personnel to undertake various jobs involved in such contract and participate in various seminars and conferences.

7. To provide a broad range of IT services, network development services, including network integration, system integration, network management, network outsourcing, data centre services, security solutions, voice & data unified communication solutions, audiotax and videotax in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under a strategic alliance or Joint Venture or any other arrangement.
8. To engage in providing Facility Management Services/Managed Services/ Consulting/ Project Management/Outsourcing services / Media exchange/ Activities related to Other Services Provider as per DOT guidelines either in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad.
9. To provide various telemarketing services, directly or indirectly, to corporates, enterprises, societies and other entities and enable, facilitate, offer and support the transmission and delivery of commercial communication/transactional and or services communication or scrubbing or aggregation by using the telecommunication services and other related activities to support the rendering of telemarketing services.
10. To provide Digital Media Communication Services including, *inter alia*, (i) Enterprise Communication Services related to various communication media such as SMS, Voice Calls, Emails, Mobile Applications & Mobile Videos and Communication Platforms for managing such Services; (ii) Media Solutions comprising of Brand Solutions related to Digital Engagement, Mobile Applications & Social Media Marketing, Designing or enabling Marketing campaigns and of Performance Solutions related to Email, Mobile & Online Marketing; (iii) Online/Mobile Platforms for soliciting visitors to generate revenue through Advertisement & other similar licensing activities; (iv) Social Media Services using tools such as Social Media Intelligence, Advocacy & Reputation Management, Consumer Surveys; and (v) Data Analytics and Behavioural Audits.
11. To provide services solely or jointly or in partnership, for enabling Mobile Messaging either SMS or MMS via software development and sales for maintaining inbound and outbound SMS/MMS, EMS or MMS, create keywords and automated responses etc. and provide turnkey SMS/MMS and other text messaging solutions like SMS /MMS alerts, BULK SMS /MMS and SMS/MMS marketing etc. Also, to provide services around wireless communications, Corporate SMS/MMS, Web to SMS, Email servers to SMS/MMS for GSM and CDMA customers, reply-able instant messaging by SMS/MMS to PC, access to messenger services from WAP GPRS, Mobile communities and group interaction, multimedia news, Multimedia Messaging Services (MMS) and any other technology or mode that enables mobile users to see and interact with others who share Internet services via SMS, MMS, IM, Web Chat or email.
12. To undertake the business of providing SMS and web based platform services, solution and advertising, hardware and software research ,mobile software and services, computer services ,business support services ,data processing, training research and development activities, computer graphic ,developing tools for all types of data ,management, improving, modifying , customizing , contracting , marketing , selling, distributing ,licensing ,import and export of all description, hardware, software and data processing consultancy services.”
34. Sub-clause 23 of Clause III.(B) of the memorandum of association of BASL permits the arrangement envisaged under the Scheme and the same has been extracted below:
- “23. To sell, lease, exchange or otherwise deal with or dispose of the undertaking and all or any of the properties, assets, rights and effects of the Company or any part thereof for such consideration as the Company may think fit, subject to the provisions of the Companies Act, 1956 or any other law for the time being in force.”
35. Main business carried on by BASL:
- BASL is *inter-alia* engaged in the business of supplying hardware and related services for telecommunication networks including very small aperture terminal (VSAT) related telecommunication services in India and manpower services.
36. Details of change of name of BASL during the last five years:
- BASL was incorporated on December 5, 1997 under the provisions of the Companies Act, 1956, under the name “*Bharti Comtel Limited*”. Thereafter, on May 22, 2007, its name was changed to its present name i.e., “*Bharti Airtel Services Limited*”. Accordingly, there has been no change in the name of BASL during the last five years.
37. Details of change in registered office of BASL during the last five years:
- There has been no change in BASL’s registered office during the last five years.
38. Details of change in objects of BASL during the last five years:
- Except as stated herein, there has been no change in BASL’s objects during the last five years.
- a) With the commencement of the Act and pursuant to the special resolution dated February 25, 2019 passed in the extra-ordinary general meeting of the shareholders of BASL, certain technical changes were made, *inter alia*, to references of the sections under the Companies Act, 1956 to sections under the Act and to replace headings of the relevant parts in the Memorandum of Association of BASL (“**BASL MoA**”), and such technical changes are marked as #.

b) Part A of Clause III of BASL MoA has been altered by way of the aforesaid special resolution, by inserting the following sub-clauses under Part A of Clause III, after the existing sub-clause 8 as under:

"9. To provide various telemarketing services, directly or indirectly, to corporates, enterprises, societies and other entities and enable, facilitate, offer and support the transmission and delivery of commercial communication/transactional and or services communication or scrubbing or aggregation by using the telecommunication services and other related activities to support the rendering of telemarketing services.

10. To provide Digital Media Communication Services including, inter alia, (i) Enterprise Communication Services related to various communication media such as SMS, Voice Calls, Emails, Mobile Applications & Mobile Videos and Communication Platforms for managing such Services; (ii) Media Solutions comprising of Brand Solutions related to Digital Engagement, Mobile Applications & Social Media Marketing, Designing or enabling Marketing campaigns and of Performance Solutions related to Email, Mobile & Online Marketing; (iii) Online/Mobile Platforms for soliciting visitors to generate revenue through Advertisement & other similar licensing activities; (iv) Social Media Services using tools such as Social Media Intelligence, Advocacy & Reputation Management, Consumer Surveys; and (v) Data Analytics and Behavioural Audits.

11. To provide services solely or jointly or in partnership, for enabling Mobile Messaging either SMS or MMS via software development and sales for maintaining inbound and outbound SMS/MMS. EMS or MMS, create keywords and automated responses etc. and provide turnkey SMS/MMS and other text messaging solutions like SMS /MMS alerts, BULK SMS /MMS and SMS/MMS marketing etc. Also, to provide services around wireless communications, Corporate SMS/MMS, Web to SMS, Email servers to SMS/MMS for GSM and CDMA customers, reply-able instant messaging by SMS/MMS to PC, access to messenger services from WAP GPRS, Mobile communities and group interaction, multimedia news, Multimedia Messaging Services (MMS) and any other technology or mode that enables mobile users to see and interact with others who share Internet services via SMS, MMS, IM, Web Chat or email.

12. To undertake the business of providing SMS and web based platform services, solution and advertising, hardware and software research ,mobile software and services, computer services ,business support services ,data processing, training research and development activities, computer graphic ,developing toots for all types of data ,management, improving, modifying , customizing , contracting , marketing , selling ,distributing ,licensing ,import and export of all description, hardware, software and data processing consultancy services.

c) Part C of Clause III of BASL MoA i.e. "THE OTHER OBJECTS ARE" (all Sub- clauses 1 to 22) has been deleted by way of the aforesaid special resolution.

d) Clause IV of the BASL MoA has been amended and substituted with the following clause:

"IV The liability of the Member(s) is Limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

39. Details of the capital structure of BASL including authorized, issued, subscribed and paid-up share capital

Particulars	Amount (in Rs.)
Authorized Share Capital as on June 12, 2020	
10,00,000 equity shares of Rs. 10/- each.	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on June 12, 2020	
1,00,000 fully paid-up equity shares of Rs. 10/- each.	10,00,000
Total	10,00,000

40. Names of the promoters of BASL along with their addresses:

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

41. Names of the directors of BASL as on June 12, 2020 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Ajai Puri (Director)	House No.-105 A, Beverly Park 1, DLF Phase 2, M.G. Road, Near D T Mall, Chakarpur (74), Farrukhna Gurgaon - 122002
2.	Mr. Badal Bagri (Director)	148-Birch Court, Nirvana Country Sector-50, Gurgaon Gurgaon - 122018
3.	Mr. Pankaj Tewari (Director)	Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sika nderpur, Gurgaon - 122002
4.	Ms. Neha Sharma (Director)	5/13 Roshan Singh Bhandari Near Central Bank of India, Regional Officer, 1 Shans Indore - 452003

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

The Scheme was unanimously approved by the Board of BASL on May 6, 2019. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Ajai Puri	For the resolution
2.	Mr. Badal Bagri	For the resolution
3.	Mr. Pankaj Tewari	For the resolution
4.	Ms. Neha Sharma	For the resolution

All directors were present in the meeting, participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

43. As on September 30, 2019, the amount due to the unsecured creditors of BASL was Rs. 2,81,33,10,167/- (Rupees Two Hundred Eighty One Crore Thirty Three Lakhs Ten Thousand One Hundred and Sixty Seven).
44. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of BASL:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of BASL and their respective "Relatives" (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in BASL and BAL, if any.

45. Disclosure about the effect of the Scheme on the following persons in relation to BASL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	There shall be no change in the shareholding of Promoter & Non-Promoter shareholders of BASL pursuant to the Scheme since the transfer of VSAT Undertaking 2 of BASL into HCIL Comtel will take place for a lump sum cash consideration in terms of Clause 9 of Part C of the Scheme.
2.	Creditors	In terms of Clause 3.1 of Part C of the Scheme, upon the Effective Date and with effect from the Appointed Date, all VSAT Undertaking 2 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to the HCIL Comtel so as to become from the Appointed Date, the Liabilities of HCIL Comtel in relation to the VSAT Undertaking 2 and HCIL Comtel undertakes to meet, discharge and satisfy the same.

		In terms of Clause 3.2 of Part C of the Scheme, notwithstanding anything to the contrary stated herein, it is clarified that apart from the VSAT Undertaking 2 Transferring Liabilities, no other Liabilities that shall be attributable to and/or arising out of the activities or operations of the VSAT Undertaking 2 shall be transferred to HCIL Comtel as part of the VSAT Undertaking 2 and the same shall be borne by BASL. For the avoidance of doubt, it is hereby clarified that all tax Liabilities attributable to and/or arising out of the activities or operations of the VSAT Undertaking 2 for a period up to the Appointed Date shall continue to be Liabilities of BASL and shall be borne by BASL.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, BASL does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
4.	Debenture Holders/ Debenture Trustee	Not Applicable. As on date, BASL does not have any outstanding debentures and therefore the effect of the Scheme on any such debenture holders and debenture trustees does not arise.
5.	Employees / Key Managerial Personnel	The employees and KMPs of BASL shall continue as employees and KMPs of BASL upon the Effective Date.
6.	Directors	The directors of BASL shall continue as directors of BASL after the Effective Date.

46. In compliance with the provisions of section 232(2)(c) of the Act, the Board of BASL, has adopted a report, *inter-alia*, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of BASL is enclosed as **ANNEXURE 12**.
47. The standalone, audited financials for the financial year ended March 31, 2019 and the interim condensed, standalone, unaudited financials for the period ended June 30, 2019 of BASL are enclosed as **ANNEXURE 13** and **ANNEXURE 14**, respectively.
48. No investigation proceedings are pending in relation to BASL under Sections 235 to 251 of the Companies Act,

1956 or under Sections 210 to 227 of the Act.

49. To the knowledge of BASL, no winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against BASL.
50. BASL has filed a copy of the Scheme with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.
51. BASL is an unlisted entity. Accordingly, the applicable information of BASL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations along with due diligence certificate by Merchant Banker, is enclosed as **ANNEXURE 22**.

Details of HCIPL as per Rule 6(3) of the Rules

52. Details of HCIPL (i.e. Transferee Company 1)

Hughes Communications India Private Limited	
Corporate Identification No. (CIN)	U64202DL1992PTC048053
Permanent Account No. (PAN)	AAACH0765L
Incorporation Date	March 17, 1992
Type of Company	Private Limited Company
Registered Office Address	1, Shivji Marg, Westend Greens, NH-8, New Delhi – 110037
Email	corporate@hughes.in
Stock Exchange(s) where securities of HCIPL are listed	The shares of HCIPL are not listed on any Stock Exchange.

53. Summary of the main objects as per the memorandum of association of HCIPL:

The objects for which HCIPL has been established are set out in its memorandum of association. The main objects as set out in Clause III(A) of the memorandum of association are as under:

- “1. To provide geostationary satellite and/or other satellite services and/or ground equipment, and/or managed services such as SD-WAN services and/or IP data products and systems, both wired and wireless, in the Republic of India, together with any evolution and/or extension of the foregoing.
2. To manufacture, assemble, produce, repair, procure, import, market, sell (whether for ready or future delivery), hire or let on hire, lease, supply, export, (directly Indirectly or through third parties); render service, extend customer support or otherwise deal in VSAT systems, both hardware and software, Including assemblies and sub-assemblies, parts/components thereof and related products and services.
3. To design, develop, improve, reproduce, import, procure, sell, license (whether for ready or future delivery), deal with, market, export (directly, indirectly or through third parties), engage in customer education and support activities and

service for all Satcom products.

4. To render technical assistance and services including maintenance in connection with the use, purchase, sale, import, export, lease or distribution, license, design manufacture of any Satcom related products, apparatus, appliances, systems, components, electronic and electromechanical products and systems, and programme products.
5. To produce, design, develop, sell, operate, maintain, repair and engage in the business of transmission of data, voice or images including provision of internet and related services, e-commerce services and products, education services, and any other related services using VSATs or in conjunction with other communication media and any services and products connected therewith.”

54. Sub-clause 1 of Clause III.B. of the memorandum of association of HCIPL permits the arrangement envisaged under the Scheme and the same has been extracted below:

“1. To acquire and undertake the whole or any part of the good-will business, concern, undertaking, property rights, assets and liabilities of any person, firm, association, society, company or corporation carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of this Company or by cash or otherwise, or partly in one way and partly in another or other, and to conduct, expand and develop or wind up and liquidate such business and to purchase and take steps for the acquisition of existing and new licenses, in connection with the main business of the Company.”

55. Main business carried on by HCIPL:

HCIPL is one of India’s premier networking companies and is India’s leading satellite service operator, offering broadband services under the “Hughes” brand. Its customers include large enterprises and small and medium businesses across various verticals, and consumers. The solutions offered include networking, system integration, managed network services, security transaction services, intranet, internet, broadband kiosks and interactive distance education.

56. Details of change of name of HCIPL during the last five years:

HCIPL was incorporated on March 17, 1992 under the provisions of the Companies Act, 1956, under the name “Hughes Escorts Communications Limited”. Thereafter, on April 5, 2006, its name was changed to “Hughes Communications India Limited” and subsequently, on October 23, 2019, its name was changed to its current name i.e. “Hughes Communications India Private Limited” pursuant to it being converted from a public limited company to private limited company. Accordingly, the name of HCIPL has changed once during the last five years when its name was changed from “Hughes Communications India Limited” to its current name i.e. “Hughes Communications India Private Limited” on October 23, 2019.

57. Details of change in registered office of HCIPL during the last five years:

There has been no change in HCIPL's registered office during the last five years.

58. Details of change in objects of HCIPL during the last five years:

There has been no change in HCIPL's objects during the last five years.

59. Details of the capital structure of HCIPL including authorized, issued, subscribed and paid-up share capital

Particulars	Amount (in Rs.)
Authorized Share Capital as on June 12, 2020	
2,00,00,000 equity shares of Rs. 10/- each.	20,00,00,000
Total	20,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on June 12, 2020	
1,55,00,000 fully paid-up equity shares of Rs. 10/- each.	15,50,00,000
Total	15,50,00,000

60. Names of the promoters of HCIPL along with their addresses:

S. No.	Name of the Promoter	Address
1.	HNS India VSAT Inc	11717, Exploration Lane, German Town, MD-20876, USA

61. Names of the directors of HCIPL as on June 12, 2020 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Pradman Prithvinath Kaul (Director)	10912, Barn Wood Lane, Potomac, Maryland - 20854 USA
2.	Mr. Pranav Roach (Director)	B-49, Sarvodaya Enclave, Malviya Nagar, New Delhi – 110017
3.	Mr. Partha Banerjee (Managing Director)	Plot No. 35 Sector 9 Gurgaon – 122001
4.	Mr. Vinod Sood (Director)	B-52, Greenwood City, Sector 45, Kanahi (73), Gurgaon – 122003
5.	Mr. Dean Alfred Manson (Director)	1630 Irvin St Vienna VA 221822118, USA

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

The Scheme was unanimously approved by the Board of HCIPL on May 24, 2019. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such

resolution are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Partha Banerjee	For the resolution
2.	Mr. Pranav Roach	For the resolution
3.	Mr. Vinod Sood	For the resolution

Mr. Vijay Dhar, Mr. Pradman Prithvinath Kaul, Mr. Vinod Shukla and Mr. Dean Alfred Manson were unable to attend the meeting. Mr. Vijay Dhar and Mr. Vinod Shukla have resigned on March 1, 2020 and May 18, 2020, respectively.

All directors present at the meeting participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

63. As on September 30, 2019, the amount due to the unsecured creditors of HCIPL was Rs. 20,95,83,710 (Rupees Twenty Crores Ninety Five Lakhs Eighty Three Thousand Seven Hundred and Ten).
64. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of HCIPL:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of HCIPL and their respective "Relatives" (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in HCIPL and BAL, if any.

65. Disclosure about the effect of the Scheme on the following persons in relation to HCIPL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	There shall be no change in the shareholding of the Promoters and Non-Promoter Shareholders of HCIPL pursuant to the Scheme since the transfer of VSAT Undertaking 1 of BAL into HCIPL will take place for a lump sum cash consideration in terms of Clause 9 of Part B of the Scheme.
2.	Creditors	In terms of Clause 3.1 of Part B of the Scheme, upon the Effective Date and with effect from the Appointed Date, all VSAT Undertaking 1 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to HCIPL so as to become from the Appointed Date, the Liabilities of HCIPL in relation to the VSAT Undertaking 1 and HCIPL

		<p>undertakes to meet, discharge and satisfy the same.</p> <p>In terms of Clause 3.2 of Part B of the Scheme, notwithstanding anything to the contrary stated herein, it is clarified that apart from the VSAT Undertaking 1 Transferring Liabilities, no other Liabilities that shall be attributable to and/or arising out of the activities or operations of the VSAT Undertaking 1 shall be transferred to HCIPL as part of the VSAT Undertaking 1 and the same shall be borne by BAL. For the avoidance of doubt, it is hereby clarified that all tax Liabilities attributable to and/ or arising out of the activities or operations of the VSAT Undertaking 1 for a period up to the Appointed Date shall continue to be Liabilities of BAL and shall be borne by BAL.</p>
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, HCIPL does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
4.	Debenture Holders/ Debenture Trustee	Not Applicable. As on date, HCIPL does not have any outstanding debentures and therefore the effect of the Scheme on any such debenture holders and debenture trustees does not arise.
5.	Employees / Key Managerial Personnel	The employees and KMPs of HCIPL shall continue as employees and KMPs of HCIPL upon the Effective Date.
6.	Directors	The directors of HCIPL shall continue as directors of HCIPL after the Effective Date.

66. In compliance with the provisions of section 232(2)(c) of the Act, the Board of HCIPL, has adopted a report, *inter-alia*, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of HCIPL is enclosed as **ANNEXURE 15**.
67. The standalone, audited financials for the financial year ended March 31, 2019 and the standalone, unaudited financials for the period ended June 30, 2019 of HCIPL are enclosed as **ANNEXURE 16** and **ANNEXURE 17**,

respectively.

68. No investigation proceedings are pending in relation to HCIPL under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
69. To the knowledge of HCIPL, no winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against HCIPL.
70. HCIPL has filed a copy of the Scheme with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.
71. HCIPL is an unlisted entity. Accordingly, the applicable information of HCIPL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations along with due diligence certificate by Merchant Banker, is enclosed as **ANNEXURE 23**.

Details of HCIL Comtel as per Rule 6(3) of the Rules

72. Details of HCIL Comtel (i.e. Transferee Company 2)

HCIL Comtel Private Limited	
Corporate Identification No. (CIN)	U32204DL2007PTC168125
Permanent Account No. (PAN)	AACCH0293H
Incorporation Date	September 13, 2007
Type of Company	Private Limited Company
Registered Office Address	1, Shivji Marg, Westend Greens, NH-8, New Delhi – 110037
Email	corporate@hughes.in
Stock Exchange(s) where securities of HCIL Comtel are listed	The shares of HCIL Comtel are not listed on any Stock Exchange.

73. Summary of the main objects as per the memorandum of association of HCIL Comtel:

The objects for which HCIL Comtel has been established are set out in its memorandum of association. The main objects as set out in Clause III(A) of the memorandum of association are as under:

- “1. To carry on the business of wholesale in India, to import, procure, distribute, provide products and services in respect to the telecommunication including satellite market place in India, in particular to initially import and sell to distributors, wholesalers, retailers and institutions and subsequently to produce in India telecommunication equipment, the ‘Personal Earth Station’, a very small aperture terminal product (VSAT), and Packet Switch product line, including frame Relay and ATM and to produce in course of time, other satellite communications and telecommunication products as requirement to the market grow.*
- 2. To render technical assistance and services including maintenance in connection with the use,*

purchase, sale, import, export, lease or distribution, license, design manufacture of any telecommunication including satellite communication related products, apparatus, appliances, systems, components, electronic and electromechanical products and systems, and program products.

3. *To manufacture, assemble, produce, repair, procure, import, market, sell (whether for ready or future delivery), hire or let on hire, lease, supply, export, (directly indirectly or through third parties), render service, install, commission, extend customer support or otherwise deal in telecommunication including VSAT systems, both hardware and software, including assemblies and sub-assemblies, parts/components thereof and related products and services.*

4. *To design, develop, improve, reproduce, import, procure, sell, license (whether for ready or future delivery), deal with, market, export (directly, indirectly or through third parties), engage in customer education and support activities and service for all telecommunication including satellite communication products.*

5. *To produce, design, develop, sell, operate, maintain, repair and engage in the business of transmission of data, voice or images including provision of internet and related services, e-commerce services and products, education services, and any other related services using VSATs or in conjunction with other communication media and any services and products connected therewith."*

74. Sub-clause 1 of Clause III.(B) of the memorandum of association of HCIL Comtel permits the arrangement envisaged under the Scheme and the same has been extracted below:

"1. To purchase and otherwise acquire, own, import, all materials, substances, appliances, machines, containers and such other articles and apparatus and things capable of being used in attainment of any of the above objects and to own, lease and otherwise acquire and use facilities of whatever kind as may be convenient or useful or conducive to the main objects of the Company."

75. Main business carried on by HCIL Comtel:

HCIL Comtel is engaged in the business of supplying hardware and related services for telecommunication networks including VSAT related telecommunication services in India.

76. Details of change of name of HCIL Comtel during the last five years:

HCIL Comtel was incorporated on September 13, 2007 under the provisions of the Companies Act, 1956 under the name "HCIL Comtel Limited". Thereafter, on October 25, 2019, its name was changed to its current name i.e. "HCIL Comtel Private Limited" pursuant to it being converted from a public limited company to private limited company. Accordingly, the name of HCIL Comtel has

changed once during the last five years when its name was changed from "HCIL Comtel Limited" to its current name i.e. "HCIL Comtel Private Limited" on October 25, 2019.

77. Details of change in registered office of HCIL Comtel during the last five years:

There has been no change in HCIL Comtel's registered office during the last five years.

78. Details of change in objects of HCIL Comtel during the last five years:

There has been no change in HCIL Comtel's objects during the last five years.

79. Details of the capital structure of HCIL Comtel including authorized, issued, subscribed and paid-up share capital

Particulars	Amount (in Rs.)
Authorized Share Capital as on June 12, 2020	
1,00,00,000 equity shares of Rs. 10/- each.	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on June 12, 2020	
20,00,000 fully paid-up equity shares of Rs. 10/- each.	2,00,00,000
Total	2,00,00,000

80. Names of the promoters of HCIL Comtel along with their addresses:

S. No.	Name of the Promoter	Address
1.	Hughes Communications India Private Limited	1, Shivji Marg, Westend Greens, NH-8, New Delhi-110037

81. Names of the directors of HCIL Comtel as on June 12, 2020 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Pranav Roach (Director)	B-49, Sarvodaya Enclave, Malviya Nagar, New Delhi – 110017
2.	Mr. Partha Banerjee (Director)	Plot No. 35 Sector 9 Gurgaon – 122001
3.	Mr. Alok Goyal (Director)	A2/604, Palm Grove Heights, Ardee City, Sector 52, Gurgaon – 122003
4.	Mr. Shivaji Chatterjee (Director)	Flat-10C, Tower B, Central Park Resorts, Sector 48, Sohna Road, Gurgaon - 122018

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

The Scheme was unanimously approved by the Board of HCIL Comtel on June 1, 2019. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Pranav Roach	For the resolution
2.	Mr. Partha Banerjee	For the resolution
3.	Mr. Alok Goyal	For the resolution
4.	Mr. Shivaji Chatterjee	For the resolution

All directors were able to attend the meeting.

All directors present at the meeting participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

83. As on September 30, 2019, the amount due to the unsecured creditors of HCIL Comtel was Rs. 1,58,69,72,590 (Rupees One Hundred and Fifty Eight Crores Sixty Nine Lakhs Seventy Two Thousand Five Hundred and Ninety).

84. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of HCIL Comtel:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of HCIL Comtel and their respective "Relatives" (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in HCIL Comtel, HCIPL and BAL, if any.

85. Disclosure about the effect of the Scheme on the following persons in relation to HCIL Comtel:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	There shall be no change in the shareholding of the Promoter and Non-Promoter Shareholders of HCIL Comtel pursuant to the Scheme since the transfer of VSAT Undertaking 2 of BASL into HCIL Comtel will take place for a lump sum cash consideration in terms of Clause 9 of Part C of the Scheme.
2.	Creditors	In terms of Clause 3.1 of Part C of the Scheme, upon the Effective Date and with effect from the Appointed Date, all VSAT Undertaking 2 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to the HCIL

		Comtel so as to become from the Appointed Date, the Liabilities of HCIL Comtel in relation to the VSAT Undertaking 2 and HCIL Comtel undertakes to meet, discharge and satisfy the same. In terms of Clause 3.2 of Part C of the Scheme, notwithstanding anything to the contrary stated herein, it is clarified that apart from the VSAT Undertaking 2 Transferring Liabilities, no other Liabilities that shall be attributable to and/or arising out of the activities or operations of the VSAT Undertaking 2 shall be transferred to HCIL Comtel as part of the VSAT Undertaking 2 and the same shall be borne by BASL. For the avoidance of doubt, it is hereby clarified that all tax Liabilities attributable to and/ or arising out of the activities or operations of the VSAT Undertaking 2 for a period up to the Appointed Date shall continue to be Liabilities of BASL and shall be borne by BASL.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, HCIL Comtel does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
4.	Debenture Holders/ Debenture Trustee	Not Applicable. As on date, HCIL Comtel does not have any outstanding debentures and therefore the effect of the Scheme on any such debenture holders and debenture trustees does not arise.
5.	Employees / Key Managerial Personnel	The employees and KMPs of HCIL Comtel shall continue as employees and KMPs of HCIL Comtel upon the Effective Date.
6.	Directors	The directors of HCIL Comtel shall continue as directors of HCIL Comtel after the Effective Date.

86. In compliance with the provisions of section 232(2)(c) of the Act, the Board of HCIL Comtel, has adopted a report, *inter-alia*, explaining the effect of the Scheme on their respective shareholders and key managerial personnel

among others. A copy of the report adopted by the Board of HCIL Comtel is enclosed as **ANNEXURE 18**.

87. The standalone, audited financials for the financial year ended March 31, 2019 and the standalone, unaudited financials for the period ended June 30, 2019 of HCIL Comtel are enclosed as **ANNEXURE 19** and **ANNEXURE 20**, respectively.
88. No investigation proceedings are pending in relation to HCIL Comtel under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
89. To the knowledge of HCIL Comtel, no winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against HCIL Comtel.
90. HCIL Comtel has filed a copy of the Scheme with the Registrar of Companies, NCT of Delhi & Haryana pursuant to Section 232(2)(b) of the Act.
91. HCIL Comtel is an unlisted entity. Accordingly, the applicable information of HCIL Comtel in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations along with due diligence certificate by Merchant Banker, is enclosed as **ANNEXURE 24**.

92. **Relationship between the Companies:**

BASL (i.e. Transferor Company 2) is a wholly owned subsidiary of BAL (i.e. Transferor Company 1) (collectively, the "**Bharti Airtel Entities**").

HCIL Comtel (i.e. Transferee Company 2) is a wholly owned subsidiary of HCIPL (i.e. Transferee Company 1) (collectively, the "**Hughes Entities**").

The Bharti Airtel Entities and the Hughes Entities are unrelated.

93. **Description of the Scheme**

BAL and BASL have approved the Scheme *vide* their respective board resolutions, both dated May 6, 2019.

HCIPL and HCIL Comtel have approved the Scheme *vide* their respective board resolutions dated May 24, 2019 and June 1, 2019.

The Scheme *inter alia*, provides for:

- (a) transfer of the VSAT Undertaking 1 (*defined under Clause 1.35 of Part A of the Scheme*) of BAL and vesting of the same with HCIPL; and
- (b) transfer of the VSAT Undertaking 2 (*defined under Clause 1.41 of Part A of the Scheme*) of BASL and vesting of the same with HCIL Comtel,

both on a going concern basis by way of a slump sale in accordance with section 2(42C) of the Income-tax Act, 1961.

- (c) various other matters consequential or otherwise

integrally connected with the Scheme.

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the Scheme.

94. **Rationale of the Scheme and the benefits of the Scheme**

The rationale for, and the benefits of the Scheme are, *inter alia*, as follows:

- "(a) *expanding the businesses of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;*
- (b) *consolidation of the VSAT businesses of the Transferor Companies with those of the Transferee Companies;*
- (c) *availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;*
- (d) *the combination of the VSAT Undertakings with the Transferee Companies is a strategic fit for serving existing markets and for catering to additional volume linked to new consumers;*
- (e) *enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the VSAT Undertakings and the Transferee Companies thereby significantly contributing to future growth and maximizing shareholder value of the Companies; and*
- (f) *increase in customer base and also acquisition of new customers by the Transferee Companies.*

This Scheme is in the best interests of the shareholders, employees and creditors of each of the Companies."

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

Appointed Date: The appointed date for the Scheme is the commencement of the calendar day falling immediately after the Effective Date.

Effective Date: The effective date for the Scheme is the end of the day when the certified copy of the NCLT's order sanctioning this Scheme is filed by all the Companies with the Registrar of Companies, National Capital Territory of Delhi & Haryana, or the end of the day mutually agreed in writing between the Companies upon the completion of all conditions precedent that are mutually agreed in writing between the Companies, whichever is later.

Record Date: The Scheme does not define or envisage a record date.

Share Exchange Ratio/Consideration for the Transfer of Undertakings:

As per the Scheme, the transfer and vesting of the VSAT Undertaking 1 and VSAT Undertaking 2 will take place for a lump sum consideration in the form of cash. Hence, it is not required to compute share exchange ratio.

For details regarding the consideration, please refer to paragraph no. 97 below.

96. **Salient Features of the Scheme:**

The Scheme is divided into the following parts:

- PART A Definitions and Share Capital;
-
- PART B Transfer of the VSAT Undertaking 1 of the Transferor Company 1 and vesting of the same with the Transferee Company 1, on a going concern basis by way of a Slump Sale;
-
- PART C Transfer of the VSAT Undertaking 2 of the Transferor Company 2 and vesting of the same with the Transferee Company 2, on a going concern basis by way of a Slump Sale; and
-
- PART D General Terms and Conditions.
-

Clause 1.4 of Part A of the Scheme defines “**Appointed Date**” as “*means the commencement of the calendar day falling immediately after the Effective Date;*”.

Clause 1.5 of Part A of the Scheme defines “**Asset(s)**” as “*mean and include without limitation, all assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, whether owned or leased or otherwise acquired by and in lawful possession of the Transferor Companies, used in or pertaining to or relating to the respective VSAT Undertakings or such assets as mutually agreed in writing between the Companies and including, without limitation, those listed in Schedule I of this Scheme;*”.

Clause 1.10 of Part A of the Scheme defines “**Effective Date**” as “*means the end of the day when the certified copy of the NCLT’s order sanctioning this Scheme is filed by all the Companies with the Registrar of Companies, National Capital Territory of Delhi & Haryana, or the end of the day mutually agreed in writing between the Companies upon the completion of all conditions precedent that are mutually agreed in writing between the Companies, whichever is later;*”

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

Clause 1.12 of Part A of the Scheme defines “**Excluded Liabilities**” as “*means all Liabilities of the VSAT Undertakings as of the Effective Date, save and except VSAT Undertaking 1 Transferring Liabilities and VSAT Undertaking 2 Transferring Liabilities, as applicable, and Excluded Liabilities includes, without limitation, the following:*

“(i) amounts designated as “Debt” in the Functional

Balance Sheets of the VSAT Undertakings as of the Effective Date;

- (ii) *any litigation, arbitration proceeding, claim, action (including any proceedings and existing proceedings but other than Transferring Litigations) resulting from the business and operations of, or relating to, the VSAT Undertakings pertaining to a period prior to Effective Date;*
- (iii) *all liabilities, including on account of taxes, pertaining to the VSAT Undertakings in respect of the period prior to the Effective Date; and*
- (iv) *any liability on account of the Transferor Companies not having obtained the no objection certificates, as contemplated in Section 281 of the Income Tax Act, 1961 in respect of the transfer of the VSAT Undertakings to the Transferee Companies.”*

Clause 1.15 of Part A of the Scheme defines “**Intellectual Property**” as “*means and includes all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in knowhow, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software) to the extent being used in relation to the VSAT Undertakings, in each case whether registered or unregistered and including applications for the registration or grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world, excluding any and all intellectual properties owned by the Transferor Companies not exclusively pertaining to the VSAT Undertakings;*”.

Clause 1.17 of Part A of the Scheme defines “**Liability(ies)**” as “*means liabilities of every kind, nature and description, whatsoever and howsoever arising, raised, incurred or utilized for the business or operations of the Transferor Company, whether present or future, whether or not required to be reflected on a balance sheet in accordance with the Accounting Standards and includes secured and unsecured debts, sundry creditors, contingent liabilities, secured loans, unsecured loans, borrowings, statutory liabilities (including those under taxation laws and stamp duty laws), contractual liabilities, duties, obligations, guarantees and those arising out of proceedings of any nature;*”.

Clause 1.20 of Part A of the Scheme defines “**Residual Undertaking 1**” as “*means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company 1 subsequent to the transfer of the VSAT Undertaking 1 to the Transferee Company 1 in terms of and upon the effectiveness of this Scheme;*”

Clause 1.21 of Part A of the Scheme defines “**Residual Undertaking 2**” as “*means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company 2 subsequent to the transfer of the VSAT Undertaking 2 to the Transferee Company 2 in terms of and upon the effectiveness of this Scheme.*”

Clause 1.26 of Part A of the Scheme defines “**Slump**

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

Clause 1.35 of Part A of the Scheme defines “**VSAT Undertaking 1**” as “means the entire VSAT business undertaking, activities and operations of the Transferor Company 1 comprising of and including, as deemed fit, the Transferor Company 1’s CUG-VSAT authorization under the unified license granted by the DoT to provide VSAT services, to be transferred to the Transferee Company 1, as well as, the satellite spectrum assets assigned to or relating to both CUG-VSAT authorizations under the unified license and NLD license, on a going concern basis by way of a Slump Sale. Without prejudice and limitation to the generality of the above, the VSAT Undertaking 1 means and includes without limitation, the following items:

- (i) All Assets of the Transferor Company 1 wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company 1 relating to the VSAT Undertaking 1, free from all Encumbrances;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/or rules or whether granted by any municipal body/ authority, panchayat body/authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts including all contracts/ purchase orders with customers and all contracts/ purchase orders with vendors), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the VSAT Undertaking 1, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the VSAT Undertaking 1;
- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the VSAT Undertaking 1;
- (iv) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the VSAT Undertaking 1;

(v) VSAT Undertaking 1 Employees;

(vi) only Transferring Litigations;

(vii) all VSAT Undertaking 1 Transferring Liabilities and no other Liabilities;

(viii) Goodwill; and

(ix) any other Asset specifically allocated by the Board of Directors of the Transferor Company 1 as relating to or belonging to the VSAT Undertaking 1.”.

Clause 1.36 of Part A of the Scheme defines “**VSAT Undertaking 1 Employees**” as “means the employees of the Transferor Company 1 that are engaged in or who relate to the VSAT Undertaking 1 and have been accordingly identified mutually in writing between the Companies;”

Clause 1.37 of Part A of the Scheme defines “**VSAT Undertaking 1 Transferring Liability(ies)**” as “means all amounts designated as deferred revenue, trade and other payables (trade payables, accruals and provisions) in the Functional Balance Sheets of the VSAT Undertaking 1 as of the Effective Date but shall not include the Excluded Liabilities;”

Clause 1.38 of Part A of the Scheme defines “**VSAT Undertaking 2 Transferring Liability(ies)**” as “means all amounts designated as deferred revenue, trade and other payables (trade payables, accruals and provisions) in the Functional Balance Sheets of the VSAT Undertaking 2 as of the Effective Date but shall not include the Excluded Liabilities;”

Clause 1.39 of Part A of the Scheme defines “**Transferring Liabilities**” as “means the VSAT Undertaking 1 Transferring Liability(ies) and the VSAT Undertaking 2 Transferring Liability(ies), collectively;”

Clause 1.40 of Part A of the Scheme defines “**Transferring Litigations**” as “means: (a) Union of India (through Gol, Antariksh Bhawan) v. Bharti Airtel Limited, (Telecom Petition 227 of 2018) before Telecom Disputes Settlement and Appellate Tribunal (including any Proceedings arising therefrom); and (b) DoT v. BPL Mobile Cellular Ltd. & Others (including Comsat Max Ltd.) (Civil Appeal No. 6664-6669 of 2010) before Supreme Court of India (including any Proceedings arising therefrom); and (c) such other litigations / Proceedings relating to DoT or DoS, as may be mutually agreed in writing between the Companies;”

Clause 1.41 of Part A of the Scheme defines “**VSAT Undertaking 2**” as “means the entire VSAT business undertaking, activities and operations of the Transferor Company 2 comprising of supplying hardware and related services for VSAT telecommunications services in India of the Transferor Company 2 including all aspects constituting an undertaking, such as customers, contracts, personnel, IT system, other business infrastructures related to the VSAT Undertaking 2 and other items necessary for the Transferee Company 2 to operate the VSAT Undertaking 2 independently on a going concern basis by way of a Slump Sale and includes, without limitation, the following:

- (i) *All Assets of the Transferor Company 2 wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company 2 relating to the VSAT Undertaking 2, free from all Encumbrances;*
- (ii) *all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/or rules or whether granted by any municipal body/ authority, panchayat body/ authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts including all contracts/ purchase orders with customers and all contracts/purchase orders with vendors), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the VSAT Undertaking 2, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the VSAT Undertaking 2;*
- (iii) *all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the VSAT Undertaking 2;*
- (iv) *any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the VSAT Undertaking 2;*
- (v) *VSAT Undertaking 2 Employees;*
- (vi) *all VSAT Undertaking 2 Transferring Liabilities and no other Liabilities*
- (vii) *Goodwill; and*
- (viii) *any other Asset specifically allocated by the Board of Directors of the Transferor Company 2 as relating to or belonging to the VSAT Undertaking 2."*

Clause 1.42 of Part A of the Scheme defines "**VSAT Undertaking 2 Employees**" as "*means the employees of the Transferor Company 2 that are engaged in or who relate to the VSAT Undertaking 2 and have been accordingly identified mutually in writing between the Companies;*"

TRANSFER OF THE VSAT UNDERTAKING 1 OF THE TRANSFEROR COMPANY 1 AND VESTING OF THE SAME WITH THE TRANSFEREE COMPANY 1, ON A GOING CONCERN BASIS BY WAY OF A SLUMP SALE

Upon the Scheme becoming effective and with effect from the Appointed Date *inter alia*:

- (i) the VSAT Undertaking 1 of the Transferor Company 1 shall, free from all Encumbrances, stand transferred and vest in the Transferee Company 1, on a going concern basis by way of a Slump Sale without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company 1, and to vest in the Transferee Company 1, all the Assets, VSAT Undertaking 1 Transferring Liabilities, rights, title or obligations of the VSAT Undertaking 1 therein, in the manner described in the Scheme.
- (ii) all Assets relating to the VSAT Undertaking 1, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall, free from all Encumbrances, stand transferred to and vested in the Transferee Company 1 and shall become the property and an integral part of the Transferee Company 1.
- (iii) all movable Assets of the Transferor Company 1 relating to the VSAT Undertaking 1, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company 1.
- (iv) all Intellectual Property of the Transferor Company 1 to the extent being used in relation to the VSAT Undertaking 1 or as agreed between the Transferor Company 1 and Transferee Company 1 otherwise, shall without any requirement of any further act or deed stand transferred and vested in the Transferee Company 1.
- (v) all VSAT Undertaking 1 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company 1 so as to become from the Appointed Date, the Liabilities of the Transferee Company 1 in relation to the VSAT Undertaking 1 and the Transferee Company 1 undertakes to meet, discharge and satisfy the same.
- (vi) all contracts (including all contracts/ purchase orders with customers, all contracts/ purchase orders with vendors and all contracts (including all contracts pending for renewal or for fresh allocation of capacity) with the DoS without limitation including Agreement No.: INSAT-SES-9/Ku/VSAT/01/2017 dated 25th January 2017, Agreement No.: GSAT 16/Ext. C/VSAT/03/2015 dated July 06, 2015, Agreement No.: GSAT 14/ Ext. C/VSAT/02/2014 dated March 23, 2014 and Agreement No.: GSAT 14/Ku/VSAT/04/2018 dated 31st October 2018), deeds, bonds, lease deeds, agreements entered into with various persons including independent

consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the VSAT Undertaking 1, to which the Transferor Company 1 is a party or to the benefit of which the Transferor Company 1 may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company 1 and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company 1 had been a party or beneficiary or obligee thereto or thereunder.

- (vii) the VSAT Undertaking 1 Employees, shall be deemed to have become employees of the Transferee Company 1, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company 1 on the Effective Date.
- (viii) no legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company 1 which may be pending on the Effective Date and relating to the VSAT Undertaking 1 would stand transferred, or be deemed to stand transferred to the Transferee Company 1, subject to the fact that Transferring Litigations relating to the VSAT Undertaking 1 would stand transferred, or be deemed to stand transferred to the Transferee Company 1.
- (ix) the Transferee Company 1 shall be replaced / added as party to the Transferring Litigations relating to the VSAT Undertaking 1 and each of the Companies shall make relevant applications in that behalf, as may be required.
- (x) all taxes, charges, fees, claims, amounts and duties payable by the Transferor Company 1 (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws, claims raised by or amounts payable to DoT and/ or DoS and all other Applicable Laws), accruing and relating to the VSAT Undertaking 1, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Effective Date and which relate to a period after the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company 1.

Upon Part B and Part D of the Scheme coming into effect on the Effective Date and upon the transfer of the VSAT Undertaking 1 and vesting of the same in the Transferee Company 1, the Transferee Company 1 shall discharge, to the Transferor Company 1, the lump sum consideration of INR 663,210,000 (Indian Rupees Six Hundred Sixty Three Million Two Hundred Ten Thousand) in the form of cash through normal banking channels.

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

Clause 11 and 12 of the Scheme provides the accounting treatment in the standalone books of the Transferor Company 1 and in the books of the Transferee Company 1 respectively, upon the Scheme becoming effective.

TRANSFER OF THE VSAT UNDERTAKING 2 OF THE TRANSFEROR COMPANY 2 AND VESTING OF THE SAME WITH THE TRANSFEEE COMPANY 2, ON A GOING CONCERN BASIS BY WAY OF A SLUMP SALE

Upon the Scheme becoming effective and with effect from the Appointed Date *inter alia*:

- (i) the VSAT Undertaking 2 of the Transferor Company 2 shall, free from all Encumbrances, stand transferred and vest in the Transferee Company 2 on a going concern basis by way of a Slump Sale without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company 2, and to vest in the Transferee Company 2, all the Assets, VSAT Undertaking 2 Transferring Liabilities, rights, title or obligations of the VSAT Undertaking 2 therein, in the manner described in the Scheme.
- (ii) all Assets relating to the VSAT Undertaking 2, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall, free from all Encumbrances, stand transferred to and vested in the Transferee Company 2 and shall become the property and an integral part of the Transferee Company 2.
- (iii) all movable Assets of the Transferor Company 2 relating to the VSAT Undertaking 2, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company 2.
- (iv) all Intellectual Property of the Transferor Company 2 to the extent being used in relation to the VSAT Undertaking 2 or as agreed between the Transferor Company 2 and Transferee Company 2 otherwise, shall without any requirement of any further act or deed stand transferred and vested in the Transferee Company 2.
- (v) all VSAT Undertaking 2 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company 2 so as to become from the Appointed Date, the Liabilities of the Transferee Company 2 in relation to the VSAT Undertaking 2 and the Transferee Company 2 undertakes to meet, discharge and satisfy the same.
- (vi) all contracts(including all contracts/ purchase orders

with customers and all contracts/ purchase orders with vendors), deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/associate/joint venture companies, arrangements and other instruments of whatsoever nature in relation to the VSAT Undertaking 2, to which the Transferor Company 2 is a party or to the benefit of which the Transferor Company 2 may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company 2 and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company 2 had been a party or beneficiary or obligee thereto or thereunder.

- (vii) the VSAT Undertaking 2 Employees shall be deemed to have become employees of the Transferee Company 2, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company 2 on the Effective Date.
- (viii) Notwithstanding anything to the contrary stated herein, no legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company 2 which may be pending on the Effective Date and relating to the VSAT Undertaking 2 would stand transferred, or be deemed to stand transferred to the Transferee Company 2.
- (ix) all taxes, charges, fees, claims, amounts and duties payable by the Transferor Company 2 (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws, claims raised by or amounts payable to DoT and/ or DoS and all other Applicable Laws), accruing and relating to the VSAT Undertaking 2, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Effective Date and which relate to a period after the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company 2.

Upon Part C and Part D of the Scheme coming into effect on the Effective Date and upon the transfer of the VSAT Undertaking 2 and vesting of the same in the Transferee Company 2, the Transferee Company 2 shall discharge, to the Transferor Company 2, the lump sum consideration of Rs. 334,290,000 (Indian Rupees Three Hundred Thirty Four Million Two Hundred Ninety Thousand) in the form of cash through normal banking channels.

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

Residual Undertaking 2.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE SALIENT EXTRACTS THEREOF.

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

The report on recommendation of fair value dated April 29, 2019 issued by VD & Co., Chartered Accountants (“**Valuation Report**”) in relation to the Scheme, as per which, the fair value arrived at for VSAT Undertaking 1 is Rs. 663.21 Million and for VSAT Undertaking 2 is Rs. 334.29 Million.

Further, since the equity shares of BAL are listed on the Stock Exchanges, a fairness opinion dated May 2, 2019 issued by SPA Capital Advisors Limited (“**Fairness Opinion**”) was obtained. The Fairness Opinion has been issued in respect of the Valuation Report. No special valuation difficulties were reported by the valuers.

Please refer to the Valuation Report and the Fairness Opinion that are enclosed as **ANNEXURE 4** and **ANNEXURE 5**, respectively.

These will also be available for inspection at the registered office of HCIPL.

98. Details of capital or debt restructuring, if any:

The Scheme does not contemplate any debt restructuring nor are any of the Companies undergoing any debt restructuring.

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

a) The equity shares of BAL are listed on the Stock Exchanges. Pursuant to Regulation 37 of the SEBI Listing Regulations read with the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by SEBI (“**SEBI Circular**”), BAL had filed the Scheme with both the BSE and NSE on June 6, 2019, to seek their no objection to the Scheme. BAL has received observation letters dated October 25, 2019 and October 29, 2019 from BSE and NSE, respectively, wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Tribunal. The said observation letters issued by the BSE and the NSE are enclosed as **ANNEXURE 8** and **ANNEXURE 9**, respectively.

b) As required by the SEBI Circular, BAL has filed its Complaint Report with the BSE and NSE on September 10, 2019 and July 2, 2019, respectively. The Complaint Reports filed by BAL indicate that it has received ‘nil’ complaints. Copies of the Complaint Reports filed with the BSE and the NSE are enclosed as **ANNEXURE 6** and **ANNEXURE 7**, respectively.

- c) The registered office of the Companies are situated at New Delhi and accordingly, the first motion application was filed by the Companies with the Tribunal, on December 3, 2019. Consequently, the Tribunal pursuant to its order dated May 11, 2020, has directed, *inter alia*, the convening of the Meeting. Separately, a copy of the Scheme, by way of letter dated December 19, 2019 was filed with the Department of Telecommunications, Government of India (“DoT”) in compliance with the Guidelines for Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified Licence on compromises, arrangements and amalgamation of the companies dated February 14, 2014. Subsequently, the DoT sought certain clarifications (on the Scheme) which were addressed by way of incorporating the same in the Scheme, and the Scheme as clarified pursuant to the clarification request of the DoT was filed with the Tribunal. The Tribunal by way of its order dated May 8, 2020 (which was modified by way of order dated June 16, 2020, enclosed as **ANNEXURE 3**), took on record the Scheme as clarified pursuant to the clarification request of the DoT, which is enclosed as **ANNEXURE 1**.
- d) The Companies have obtained certificates from their respective statutory auditors in terms of the proviso’s to Sections 230(7) and 232(3) of the Act.
- e) The Scheme does not in any way violate, override or circumvent any provision of the Act and the rules and regulations issued thereunder.
100. **Inspection of Documents:** Copies of the following documents will be open for inspection to the unsecured creditors of HCIL Comtel at its registered office situated at 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India on all days except Saturday, Sunday and public holidays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting:
- a) Order dated May 11, 2020 passed by the Tribunal in Company Application No. CA(CAA)-186(PB)/2019, directing *inter alia*, the convening of the Meeting;
- b) Order dated May 8, 2020 passed by the Tribunal in I.A. No. CA-264(PB)/2020 in Company Application No. CA(CAA)-186(PB)/2019, taking on record the Scheme incorporating clarifications pursuant to clarification request of the DoT;
- c) Scheme, as filed before the Tribunal;
- d) Report on Recommendation of Fair Value dated April 29, 2019 issued by VD & Co., Chartered Accountants;
- e) Fairness Opinion dated May 2, 2019 issued to BAL and BASL by SPA Capital Advisors Limited, a merchant banker registered with the Securities and Exchange Board of India;
- f) Complaint Report submitted by BAL on September 10, 2019 to BSE Limited;
- g) Complaint Report submitted by BAL on July 2, 2019 to the National Stock Exchange of India Limited;
- h) Observation Letter dated October 25, 2019 issued by BSE Limited to BAL;
- i) Observation Letter dated October 29, 2019 issued by the National Stock Exchange of India Limited to BAL;
- j) Certificate of incorporation dated July 7, 1995, the certificate for commencement of business dated January 18, 1996 and the fresh certificate of incorporation consequent upon change of name dated April 24, 2006 along with copies of the memorandum of association and articles of association of BAL;
- k) Certificate of incorporation dated December 5, 1997, the certificate for commencement of business dated January 29, 1998 and the fresh certificate of incorporation consequent upon change of name dated May 22, 2007 along with copies of the memorandum of association and articles of association of BASL;
- l) Certificate of incorporation dated March 17, 1992, the certificate for commencement of business dated February 2, 1993, the fresh certificate of incorporation consequent upon change of name dated April 5, 2006 and the fresh certificate of incorporation consequent upon conversion from public company to private company dated October 23, 2019 along with copies of the memorandum of association and articles of association of the of HCIPL;
- m) Certificate of incorporation dated September 13, 2007, the certificate for commencement of business dated January 31, 2008 and the fresh certificate of incorporation consequent upon conversion from public company to private company dated October 25, 2019 along with copies of the memorandum of association and articles of association of HCIL Comtel;
- n) Certificate dated May 6, 2019 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of BAL in terms of the provisos to Sections 230(7) and 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with applicable accounting standards;
- o) Certificate dated May 6, 2019 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of BASL in terms of the provisos to Sections 230(7) and 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with applicable accounting standards;
- p) Certificate dated May 30, 2019 issued by BSR & Co. LLP, Chartered Accountants, the statutory auditor of HCIPL in terms of the provisos to Sections 230(7) and 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with applicable

accounting standards;

Scheme; and

- q) Certificate dated May 30, 2019 issued by BSR & Co. LLP, Chartered Accountants, the statutory auditor of HCIL Comtel in terms of the provisos to Sections 230(7) and 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with applicable accounting standards;
- r) Annual reports of the Companies for the last three financial years ended March 31, 2019, March 31, 2018 and March 31, 2017;
- s) Interim condensed standalone, audited financial statements of BAL for the period ended December 31, 2019;
- t) Consolidated, audited financial statements of BAL for the period ended December 31, 2019;
- u) Standalone, audited financial statements of BASL for the financial year ended March 31, 2019;
- v) Interim condensed, standalone, unaudited financial statements of BASL for the period ended June 30, 2019;
- w) Standalone, audited financial statements of HCIPL and HCIL Comtel for the period ended March 31, 2019
- x) Standalone, unaudited financial statements of HCIPL and HCIL Comtel for the period ended June 30, 2019;
- y) Consolidated financial statements of HCIPL for the period ended March 31, 2019;
- z) Extract of the resolution dated May 6, 2019 passed by the board of directors of BAL, *inter alia*, approving the Scheme;
- aa) Extract of the resolution dated May 6, 2019 passed by the board of directors of BASL, *inter alia*, approving the Scheme;
- bb) Extract of the resolution dated May 24, 2019 passed by the board of directors of HCIPL, *inter alia*, approving the Scheme;
- cc) Extract of the resolution dated June 1, 2019 passed by the board of directors of HCIL Comtel, *inter alia*, approving the Scheme;
- dd) Reports adopted by the respective Boards of the Companies pursuant to Section 232(2)(c) of the Act;
- ee) Abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 specifying applicable information of BASL, HCIPL and HCIL Comtel, respectively;
- ff) any other contracts or agreements material to the

- gg) Paper books filed in Company Application No. CA(CAA)- 186(PB)/2019 including the application along with annexures.

Dated this 27th day of June, 2020.

For HCIL Comtel Private Limited

**Sd/-
Mr. Pranav Roach
(Director & Authorized Signatory)**

Registered Office: 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India

CIN: U32204DL2007PTC168125

Email: corporate@hughes.in

ANNEXURE- A6
SCHEME

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COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

BHARTI AIRTEL LIMITED

(TRANSFEROR COMPANY 1)

AND

BHARTI AIRTEL SERVICES LIMITED

(TRANSFEROR COMPANY 2)

AND

HUGHES COMMUNICATIONS INDIA LIMITED

(TRANSFeree COMPANY 1)

AND

HCIL COMTEL LIMITED

(TRANSFeree COMPANY 2)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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

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PREAMBLE

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

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

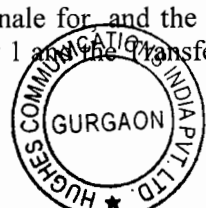
Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

2. **Bharti Airtel Limited**, the Transferor Company 1, is a public limited company incorporated on July 7, 1995 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as L74899DL1995PLC070609 and having its registered office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070. The equity shares of the Transferor Company 1 are listed on the Stock Exchanges.
3. The Transferor Company 1 is engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. In India, the Transferor Company 1's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national and international long distance services to carriers. It has Unified License to operate in Punjab, Himachal Pradesh, Karnataka, Andhra Pradesh, Delhi and Kolkata and Unified Access Service License in remaining circles except in Rajasthan and North-Eastern Circle. In the rest of the geographies, it offers various services such as 2G, 3G and 4G wireless services and mobile commerce.
4. **Bharti Airtel Services Limited**, the Transferor Company 2, is a public limited company incorporated on December 5, 1997 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as U64201DL1997PLC091001 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
5. The Transferor Company 2 is, *inter alia*, engaged in the business of supplying hardware and related services for telecommunication networks including very small aperture terminal (VSAT) related telecommunication services in India.
6. **Hughes Communications India Limited**, the Transferee Company 1, is a public limited company incorporated on March 17, 1992 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as U64202DL1992PLC048053 and having its registered office situated at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037.
7. The Transferee Company 1 is one of India's premier networking companies and is India's largest satellite service operator, offering broadband services under the "Hughes" brand. Its customers include large enterprises and small and medium businesses across various verticals, and consumers. The solutions offered include networking, system integration, managed network services, security transaction services, intranet, internet, broadband kiosks and interactive distance education.
8. **HCIL Comtel Limited**, Transferee Company 2, is a public limited company incorporated on September 13, 2007 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as U32204DL2007PLC168125 and having its registered office at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037.

9. The Transferee Company 2 is engaged in the business of supplying hardware and related services for telecommunication networks including very small aperture terminal (VSAT) related telecommunication services in India.

(B) RATIONALE AND BENEFITS OF THIS SCHEME

The rationale for, and the benefits of, the transfer of the VSAT Undertakings of the Transferor Company 1 and the Transferor Company 2 and vesting of the same with the Transferee Company



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1 and the Transferee Company 2, respectively, both on a going concern basis by way of a Slump Sale as envisaged under this Scheme are, *inter alia*, as follows:

- (a) expanding the businesses of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies;
- (b) consolidation of the VSAT businesses of the Transferor Companies with those of the Transferee Companies;
- (c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;
- (d) the combination of the VSAT Undertakings with the Transferee Companies is a strategic fit for serving existing markets and for catering to additional volume linked to new consumers;
- (e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the VSAT Undertakings and the Transferee Companies thereby significantly contributing to future growth and maximizing shareholder value of the Companies; and
- (f) increase in customer base and also acquisition of new customers by the Transferee Companies.

This Scheme is in the best interests of the shareholders, employees and creditors of each of the Companies.

(C) PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- | | | |
|---------------|---|--|
| PART A | - | Definitions and Share Capital; |
| PART B | - | Transfer of the VSAT Undertaking 1 of the Transferor Company 1 and vesting of the same with the Transferee Company 1, on a going concern basis by way of a Slump Sale; |
| PART C | - | Transfer of the VSAT Undertaking 2 of the Transferor Company 2 and vesting of the same with the Transferee Company 2, on a going concern basis by way of a Slump Sale; and |
| PART D | - | General Terms and Conditions. |



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PART A

1. DEFINITIONS

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

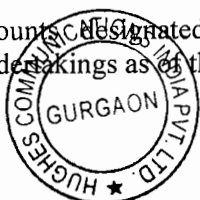
- 1.1 “**Accounting Standards**” means the Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the other accounting principles generally accepted in India;
- 1.2 “**Act**” means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provision in the Companies Act, 2013 has not been notified;
- 1.3 “**Applicable Law(s)**” means: (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines or policies of any applicable country and/ or jurisdiction; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any governmental authority; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4 “**Appointed Date**” means the commencement of the calendar day falling immediately after the Effective Date;
- 1.5 “**Asset(s)**” mean and include without limitation, all assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, whether owned or leased or otherwise acquired by and in lawful possession of the Transferor Companies, used in or pertaining to or relatable to the respective VSAT Undertakings or such assets as mutually agreed in writing between the Companies and including, without limitation, those listed in Schedule I of this Scheme;
- 1.6 “**Board**” or “**Board of Directors**” means the respective board of directors of the Companies and shall, unless repugnant to the context, include a committee of directors or any person authorized by the Board or such committee of directors;
- 1.7 “**Companies**” means the Transferor Company 1, the Transferor Company 2, the Transferee Company 1 and the Transferee Company 2, collectively;
- 1.8 “**DoS**” means the Department of Space, Government of India;
- 1.9 “**DoT**” means the Department of Telecommunications, Government of India;
- 1.10 “**Effective Date**” means the end of the day when the certified copy of the NCLT’s order sanctioning this Scheme is filed by all the Companies with the Registrar of Companies, National Capital Territory of Delhi & Haryana, or the end of the day mutually agreed in writing between the Companies upon the completion of all conditions precedent that are mutually agreed in writing between the Companies, whichever is later;

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

- 1.11 “**Encumbrance**” means any restriction of any kind, mortgage, pledge, security interest, lien, charge, debenture, hypothecation, assignment by way of security, conditional sales contract, pre-emption right, option, title defect, adverse claim on title and any other encumbrance or third party right or claim of any kind or any agreement to create any of the above;

- 1.12 “**Excluded Liabilities**” means all Liabilities of the VSAT Undertakings as of the Effective Date, save and except VSAT Undertaking 1 Transferring Liabilities and VSAT Undertaking 2 Transferring Liabilities, as applicable, and Excluded Liabilities includes, without limitation, the following:

- (i) amounts designated as “Debt” in the Functional Balance Sheets of the VSAT Undertakings as of the Effective Date;



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- (ii) any litigation, arbitration proceeding, claim, action (including any proceedings and existing proceedings but other than Transferring Litigations) resulting from the business and operations of, or relating to, the VSAT Undertakings pertaining to a period prior to Effective Date;
- (iii) all liabilities, including on account of taxes, pertaining to the VSAT Undertakings in respect of the period prior to the Effective Date; and
- (iv) any liability on account of the Transferor Companies not having obtained the no-objection certificates, as contemplated in Section 281 of the Income Tax Act, 1961 in respect of the transfer of the VSAT Undertakings to the Transferee Companies.

- 1.13 **“Functional Balance Sheet”** means the balance sheet in accordance with the accounting policies and the general procedures, in each case as mutually agreed in writing between the Companies. For the avoidance of doubt, the Functional Balance Sheet of the VSAT Undertakings and the Transferee Companies shall be prepared using the audited standalone and consolidated financial statements/ accounts prepared by respective external statutory auditors as at March 31, 2018 and will be replaced with actual numbers as at the Effective Date in accordance with terms mutually agreed in writing between the Companies;
- 1.14 **“Goodwill”** means the goodwill of the Transferor Companies in relation to the VSAT Undertakings together with the exclusive right for the Transferee Companies to carry on the business of the Transferor Companies pertaining to their VSAT Undertakings and all other commercial rights relatable thereto and to represent itself as carrying on the business of Transferor Companies pertaining to their VSAT Undertakings in succession to the Transferor Companies;
- 1.15 **“Intellectual Property”** means and includes all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software) to the extent being used in relation to the VSAT Undertakings, in each case whether registered or unregistered and including applications for the registration or grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world, excluding any and all intellectual properties owned by the Transferor Companies not exclusively pertaining to the VSAT Undertakings;
- 1.16 **“IT Act”** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.17 **“Liability(ies)”** means liabilities of every kind, nature and description, whether present or future, whether or not required to be reflected on a balance sheet in accordance with applicable accounting standards and includes contingent liabilities, secured loans, unsecured loans, borrowings, statutory liabilities (including those under taxation laws and stamp duty laws), contractual liabilities, duties, obligations, guarantees and those arising out of proceedings of any nature;
- 1.18 **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.19 **“NCLT”** means the bench of the National Company Law Tribunal at New Delhi and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Act;
- 1.20 **“Residual Undertaking 1”** means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company 1 subsequent to the transfer of the VSAT Undertaking 1 to the Transferee Company 1 in terms of and upon the effectiveness of this Scheme;
- 1.21 **“Residual Undertaking 2”** means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company 2 subsequent to the transfer of the VSAT Undertaking 2 to the Transferee Company 2 in terms of and upon the effectiveness of this Scheme;
- 1.22 **“Rs.”** means Rupees being the lawful currency of the Republic of India;



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- 1.23 “Scheme” means this composite scheme of arrangement in its present form, or with any modification(s), as may be approved or directed by the NCLT;
- 1.24 “SEBI” means the Securities and Exchange Board of India;
- 1.25 “SEBI Circular” mean the circular dated March 10, 2017 issued by SEBI bearing No. CFD/DIL3/CIR/2017/21, including any amendments or modifications thereto;
- 1.26 “Slump Sale” means the sale of an undertaking on a going concern basis as defined under section 2(42C) of the IT Act, for a lump sum consideration without values being assigned to the individual assets and liabilities;
- 1.27 “Stock Exchanges” means the National Stock Exchange of India Limited and the BSE Limited, collectively;
- 1.28 “Transferee Companies” means the Transferee Company 1 and the Transferee Company 2, collectively;
- 1.29 “Transferee Company 1” means Hughes Communications India Limited, a public limited company incorporated on March 17, 1992 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as U64202DL1992PLC048053 and having its registered office situated at 1, Shivji Marg, Westend Greens, NH-8, New Delhi – 110037, India;
- 1.30 “Transferee Company 2” means HCIL Comtel, a public limited company incorporated on September 13, 2007 under the laws of India, having Corporate Identification Number (CIN) as U32204DL2007PLC168125 and having its registered office at 1, Shivji Marg, Westend Greens, NH-8, New Delhi – 110037, India;
- 1.31 “Transferor Companies” means the Transferor Company 1 and Transferor Company 2, collectively;
- 1.32 “Transferor Company 1” means Bharti Airtel Limited, a public limited company incorporated on July 7, 1995 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as L74899DL1995PLC070609 and having its registered office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070, India. The equity shares of the Transferor Company 1 are listed on the Stock Exchanges;
- 1.33 “Transferor Company 2” means Bharti Airtel Services Limited, a public limited company incorporated on December 05, 1997 under the laws of India, having Corporate Identification Number (CIN) as U64201DL1997PLC091001 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070, India;
- 1.34 “VSAT” means very small aperture terminal;
- 1.35 “VSAT Undertaking 1” means the entire VSAT business undertaking, activities and operations of the Transferor Company 1 comprising of and including, as deemed fit, the Transferor Company 1’s CUG-VSAT authorization under the unified license granted by the DoT to provide VSAT services, to be transferred to the Transferee Company 1, as well as, the satellite spectrum assets assigned to or relating to both CUG-VSAT authorizations under the unified license and NLD licence, on a going concern basis by way of a Slump Sale. Without prejudice and limitation to the generality of the above, the VSAT Undertaking 1 means and includes without limitation, the following items:

- (i) All Assets of the Transferor Company 1 wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company 1 relating to the VSAT Undertaking 1, free from all Encumbrances;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/ or rules or whether granted by any municipal body/ authority, panchayat body/ authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts including all contracts/ purchase orders with customers and all contracts/ purchase orders with vendors, non-disposal undertakings, certifications and approvals, regulatory

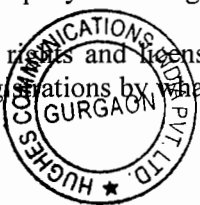
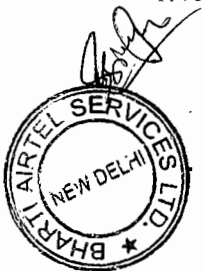


approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the VSAT Undertaking 1, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the VSAT Undertaking 1;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the VSAT Undertaking 1;
 - (iv) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the VSAT Undertaking 1;
 - (v) VSAT Undertaking 1 Employees;
 - (vi) only Transferring Litigations;
 - (vii) all VSAT Undertaking 1 Transferring Liabilities and no other Liabilities;
 - (viii) Goodwill; and
 - (ix) any other Asset specifically allocated by the Board of Directors of the Transferor Company 1 as relating to or belonging to the VSAT Undertaking 1.
- 1.36 “**VSAT Undertaking 1 Employees**” means the employees of the Transferor Company 1 that are engaged in or who relate to the VSAT Undertaking 1 and have been accordingly identified mutually in writing between the Companies;
- 1.37 “**VSAT Undertaking 1 Transferring Liability(ies)**” means all amounts designated as deferred revenue, trade and other payables (trade payables, accruals and provisions) in the Functional Balance Sheets of the VSAT Undertaking 1 as of the Effective Date but shall not include the Excluded Liabilities;
- 1.38 “**VSAT Undertaking 2 Transferring Liability(ies)**” means all amounts designated as deferred revenue, trade and other payables (trade payables, accruals and provisions) in the Functional Balance Sheets of the VSAT Undertaking 2 as of the Effective Date but shall not include the Excluded Liabilities;
- 1.39 “**Transferring Liabilities**” means the VSAT Undertaking 1 Transferring Liability(ies) and the VSAT Undertaking 2 Transferring Liability(ies), collectively;
- 1.40 “**Transferring Litigations**” means: (a) Union of India (through GoI, Antariksh Bhawan) v. Bharti Airtel Limited, (Telecom Petition 227 of 2018) before Telecom Disputes Settlement and Appellate Tribunal (including any Proceedings arising therefrom); and (b) DoT v. BPL Mobile Cellular Ltd. & Others (including Comsat Max Ltd.) (Civil Appeal No. 6664-6669 of 2010) before Supreme Court of India (including any Proceedings arising therefrom); and (c) such other litigations / Proceedings relating to DoT or DoS, as may be mutually agreed in writing between the Companies;

1.41 “**VSAT Undertaking 2**” means the entire VSAT business undertaking, activities and operations of the Transferor Company 2 comprising of supplying hardware and related services for VSAT telecommunications services in India of the Transferor Company 2 including all aspects constituting an undertaking, such as customers, contracts, personnel, IT system, other business infrastructures related to the VSAT Undertaking 2 and other items necessary for the Transferee Company 2 to operate the VSAT Undertaking 2 independently on a going concern basis by way of a Slump Sale and includes, without limitation, the following:

- (i) All Assets of the Transferor Company 2 wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company 2 relating to the VSAT Undertaking 2, free from all Encumbrances;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/ or



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rules or whether granted by any municipal body/ authority, panchayat body/ authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts including all contracts/ purchase orders with customers and all contracts/ purchase orders with vendors), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the VSAT Undertaking 2, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the VSAT Undertaking 2;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the VSAT Undertaking 2;
- (iv) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the VSAT Undertaking 2;
- (v) VSAT Undertaking 2 Employees;
- (vi) all VSAT Undertaking 2 Transferring Liabilities and no other Liabilities
- (vii) Goodwill; and
- (viii) any other Asset specifically allocated by the Board of Directors of the Transferor Company 2 as relating to or belonging to the VSAT Undertaking 2.

1.42 “**VSAT Undertaking 2 Employees**” means the employees of the Transferor Company 2 that are engaged in or who relate to the VSAT Undertaking 2 and have been accordingly identified mutually in writing between the Companies;

1.43 “**VSAT Undertakings**” means the VSAT Undertaking 1 and VSAT Undertaking 2, collectively; and

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

2. SHARE CAPITAL

2.1. Transferor Company 1

2.1.1. The Transferor Company 1 is a publicly listed company and its authorized, issued, subscribed and fully paid up share capital as on May 1, 2019 is as under:



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Authorized share capital	Amount (Rs.)
29,50,60,00,000 equity shares of Rs. 5/- each	1,47,53,00,00,000
Total	1,47,53,00,00,000
Issued, subscribed and fully paid up share capital	Amount (Rs.)
3,99,74,00,107 equity shares of Rs. 5/- each	19,98,70,00,535
Total	19,98,70,00,535

2.2. Transferor Company 2

2.2.1. The authorized, issued, subscribed and fully paid-up share capital of Transferor Company 2 as on May 1, 2019 is as under:

Authorized share capital	Amount (Rs.)
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000
Issued, subscribed and fully paid up share capital	Amount (Rs.)
1,00,000 equity shares of Rs. 10/- each	10,00,000
Total	10,00,000

2.3. Transferee Company 1

2.3.1. The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company 1 as on May 1, 2019 is as under:

Authorized share capital	Amount (Rs.)
2,00,00,000 equity shares of Rs. 10/- each	20,00,00,000
Total	20,00,00,000



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Issued, subscribed and fully paid up share capital	Amount (Rs.)
1,55,00,000 equity shares of Rs. 10/- each	15,50,00,000
Total	15,50,00,000

2.4. **Transferee Company 2**

2.4.1. The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company 2 as on May 1, 2019 is as under:

Authorized share capital	Amount (Rs.)
1,00,00,000 equity shares of Rs. 10/- each	10,00,00,000
Total	10,00,00,000
Issued, subscribed and fully paid up share capital	Amount (Rs.)
20,00,000 equity shares of Rs. 10/- each	2,00,00,000
Total	2,00,00,000



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PART B

TRANSFER OF THE VSAT UNDERTAKING 1 OF THE TRANSFEROR COMPANY 1 AND VESTING OF THE SAME WITH THE TRANSFEREE COMPANY 1, ON A GOING CONCERN BASIS BY WAY OF A SLUMP SALE

1. Transfer and vesting of the VSAT Undertaking 1

1.1. Upon this Scheme becoming effective and with effect from the Appointed Date, the VSAT Undertaking 1 of the Transferor Company 1 shall, free from all Encumbrances, stand transferred and vest in the Transferee Company 1, on a going concern basis by way of a Slump Sale without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company 1, and to vest in the Transferee Company 1, all the Assets, VSAT Undertaking 1 Transferring Liabilities, rights, title or obligations of the VSAT Undertaking 1 therein, in the manner described hereunder.

2. Transfer of Assets

2.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all Assets relating to the VSAT Undertaking 1, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall, free from all Encumbrances, stand transferred to and vested in the Transferee Company 1 and shall become the property and an integral part of the Transferee Company 1. The vesting pursuant to this Clause 2.1 shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

2.2. Upon this Scheme becoming effective and with effect from the Appointed Date, all movable Assets of the Transferor Company 1 relating to the VSAT Undertaking 1, other than those specified in Clause 2.1 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company 1.

2.3. Upon this Scheme becoming effective and with effect from the Appointed Date, all Intellectual Property of the Transferor Company 1 to the extent being used in relation to the VSAT Undertaking 1 or as agreed between the Transferor Company 1 and Transferee Company 1 otherwise, shall without any requirement of any further act or deed stand transferred and vested in the Transferee Company 1. This Scheme shall serve as a requisite consent for use and transfer of Intellectual Property without requiring the execution of any further deed or document so as to transfer of the said Intellectual Property in favour of the Transferee Company 1.

2.4. Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor Company 1 agrees to execute and deliver at the request of the Transferee Company 1, all papers and instruments required in respect of the Intellectual Property stated in Clause 2.3 above, to vest such rights, title and interest in the name of the Transferee Company 1 and in order to update the records of the respective registries to reflect the name and address of the Transferee Company 1 as the current owner of the Intellectual Property.

2.5. Upon this Scheme becoming effective and with effect from the Appointed Date, in relation to Assets, if any, belonging to the VSAT Undertaking 1, which require separate documents for vesting in the Transferee Company 1, or which the Transferor Company 1 and/ or the Transferee Company 1 otherwise desire to be vested separately, the Transferor Company 1 and the Transferee Company 1 will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

It is hereby clarified that if any Assets (including but not limited to any estate, rights, title, interest in or authorities relating to such Assets) in relation to the VSAT Undertaking 1 which the Transferor Company 1 owns, cannot be transferred to the Transferee Company 1 for any reason whatsoever, the Transferor Company 1 shall hold such Asset in trust for the benefit of the Transferee Company 1.

2.7. Notwithstanding the above, it is further clarified that Transferor Company 1 shall immediately notify Transferee Company 1 if there are any Assets which constitute a part of the VSAT

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Undertaking 1 which have not been transferred to the Transferee Company 1 on the Effective Date. The Transferor Company 1 shall immediately transfer, assign and deliver any such Assets to the Transferee Company 1 for no additional consideration.

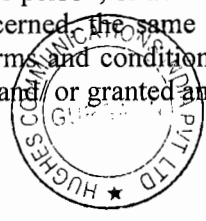
3. Transfer of Liabilities

- 3.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all VSAT Undertaking 1 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company 1 so as to become from the Appointed Date, the Liabilities of the Transferee Company 1 in relation to the VSAT Undertaking 1 and the Transferee Company 1 undertakes to meet, discharge and satisfy the same.
- 3.2. Notwithstanding anything to the contrary stated herein, it is clarified that apart from the VSAT Undertaking 1 Transferring Liabilities, no other Liabilities that shall be attributable to and/or arising out of the activities or operations of the VSAT Undertaking 1 shall be transferred to the Transferee Company 1 as part of the VSAT Undertaking 1 and the same shall be borne by the Transferor Company 1. For the avoidance of doubt, it is hereby clarified that all tax Liabilities attributable to and/ or arising out of the activities or operations of the VSAT Undertaking 1 for a period up to the Appointed Date shall continue to be Liabilities of the Transferor Company 1 and shall be borne by the Transferor Company 1.

4. Contracts, Deeds, Bonds and Other Instruments

- 4.1. Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts (including all contracts/ purchase orders with customers, all contracts/ purchase orders with vendors and all contracts (including all contracts pending for renewal or for fresh allocation of capacity) with the DoS without limitation including Agreement No.: INSAT-SES-9/Ku/VSAT/01/2017 dated 25th January 2017, Agreement No.: GSAT 16/Ext. C/VSAT/03/2015 dated July 06, 2015, Agreement No.: GSAT 14/ Ext. C/VSAT/02/2014 dated March 23, 2014 and Agreement No.: GSAT 14/Ku/VSAT/04/2018 dated 31st October 2018), deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the VSAT Undertaking 1, to which the Transferor Company 1 is a party or to the benefit of which the Transferor Company 1 may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company 1 and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company 1 had been a party or beneficiary or obligee thereto or thereunder.
- 4.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the VSAT Undertaking 1 with the Transferee Company 1 occurs by virtue of this Scheme itself, the Transferee Company 1 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company 1 is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company 1 will, if reasonably necessary, also be a party to the above. The Transferee Company 1 shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company 1 to be carried out or performed.

- 4.3. Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company 1 in relation to the VSAT Undertaking 1 shall stand transferred to the Transferee Company 1 as if the same were originally given by, issued to or executed in favour of the Transferee Company 1, and the Transferee Company 1 shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company 1. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company 1 in relation to the VSAT Undertaking 1 are concerned, the same shall vest with and be available to the Transferee Company 1 on the same terms and conditions as applicable to the Transferor Company 1, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company 1.



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- 4.4. It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the VSAT Undertaking 1 to which the Transferor Company 1 is a party, cannot be transferred to the Transferee Company 1 for any reason whatsoever, the Transferor Company 1 shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company 1.

5. Employees

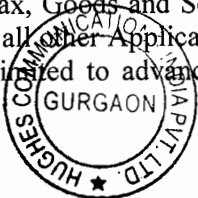
- 5.1. Upon this Scheme becoming effective, the VSAT Undertaking 1 Employees, shall be deemed to have become employees of the Transferee Company 1, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company 1 on the Effective Date. The services of such employees, if any, with the Transferor Company 1 up to the Effective Date shall be taken into account for the purposes of all benefits and continuity to which the employees, if any, may be eligible under Applicable Law.
- 5.2. Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the employees of the VSAT Undertaking 1, if any, shall be made by the Transferee Company 1 in accordance with the provisions of such schemes or funds and Applicable Law.
- 5.3. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company 1 for the employees of the VSAT Undertaking 1, if any, shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company 1 without any separate act or deed/approval. In relation to the employees of the VSAT Undertaking 1, if any, for whom the Transferor Company 1 is making contributions to the government provident fund, the Transferee Company 1 shall stand substituted for the Transferor Company 1, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, if any.

6. Continuation of Legal Proceedings

- 6.1. Subject to Clause 6.2 of Part B below, no legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company 1 which may be pending on the Effective Date and relating to the VSAT Undertaking 1 would stand transferred, or be deemed to stand transferred to the Transferee Company 1.
- 6.2. Upon this Scheme becoming effective, the Transferring Litigations relating to the VSAT Undertaking 1 would stand transferred, or be deemed to stand transferred to the Transferee Company 1.
- 6.3. The Transferee Company 1 shall be replaced / added as party to the Transferring Litigations relating to the VSAT Undertaking 1 and each of the Companies shall make relevant applications in that behalf, as may be required.

Treatment of taxes and charges payable to DoT or DoS

- 7.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes, charges, fees, claims, amounts and duties payable by the Transferor Company 1 (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws, claims raised by or amounts payable to DoT and/ or DoS and all other Applicable Laws), accruing and relating to the VSAT Undertaking 1, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Effective Date and which relate to a period after the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company 1. However, it is clarified that, all taxes, charges, fees, claims, amounts and duties payable by the Transferor Company 1 (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws, claims raised by or amounts payable to DoT and/ or DoS and all other Applicable Laws), accruing and relating to the VSAT Undertaking 1, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any



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refund and claims existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company 1.

- 7.2. Upon this Scheme becoming effective, all unutilized credits and exemptions and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the VSAT Undertaking 1 to which the Transferor Company 1 is entitled to, which may arise after the Effective Date and which relate to a period after the Effective Date shall be available to and vest in the Transferee Company 1, without any further act or deed. However, it is clarified that all unutilized credits and exemptions and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the VSAT Undertaking 1 to which Transferor Company 1 is entitled to, existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall be available to and remain with the Transferor Company 1, without any further act or deed.
- 7.3. The Transferor Company 1 may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the VSAT Undertaking 1 shall stand transferred to and vested in the Transferee Company 1 and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the VSAT Undertaking 1, to the extent statutorily available, shall be claimed by the Transferee Company 1.

8. Conduct of Business

- 8.1. Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company 1 and the Transferee Company 1, and up to and including the Effective Date, the Transferor Company 1 shall carry on the business of the VSAT Undertaking 1 with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 8.2. The Transferee Company 1 shall also be entitled, pending the effectiveness of this Scheme, to apply to the central government, state government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company 1 may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for carrying on its business.

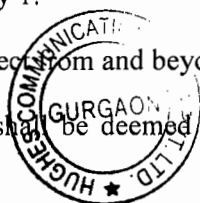
9. Consideration

- 9.1. Upon Part B and Part D of this Scheme coming into effect on the Effective Date and upon the transfer of the VSAT Undertaking 1 and vesting of the same in the Transferee Company 1, the Transferee Company 1 shall discharge, to the Transferor Company 1, the lump sum consideration of INR 663,210,000 (Indian Rupees Six Hundred Sixty Three Million Two Hundred Ten Thousand) in the form of cash through normal banking channels.

10. Residual Undertaking 1 of the Transferor Company 1

- 10.1. The Residual Undertaking 1 and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company 1 and the Transferee Company 1 shall have no right, claim or obligation in relation to the Residual Undertaking 1.
- 10.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company 1 under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking 1 shall be continued and enforced by or against the Transferor Company 1 after the Effective Date. The Transferee Company 1 shall in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company 1.
- 10.3. With effect from and beyond the Effective Date, the Transferor Company 1:

- (i) shall be deemed to have been carrying on and to be carrying on all the business and



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activities relating to the Residual Undertaking 1 for and on its own behalf; and

- (ii) all profits accruing to the Transferor Company 1 thereon or losses arising or incurred by it relating to the Residual Undertaking 1 shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company 1.

11. Accounting treatment in the standalone books of the Transferor Company 1

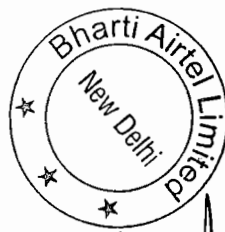
11.1. Upon this Scheme becoming effective, with effect from the Appointed Date, the Transferor Company 1 shall account for the transfer and vesting of the VSAT Undertaking 1 in its books in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other generally accepted accounting principles generally accepted in India:

- (i) The Transferor Company 1 shall, record transfer of all the recorded assets (tangible and intangible) and liabilities of the VSAT Undertaking 1 (“net assets”) to the Transferee Company 1 at their carrying amounts;
- (ii) The Transferor Company 1 shall record the consideration received (cash paid by the Transferee Company 1 pursuant to this Scheme); and
- (iii) The difference between the consideration received and the net assets transferred, being excess/ deficit arising pursuant to transfer of the VSAT Undertaking 1 shall be recognized in the statement of profit and loss.

12. Accounting treatment in the books of the Transferee Company 1

12.1 Upon this Scheme becoming effective, the Transferee Company 1 shall account for the acquisition of VSAT Undertaking 1 in its books of accounts with effect from the Appointed Date:

- (i) the Assets and VSAT Undertaking 1 Transferring Liabilities of the Transferor Company 1 transferred to and vested in the Transferee Company 1 pursuant to this Scheme shall be recorded at their fair values;
- (ii) Consideration discharged by Transferee Company 1 in excess of the value of the net assets of the Transferor Company 1 acquired by the Transferee Company 1 shall be adjusted in the Transferee Company 1’s financial statements as goodwill. If the consideration discharged by the Transferee Company 1 is lower than the value of the net assets acquired, the difference shall be treated as capital reserve, however such treatment shall be also subject to purchase price allocation if applicable as per the applicable accounting standards;
- (iii) the inter-corporate deposits/loans and advances/balances pertaining to the VSAT Undertaking 1 outstanding between the Transferor Company 1 and the Transferee Company 1, if any, will stand cancelled and thereafter there shall be no obligation in that behalf; and
- (iv) any matter not dealt with in this Clause shall be dealt with in accordance with the applicable accounting standards and in accordance with Indian GAAP.



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PART C

TRANSFER OF THE VSAT UNDERTAKING 2 OF THE TRANSFEROR COMPANY 2 AND VESTING OF THE SAME WITH THE TRANSFEREE COMPANY 2, ON A GOING CONCERN BASIS BY WAY OF A SLUMP SALE

1. Transfer and vesting of the VSAT Undertaking 2

1.1. Upon this Scheme becoming effective and with effect from the Appointed Date, the VSAT Undertaking 2 of the Transferor Company 2 shall, free from all Encumbrances, stand transferred and vest in the Transferee Company 2 on a going concern basis by way of a Slump Sale without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company 2, and to vest in the Transferee Company 2, all the Assets, VSAT Undertaking 2 Transferring Liabilities, rights, title or obligations of the VSAT Undertaking 2 therein, in the manner described hereunder.

2. Transfer of Assets

2.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all Assets relating to the VSAT Undertaking 2, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall, free from all Encumbrances, stand transferred to and vested in the Transferee Company 2 and shall become the property and an integral part of the Transferee Company 2. The vesting pursuant to this Clause 2.1 shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

2.2. Upon this Scheme becoming effective and with effect from the Appointed Date, all movable Assets of the Transferor Company 2 relating to the VSAT Undertaking 2, other than those specified in Clause 2.1 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company 2.

2.3. Upon this Scheme becoming effective and with effect from the Appointed Date, all Intellectual Property of the Transferor Company 2 to the extent being used in relation to the VSAT Undertaking 2 or as agreed between the Transferor Company 2 and Transferee Company 2 otherwise, shall without any requirement of any further act or deed stand transferred and vested in the Transferee Company 2. This Scheme shall serve as a requisite consent for use and transfer of Intellectual Property without requiring the execution of any further deed or document so as to transfer of the said Intellectual Property in favour of the Transferee Company 2.

2.4. Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor Company 2 agrees to execute and deliver at the request of the Transferee Company 2, all papers and instruments required in respect of the Intellectual Property stated in Clause 2.3 above, to vest such rights, title and interest in the name of the Transferee Company 2 and in order to update the records of the respective registries to reflect the name and address of the Transferee Company 2 as the current owner of the Intellectual Property.

2.5. Upon this Scheme becoming effective and with effect from the Appointed Date, in relation to Assets, if any, belonging to the VSAT Undertaking 2, which require separate documents for vesting in the Transferee Company 2, or which the Transferor Company 2 and/ or the Transferee Company 2 otherwise desire to be vested separately, the Transferor Company 2 and the Transferee Company 2 will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

2.6. It is hereby clarified that if any Assets (including but not limited to any estate, rights, title, interest in or authorities relating to such Assets) in relation to the VSAT Undertaking 2 which the Transferor Company 2 owns, cannot be transferred to the Transferee Company 2 for any reason whatsoever, the Transferor Company 2 shall hold such Asset in trust for the benefit of the



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Transferee Company 2.

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- 2.7. Notwithstanding the above, it is further clarified that Transferor Company 2 shall immediately notify Transferee Company 2 if there are any Assets which constitute a part of the VSAT Undertaking 2 which have not been transferred to the Transferee Company 2 on the Effective Date. The Transferor Company 2 shall immediately transfer, assign and deliver any such Assets to the Transferee Company 2 for no additional consideration.

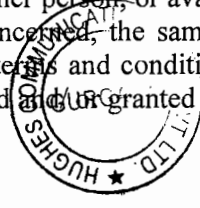
3. Transfer of Liabilities

- 3.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all VSAT Undertaking 2 Transferring Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company 2 so as to become from the Appointed Date, the Liabilities of the Transferee Company 2 in relation to the VSAT Undertaking 2 and the Transferee Company 2 undertakes to meet, discharge and satisfy the same.
- 3.2. Notwithstanding anything to the contrary stated herein, it is clarified that apart from the VSAT Undertaking 2 Transferring Liabilities, no other Liabilities that shall be attributable to and/or arising out of the activities or operations of the VSAT Undertaking 2 shall be transferred to the Transferee Company 2 as part of the VSAT Undertaking 2 and the same shall be borne by the Transferor Company 2. For the avoidance of doubt, it is hereby clarified that all tax Liabilities attributable to and/ or arising out of the activities or operations of the VSAT Undertaking 2 for a period up to the Appointed Date shall continue to be Liabilities of the Transferor Company 2 and shall be borne by the Transferor Company 2.

4. Contracts, Deeds, Bonds and Other Instruments

- 4.1. Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts(including all contracts/ purchase orders with customers and all contracts/ purchase orders with vendors), deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the VSAT Undertaking 2, to which the Transferor Company 2 is a party or to the benefit of which the Transferor Company 2 may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company 2 and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company 2 had been a party or beneficiary or obligee thereto or thereunder.
- 4.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the VSAT Undertaking 2 with the Transferee Company 2 occurs by virtue of this Scheme itself, the Transferee Company 2 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company 2 is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company 2 will, if reasonably necessary, also be a party to the above. The Transferee Company 2 shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company 2 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company 2 to be carried out or performed.

- 4.3. Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company 2 in relation to the VSAT Undertaking 2 shall stand transferred to the Transferee Company 2 as if the same were originally given by, issued to or executed in favour of the Transferee Company 2, and the Transferee Company 2 shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company 2. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company 2 in relation to the VSAT Undertaking 2 are concerned, the same shall vest with and be available to the Transferee Company 2 on the same terms and conditions as applicable to the Transferor Company 2, as if the same had been allotted and/or granted and/ or sanctioned and/ or allowed to the Transferee Company 2.



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- 4.4. It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the VSAT Undertaking 2 to which the Transferor Company 2 is a party, cannot be transferred to the Transferee Company 2 for any reason whatsoever, the Transferor Company 2 shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company 2.

5. Employees

- 5.1. Upon this Scheme becoming effective, the VSAT Undertaking 2 Employees shall be deemed to have become employees of the Transferee Company 2, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company 2 on the Effective Date. The services of such employees, if any, with the Transferor Company 2 up to the Effective Date shall be taken into account for the purposes of all benefits and continuity to which the employees, if any, may be eligible under Applicable Law.
- 5.2. Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the employees of the VSAT Undertaking 2, if any, shall be made by the Transferee Company 2 in accordance with the provisions of such schemes or funds and Applicable Law.
- 5.3. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company 2 for the employees of the VSAT Undertaking 2, if any, shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company 2 without any separate act or deed/approval. In relation to the employees of the VSAT Undertaking 2, if any, for whom the Transferor Company 2 is making contributions to the government provident fund, the Transferee Company 2 shall stand substituted for the Transferor Company 2, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, if any.

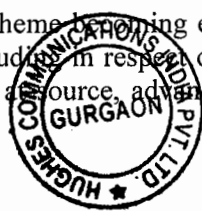
6. Continuation of Legal Proceedings

- 6.1 Notwithstanding anything to the contrary stated herein, no legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company 2 which may be pending on the Effective Date and relating to the VSAT Undertaking 2 would stand transferred, or be deemed to stand transferred to the Transferee Company 2.

7. Treatment of taxes and charges payable to DoT or DoS

- 7.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes, charges, fees, claims, amounts and duties payable by the Transferor Company 2 (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws, claims raised by or amounts payable to DoT and/ or DoS and all other Applicable Laws), accruing and relating to the VSAT Undertaking 2, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Effective Date and which relate to a period after the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company 2. However, it is clarified that, all taxes, charges, fees, claims, amounts and duties payable by the Transferor Company 2 (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws, claims raised by or amounts payable to DoT and/ or DoS and all other Applicable Laws), accruing and relating to the VSAT Undertaking 2, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company 2.

Upon this Scheme becoming effective, all unutilized credits and exemptions and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value



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added tax, sales tax, service tax etc. relating to the VSAT Undertaking 2 to which the Transferor Company 2 is entitled to, which may arise after the Effective Date and which relate to a period after the Effective Date shall be available to and vest in the Transferee Company 2, without any further act or deed. However, it is clarified that all unutilized credits and exemptions and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the VSAT Undertaking 2 to which Transferor Company 2 is entitled to, existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall be available to and remain with the Transferor Company 2, without any further act or deed.

- 7.3. The Transferor Company 2 may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the VSAT Undertaking 2, shall stand transferred to and vested in the Transferee Company 2 and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the VSAT Undertaking 2, to the extent statutorily available, shall be claimed by the Transferee Company 2.

8. Conduct of Business

- 8.1. Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company 2 and the Transferee Company 2, and up to and including the Effective Date, the Transferor Company 2 shall carry on the business of the VSAT Undertaking 2 with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 8.2. The Transferee Company 2 shall also be entitled, pending the effectiveness of this Scheme, to apply to the central government, state government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company 2 may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for carrying on its business.

9. Consideration

- 9.1. Upon Part C and Part D of this Scheme coming into effect on the Effective Date and upon the transfer of the VSAT Undertaking 2 and vesting of the same in the Transferee Company 2, the Transferee Company 2 shall discharge, to the Transferor Company 2, the lump sum consideration of INR 334,290,000 (Indian Rupees Three Hundred Thirty Four Million Two Hundred Ninety Thousand) in the form of cash through normal banking channels.

10. Residual Undertaking 2 of the Transferor Company 2

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

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

- 10.3. With effect from and beyond the Effective Date, the Transferor Company 2:

- (i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking 2 for and on its own behalf; and
- (ii) all profits accruing to the Transferor Company 2 thereon or losses arising or incurred by it relating to the Residual Undertaking 2 shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company 2.

11. Accounting treatment in the standalone books of the Transferor Company 2



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11.1. Upon this Scheme becoming effective, with effect from the Appointed Date, the Transferor Company 2 shall account for the transfer and vesting of the VSAT Undertaking 2 in its books in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other generally accepted accounting principles generally accepted in India:

- (i) The Transferor Company 2 shall, record transfer of all the recorded assets (tangible and intangible) and liabilities of the VSAT Undertaking 2 (“net assets”) to the Transferee Company 2 at their carrying amounts;
- (ii) The Transferor Company 2 shall record the consideration received (cash paid by the Transferee Company 2 pursuant to this Scheme); and
- (iii) The difference between the consideration received and the net assets transferred, being excess/ deficit arising pursuant to transfer of the VSAT Undertaking 2 shall be recognized in the statement of profit and loss.

12. Accounting treatment in the books of the Transferee Company 2

12.1. Upon this Scheme becoming effective, the Transferee Company 2 shall account for the acquisition of VSAT Undertaking 2 in its books of accounts with effect from the Appointed Date:

- (i) the Assets and VSAT Undertaking 2 Transferring Liabilities of the Transferor Company 2 transferred to and vested in the Transferee Company 2 pursuant to this Scheme shall be recorded at their fair values;
- (ii) Consideration discharged by Transferee Company 2 in excess of the value of the net assets of the Transferor Company 2 acquired by the Transferee Company 2 shall be adjusted in the Transferee Company 2’s financial statements as goodwill. If the consideration discharged by the Transferee Company 2 is lower than the value of the net assets acquired, the difference shall be treated as capital reserve, however such treatment shall be also subject to purchase price allocation if applicable as per the applicable accounting standards;
- (iii) the inter-corporate deposits/loans and advances/balances pertaining to the VSAT Undertaking 2 outstanding between the Transferor Company 2 and the Transferee Company 2, if any, will stand cancelled and thereafter there shall be no obligation in that behalf; and
- (iv) any matter not dealt with in this Clause shall be dealt with in accordance with the applicable accounting standards and in accordance with Indian GAAP.



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PART D

GENERAL TERMS AND CONDITIONS**1. Application to the NCLT**

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

2. Modification or Amendment to this Scheme

- 2.1. Each of the Companies (acting through their respective Board) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, in part or in whole, which the NCLT and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out this Scheme, including any individual part thereof, or if the Board are of the view that the coming into effect of this Scheme, in part or in whole, in terms of the provisions of this Scheme, could have an adverse implication on all or any of the Companies. Each of the Companies (acting through their respective Board) be and are hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to this Scheme, in part or in whole and to resolve any doubts, difficulties or questions whether by reason of the order of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme, or any individual part thereof, at any stage prior to the Effective Date.

- 2.2. If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

3. Revocation, Withdrawal of this Scheme

- 3.1. Either of the Companies acting through their respective Board shall each be at liberty to withdraw this Scheme.
- 3.2. In the event of revocation under Clause 3.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with Applicable Law.
- 3.3. In the event of revocation under Clause 3.1 above, the Companies shall take all necessary steps to withdraw this Scheme from the NCLT and any other authority and to make all necessary filings/ application as may be required to withdraw this Scheme.

4. Effect of non-receipt of approvals

- 4.1. In case this Scheme is not sanctioned by the DoT and/ or the DoS and/ or NCLT and/ or is not approved by SEBI or the Stock Exchanges, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme are not obtained or complied with or for any other reason, if this Scheme cannot be implemented on or before June 30, 2020 or such other extended date as may be mutually agreed in writing between Companies, then, this Scheme shall become null and void.

Costs, charges and expenses



- 5.1. Each of the Companies shall bear its own costs in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme.
- 5.2. Any stamp duty and court fees that may be payable in connection with implementation of the Scheme shall be borne by the Transferee Companies.
- 5.3. It is clarified that capital gains tax, if any, that may arise on account of payment of the consideration under this Scheme shall be the sole responsibility of the Transferor Company 1 in relation to the transfer of VSAT Undertaking 1 to the Transferee Company 1 and the Transferor Company 2 in relation to the transfer of VSAT Undertaking 2 the Transferee Company 2.
- 5.4. It is also clarified that fees/ charges levied by DoT for providing the approval/permission for the transfer and vesting of the VSAT Undertakings as envisaged in this Scheme, shall be borne by the company on whom such fees/charges are levied for the operations and activities of such company.

6. Compliance with Applicable Laws

- 6.1. The Companies undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of any statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme or which by law may be required in relation to any matters connected with this Scheme.
- 6.2. Since the Transferor Company 1 is a listed company, this Scheme is subject to the compliances of the applicable requirements under the Listing Regulations, SEBI Circular and all other statutory directives of SEBI, as applicable.

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SCHEDULE I TO THE SCHEME

ASSETS

Brief description of Assets is set out below:

1. VSAT Hub:

- 1.1 Situated at Bengaluru with address - SNG HUB at Bharti Airtel Ltd.- Bangalore, 3B Kadugudi Indl. Area. Sadaramangala, Whitefield Bangalore-560067;
- 1.2 Situated at Mumbai with address - SNG HUB at Bharti Airtel Ltd., D222/24, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706;
- 1.3 VSAT hub and router, switch, data centre equipment associated with running the VSAT hub.

2. VSAT sites:

- 2.1 Transfer of all VSAT sites of the VSAT Undertakings as of the Effective Date under the agreement and related Customer Premise Equipment ("CPE") owned by the Transferor Companies at these sites. For reference, it is noted that that the VSAT Undertakings have 79,138 VSAT sites as at March 31, 2019;
- 2.2 CPE primarily comprises of VSAT electronics and accessories (satellite modem (indoor unit), routers, switches, UPS, monkey cage, block up convertor, radios (outdoor unit) and low-noise block down convertor), antenna and inter facility cables (connecting cables), wherever installed.

3. Satellite spectrum assets:

- 3.1 All satellite spectrum assets assigned to or relating to VSAT Undertaking 1 under both the CUG-VSAT authorisations under the unified license and NLD licence/ authorisation granted to Transferor Company 1 by DoT, including but not limited to:
 - (i) Wireless Operating Licenses Nos. P-4782/1, P-1828/01 & NLD-03/1-2;
 - (ii) WPC Decision Letters J-19034/06/2009-SAT dated 21.12.2018, J-19034/17/2007-SAT dated 22.05.2017, J-19034/06/2009-SAT dated 21.12.2018 and J-1904/01/2016-SAT dated 31.10.2018;
 - (iii) wireless operating licenses for all VSAT sites using the CUG-VSAT & NLD authorizations under the unified license as of the Effective Date.
- 3.2 Any satellite spectrum asset either under CUG-VSAT authorization under the unified license or under NLD license/ authorization granted to the Transferor Company 1 by DoT assigned to or relating to VSAT Undertaking 1 that is not specifically listed above but is either applied for by Transferor Company 1 to DoT and is pending grant by DoT or has been sanctioned/ approved/ permitted/ granted by DoT to Transferor Company 1, prior to the Effective Date shall also be considered as part of the aforementioned satellite spectrum assets and shall be transferred by Transferor Company 1 as part of VSAT Undertaking 1 to the Transferee Company 1.

4. Other Assets:

- 4.1 Plant and machinery and other assets such as furniture & fixtures, office equipment and other equipment used materially in connection with the operations of the VSAT Hub.

5. Fixed asset register as of the March 31, 2018 is annexed to this Scheme in electronic form.



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IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
SPECIAL BENCH

IN THE MATTER OF:

Bharti Airtel Ltd. and HCIL Comtel Pvt. Ltd.

ITEM No. 08

CA(CAA)-186(FBI)/2019

... Applicant/Petitioner

Order under Section 230-232

Order delivered on 11.05.2020

CORAM:

SH. B.S.V. PRAKASH KUMAR
HON'BLE ACTG. PRESIDENT

SH. NARENDER KUMAR BHOLA
HON'BLE MEMBER (TECHNICAL)

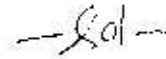
PRESENT:

For the Applicant

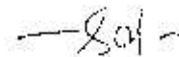
Mr. Sanjeev Puri, Sr. Adv. with Mr. Varun
Lamba, Mr. Kunal Mehra & Mr. Bharat Apte
Advs.

ORDER

Heard. Order is reserved.



(B.S.V PRAKASH KUMAR)
ACTG. PRESIDENT



(NARENDER KUMAR BHOLA)
MEMBER (TECHNICAL)

11.05.2020
Gauhati Matters

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, NEW DELHI

COMPANY PETITION NO. CA (CAA) - 186 (PB)/2019

In the matter of:

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

AND

IN THE MATTER OF COMPOSITE SCHEME OF
ARRANGEMENT
BETWEEN

BHARTI AIRTEL LIMITED

... Transferor Company 1 / Applicant Company 1

BHARTI AIRTEL SERVICES LIMITE

... Transferor Company 2 / Applicant Company 2

**HUGHES COMMUNICATIONS INDIA
PRIVATE LIMITED**

... Transferee Company 1 / Applicant Company 3

RCIL COMTEL PRIVATE LIMITED

... Transferee Company 2 / Applicant Company 4

Judgment delivered on 11.05.2020

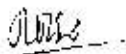
CORAM:

**SH. B. S. V. PRAKASH KUMAR
HON'BLE ACTG. PRESIDENT**

**SH. NARENDER KUMAR BHOLA
HON'BLE MEMBER (TECHNICAL)**

For the Applicants:

Mr. Sanjeev Puri, Sr. Adv. with Mr. Varun
Lamba, Adv., Mr. Kunal Mehra, Adv., Mr.
Bharat Apte, Adv.



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ORDER

PER- NARENDER KUMAR BHOLA, MEMBER (TECHNICAL)

1. This is a first motion application jointly filed by the Applicant Companies under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (for brevity "the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity "the Rules") in relation to the Composite Scheme of Arrangement (for brevity "the Scheme") proposed between the Applicant Companies and their respective shareholders and creditors.
2. Affidavits in support of the application sworn for and on behalf of the Applicant Companies have been filed by Mr. Rohit Puri, Ms. Suman Singh and Mr. Pranav Roach being the respective authorized representatives of the Applicant Companies.
3. It is represented that the Scheme does not contemplate any corporate debt restructuring as contemplated under Section 230(2)(c) of the Act. We have been taken through the averments made in the application as well as the documents annexed there with. It is further represented that the application filed by the Applicant Companies is maintainable in view of Rule 3(2) of the Rules and it is also represented that the registered office of the Applicant Companies are situated within the territorial jurisdiction of this Tribunal and fall within the domain of Registrar of Companies, NCT of Delhi.

N. K. Bhola

4. In relation to Applicant Company 1, it is represented:

(a) The Applicant Company 1 is a publicly listed company and was incorporated on July 7, 1995 under the provisions of the Companies Act, 1956. The authorized share capital of the Applicant Company 1 as on the date of the application is Rs. 1,47,78,00,00,000/- divided into 29,55,59,80,000 equity shares of Rs. 5/- each and 1,000 preference shares of Rs 100/- each. The issued, subscribed and fully paid up share capital of the Applicant Company 1 as on the date of the application is Rs. 25,65,98,58,950/-, divided into 5,13,19,61,850 equity shares of Rs. 5/- each and 497 preference shares of Rs 100/- each fully paid up. The registered office of the Applicant Company 1 is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.

(b) As on November 1, 2019, the Applicant Company 1 has 2,21,921 equity shareholders and 12 preference shareholders. A certificate issued by a Chartered Accountant certifying the list of shareholders of the Applicant Company 1 as on November 1, 2019 has been filed along with the application as Annexure A-8 (Colly.).

(c) As on September 30, 2019, the Applicant Company 1 has only 1 secured creditor. A certificate issued by a Chartered Accountant certifying that the Applicant

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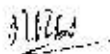
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Company 1 has only 1 secured creditor as on September 30, 2019, and the consent affidavit executed by the only 1 secured creditor of the Applicant Company 1 approving the Scheme for the purpose of seeking dispensation from holding the meeting of the secured creditors of the Applicant Company 1, have also been filed along with the application as Annexure A-9 (Colly.).

(d) As on September 30, 2019, the Applicant Company 1 has a total of 8,863 unsecured creditors. A certificate issued by a Chartered Accountant certifying the list of unsecured creditors of the Applicant Company 1 as on September 30, 2019 has also been filed along with the application as Annexure A-10.

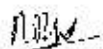
5. In relation to the equity shareholders, preference shareholders and unsecured creditors, the Applicant Company 1 prays for direction to convene the respective meetings of the equity shareholders, preference shareholders and unsecured creditors of the Applicant Company 1 for the purpose of approving the Scheme. Further, the Applicant Company 1 seeks dispensation with the requirement of convening the meeting of the only secured creditor of the Applicant Company 1 on account of the consent affidavit executed by the only secured creditor of the Applicant Company 1 in favour of the Scheme.

6. In relation to Applicant Company 2, it is represented:



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- (a) The Applicant Company 2 was incorporated on December 5, 1997 under the provisions of the Companies Act, 1956. The authorized share capital of the Applicant Company 2 as on the date of the application is Rs. 1,00,00,000/- divided into 10,00,000 equity shares of Rs. 10/- each. The issued, subscribed and fully paid up share capital of the Applicant Company 2 as on the date of the Application is Rs. 10,00,000/- divided into 1,00,000 fully paid-up equity shares of Rs. 10/- each fully paid-up. The registered office of the Applicant Company 2 is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070.
- (b) As on November 1, 2019, the Applicant Company 2 has 7 equity shareholders and has no preference shareholders. A certificate issued by a Chartered Accountant certifying the list of shareholders of the Applicant Company 2 as on November 1, 2019 has been filed along with the application as Annexure A-20 (Colly.).
- (c) As on October 31, 2019, the Applicant Company 2 has no secured creditors. A certificate issued by a Chartered Accountant certifying that the Applicant Company 2 has no secured creditors as on October 31, 2019 has been filed along with the application as Annexure A-21.
- (d) As on September 30, 2019, the Applicant Company 2 has a total of 162 unsecured creditors. A certificate issued by



a Chartered Accountant certifying the list of unsecured creditors of the Applicant Company 2 as on September 30, 2019 has been filed along with the application as Annexure A-22.

7. In relation to the equity shareholders and unsecured creditors, the Applicant Company 2 prays for direction to convene the respective meetings of the equity shareholders and unsecured creditors of Applicant Company 2 for the purpose of approving the Scheme. Further, the requirement of convening the meetings of the preference shareholders and secured creditors of the Applicant Company 2 does not arise since the Applicant Company 2 has no preference shareholders and has no secured creditors as on the cut-off date.

8. In relation to Applicant Company 3, it is represented:

(a) The Applicant Company 3 was incorporated on March 17, 1992 under the provisions of the Companies Act, 1956. The authorized share capital of the Applicant Company 3 as on the date of the application is Rs. 20,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each. The issued, subscribed and fully paid up share capital of the Applicant Company 3 as on the date of the application is Rs. 15,50,00,000/- divided into 1,55,00,000 fully paid-up equity shares of Rs. 10/- each fully paid-up. The registered office of the Applicant

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Company 3 is situated at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037.

- (b) As on November 1, 2019, the Applicant Company 3 has 9 equity shareholders, and has no preference shareholders. A certificate issued by a Chartered Accountant certifying the list of shareholders of the Applicant Company 3 as on November 1, 2019 has been filed along with the application as Annexure A-30 (Colly).
- (c) As on September 30, 2019, the Applicant Company 3 has no secured creditors. A certificate issued by a Chartered Accountant certifying that the Applicant Company 3 has no secured creditors as on September 30, 2019 has been filed along with the application as Annexure A-31.
- (d) As on September 30, 2019, the Applicant Company 3 has a total of 252 unsecured creditors. A certificate issued by a Chartered Accountant certifying the list of unsecured creditors of the Applicant Company 3 as on September 30, 2019 has been filed along with the application as Annexure A-32.
9. In relation to the equity shareholders and unsecured creditors, the Applicant Company 3 prays for direction to convene the respective meetings of the equity shareholders and unsecured creditors of Applicant Company 3 for the purpose of approving the Scheme. Further, the requirement

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of convening the meetings of the preference shareholders and secured creditors of the Applicant Company 3 does not arise since the Applicant Company 3 has no preference shareholders and no secured creditors.

10. In relation to Applicant Company 4, it is represented:

(a) The Applicant Company 4 was incorporated on September 13, 2007 under the provisions of the Companies Act, 1956. The authorized share capital of the Applicant Company 4 as on the date of the application is Rs. 10,00,00,000/- divided into 1,00,00,000 equity shares of Rs. 10/- each. The issued, subscribed and fully paid up share capital of the Applicant Company 4 as on the date of the application is Rs. 2,00,00,000/- divided into 20,00,000 fully paid-up equity shares of Rs. 10/- each. The registered office of the Applicant Company 4 is situated at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037.

(b) As on November 1, 2019, the Applicant Company 4 has 7 equity shareholders, and has no preference shareholders. A certificate issued by a Chartered Accountant certifying the list of shareholders of the Applicant Company 4 as on November 1, 2019 has been filed along with the application as Annexure A-40 (Colly.).

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(c) As on September 30, 2019, the Applicant Company 4 has no secured creditors. A certificate issued by a Chartered Accountant certifying that the Applicant Company 4 has no secured creditors as on September 30, 2019 has been filed along with the application as Annexure A-41.

(d) As on September 30, 2019, the Applicant Company 4 has a total of 143 unsecured creditors. A certificate issued by a Chartered Accountant certifying the list of unsecured creditors of the Applicant Company 4 as on September 30, 2019 has been filed along with the application as Annexure A-42.

11. In relation to the equity shareholders and unsecured creditors, the Applicant Company 4 prays for direction to convene the respective meetings of the equity shareholders and unsecured creditors of Applicant Company 4 for the purpose of approving the Scheme. Further, the requirement of convening the meetings of the preference shareholders and secured creditors of the Applicant Company 4 does not arise since the Applicant Company 4 has no preference shareholders and no secured creditors.

12. We have perused the joint application and the connected documents/papers filed with the application including the Scheme as contemplated between the Applicant Companies.

File

13. It is seen that the board of directors of both the Applicant Companies 1 & 2 *vide* separate meetings, both held on May 6, 2019, have approved the Scheme. Further, the board of directors of the Applicant Companies 3 & 4 *vide* separate meetings, held on May 24, 2019 and June 1, 2019 respectively, approved the Scheme. Copies of such board resolutions passed by the respective board of directors of the Applicant Companies have been placed on record by the Applicant Companies.
14. All the Applicant Companies have filed copies of their respective Memorandum of Association and Articles of Association. The Applicant Companies have also filed their standalone, audited financial statements for the financial year ending March 31, 2019, as well as interim condensed standalone audited financial statements for the period ending June 30, 2019 in the case of Applicant Company 1 and standalone unaudited financial statements for the period ending June 30, 2019 for the other Applicant Companies.
15. Taking into consideration the application and the documents filed therewith, as well as in view of the present circumstances owing to CoVID-19 pandemic and the restrictions/lockdown imposed by the Central and State Government, we propose to issue the following directions with respect to calling, convening and holding of the meetings of shareholders and creditors, or dispensing with the same which are as follows:

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A. In relation to the Applicant Company 1: -

(a) With respect to Equity Shareholders:

Meeting of the equity shareholders be convened between 10:30 am and 11:30 am through video conferencing ("VC") or other Audio/Visual means ("OAVM") and/or physical meeting, on 31.07.2020 (Friday), to be held at a place falling within the jurisdiction of the State in which the registered office of the Applicant Company 1 is situated, as the Applicant Company 1 may determine considering the CoVID-19 pandemic situation/restrictions, subject to notice of meeting being issued. The quorum of the meeting of the equity shareholders shall be 200 in numbers, to be personally present. The voting on the Scheme to be undertaken either in person or by proxy or through postal ballot or through electronic means.

(b) With respect to Preference Shareholders:

The meeting of preference shareholders be convened between 12:30 pm and 1:30 pm through VC or other OAVM and/or physical meeting, on 31.07.2020 (Friday), to be held at a place falling within the jurisdiction of the State in which the registered office of the Applicant Company 1 is situated, as the Applicant Company 1 may

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determine considering the CoVID-19 pandemic situation /restrictions, subject to notice of meeting being issued. The quorum of the meeting of the preference shareholders shall be 12, to be personally present. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 1 may deem appropriate in view of the on-going CoVID-19 pandemic.

(c) With respect to Secured Creditors:

Since it is represented by the Applicant Company 1 that the only Secured Creditor of the Applicant Company 1 as of the cut-off date, has already executed its consent-affidavit which has been placed on record, the necessity of convening and holding a meeting is dispensed with.

(d) With respect to Unsecured Creditors:

The meeting of unsecured shareholders be convened between 2 pm and 3 pm through VC or other OAVM and/or physical meeting, on 31.07.2020 (Friday), to be held at a place falling within the jurisdiction of the State in which the registered office of the Applicant Company 1 is situated, as the Applicant Company 1 may determine considering the CoVID-19 pandemic situation/restrictions, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors

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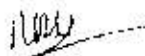
shall be 200 in number, to be personally present. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 1 may deem appropriate in view of the on-going CoVID-19 pandemic.

B. In relation to the Applicant Company 2: -

(a) With respect to Equity Shareholders:

The meeting of equity shareholders be convened between 3:30 pm and 4:00 pm through VC or other OAVM and/or physical meeting, on 31.07.2020 (Friday), to be held at a place falling within the jurisdiction of the State in which the registered office of the Applicant Company 2 is situated, as the Applicant Company 2 may determine considering the CoVID-19 pandemic situation/ restrictions, subject to notice of meeting being issued. The quorum of the meeting of the equity shareholders shall be 7, to be personally present. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 2 may deem appropriate in view of the on-going CoVID-19 pandemic.

(b) With respect to Preference Shareholders:



The meeting of the preference shareholders of the Applicant Company 2 is dispensed with because there is no preference shareholder in the company as of the cut-off date and therefore, the requirement of convening meeting of preference shareholders does not arise.

(c) With respect to Secured Creditors:

The meeting of the secured creditors of the Applicant Company 2 is dispensed with because there is no secured creditor in the company as of the cut-off date and therefore, the requirement of convening meeting of secured creditors does not arise.

(d) With respect to Unsecured Creditors:

Meeting of the unsecured creditors be convened between 4:30 pm and 5:30 pm through VC or other OAVM and/or physical meeting, on 31.07.2020 (Friday), to be held at a place falling within the jurisdiction of the State in which the registered office of the Applicant Company 2 is situated, as the Applicant Company 2 may determine considering the CoVID-19 pandemic situation / restrictions, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 120 in number, to be present personally, personally present in number. The voting on the Scheme to be undertaken in the manner prescribed under

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applicable laws, through such means as Applicant Company 2 may deem appropriate in view of the on-going CoVID-19 pandemic.

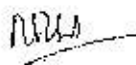
C. In relation to the Applicant Company 3: -

(a) With respect to Equity Shareholders:

The meeting of equity shareholders be convened between 10:30 am and 11:30 am through VC or other OAVM and/or physical meeting, on 01.08.2020 (Saturday), to be held at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037, subject to notice of meeting being issued. The quorum of the meeting of the equity shareholders shall be 9, to be personally present. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 3 may deem appropriate in view of the on-going CoVID-19 pandemic.

(b) With respect to Preference Shareholders:

The meeting of the preference shareholders of the Applicant Company 3 is dispensed with because there is no preference shareholder in the company as of the cut-off date and therefore, the requirement of convening meeting of preference shareholders does not arise.



(c) With respect to Secured Creditors:

The meeting of the secured creditors of the Applicant Company 3 is dispensed with because there is no secured creditor in the company as of the cut-off date and therefore, the requirement of convening meeting of secured creditors does not arise.

(d) With respect to Unsecured Creditors:

Meeting of the unsecured creditors be convened between 12 pm and 1 pm through VC or other OAVM and/or physical meeting, on 01.08.2020 (Saturday), to be held at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 200 in number, personally present. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 3 may deem appropriate in view of the on-going CoVID-19 pandemic.

D. In relation to the Applicant Company 4: -

(a) With respect to Equity Shareholders:

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The meeting of equity shareholders be convened between 2 pm and 3 pm through VC or other OAVM and/or physical meeting, on 01.08.2020 (Saturday), to be held at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037, subject to notice of meeting being issued. The quorum of the meeting of the equity shareholders shall be 7, personally present. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 4 may deem appropriate in view of the on going CoVID-19 pandemic.

(b) With respect to Preference Shareholders:

The meeting of the preference shareholders of the Applicant Company 4 is dispensed with because there is no preference shareholder in the company as of the cut-off date and therefore, the requirement of convening meeting of preference shareholders does not arise.

(c) With respect to Secured Creditors:

The meeting of the secured creditors of the Applicant Company 4 is dispensed with because there is no secured creditor in the company as of the cut-off date and therefore, the requirement of convening meeting of secured creditors does not arise.

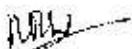
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(d) With respect to Unsecured Creditors:

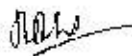
Meeting of the unsecured creditors be convened between 3:30 pm and 4:30 pm through VC or other OAVM and/or physical meeting, on 01.08.2020 (Saturday), to be held at 1, Shivji Marg, Westend Greens, NH-8, New Delhi - 110037, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 100 in number, to be present personally. The voting on the Scheme to be undertaken in the manner prescribed under applicable laws, through such means as Applicant Company 4 may deem appropriate in view of the on-going CoVID-19 pandemic.

E. In case the required quorum as noted above for the meetings of the Applicant Companies is not present at the time of commencement of the meetings, then the meetings shall be adjourned by 30 minutes and thereafter the persons present shall be deemed to constitute the quorum. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy register is properly maintained.

F. Mr. P. Nagesh, Advocate (Mob. No. 9811156460) is appointed as the Chairperson for all the meetings to be called under this



Order. He shall be paid an aggregate fee of Rs. 2,50,000 (Rupees Two Lacs Fifty Thousand only) for his services in addition to meeting his incidental expenses. In the absence of the Chairperson, Mr. Saurabh Kalia, Advocate (Mob. No. 9810979440) is appointed as the Alternate Chairperson for the meetings to be called under this Order. He shall be paid an aggregate fee of Rs. 1,50,000 (Rupees One Lac Fifty Thousand only) for his services in addition to meeting his incidental expenses. Mr. Naveen Pandey, Company Secretary (Mob. No. 9990756359) is appointed as the Scrutinizer for all the meetings to be called under this Order. He shall be paid an aggregate fee of Rs. 1,50,000 (Rupees One Lac Fifty Thousand only) for his services in addition to meeting his incidental expenses. The fees of Chairperson, Alternate Chairperson and Scrutinizer along with the travelling expenses and other out of pocket expenses shall be borne by the Applicant Companies. A copy of this order shall be supplied to the learned counsels for the Applicant Companies who in turn shall supply copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer.



- G. Individual notices shall be sent to the shareholders and creditors as above by the Applicant Companies through email or through registered post or speed post or courier services, as available considering the present circumstances due to the CoVID-19 pandemic and the consequent restrictions/lockdowns imposed by the Central and State Government, 30 days in advance before the scheduled date of meeting, indicating the day, date, the place fixed for and time of meeting as aforesaid, together with a copy of Scheme and copy of explanatory statement as required under the Companies Act, 2013 and the Rules, along with the proxy forms and any other documents as may be prescribed under the Act, be provided free of cost.
- H. The Applicant Companies shall publish an advertisement at least 30 clear days before the aforesaid meetings, indicating the day, date and the place fixed and time of meetings as aforesaid, to be published in "Financial Express" (English) and "Jansatta" (Hindi), both Delhi NCR edition, with the option of publication in its electronic version considering the present circumstances due to the CoVID-19 pandemic and

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the consequent restrictions/lockdowns imposed by the Central and State Government. The Applicant Companies shall also publish the notice on their websites, if any. The notices and other documents (including the advertisement) shall also be sent to the Securities and Exchange Board of India and the stock exchanges by Applicant Company 1 for placing on their websites in accordance with applicable laws.

- I. The Chairperson shall be responsible to report the results of the meetings to the Tribunal in Form No. CAA 4, as per Rule 14 of the Rules within 7 (seven) days of the conclusion of the meetings. The Chairperson shall be assisted by the authorized representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports.
- J. In order to comply with Section 230(5) of the Act read with Rule 8 of the Rules, the Applicant Companies are directed to serve notice of the proposed Scheme on the following authorities, as applicable: (i) **Regional Director**, Northern Region at B-2 Wing, 2nd Floor, Pt. Deendayal Antyodaya

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speed post or courier services, as reasonably available during the present circumstances due to the COVID-19 pandemic and the consequent restrictions/ lockdowns imposed by the Central and State Governments, stating that representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representations shall be simultaneously sent to the Applicant Companies, failing which, it shall be presumed that the authorities have no objections to the proposed Scheme. The notices to Income Tax authorities shall disclose sufficient details like PAN card numbers, ward numbers and assessing officers so that proper reply may be filed.

- K. The Applicant Companies further shall furnish a copy of the Scheme (together with the explanatory statement), free of charge, within 1 day of any requisition for the Scheme made by every creditor or member of the Applicant Companies entitled to attend the meetings as aforesaid.
- L. The authorized representative of the Applicant Companies shall furnish affidavits stating that the directions of this Tribunal in relation to service of notice of meetings and


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publication of advertisement has been complied with at least one week before the proposed meetings.

- M. All the aforesaid directions are to be complied with in accordance with the applicable law, including forms and formats contained in the Rules as well as the provisions of the Act by the Applicant Companies and as directed by this Tribunal.

The application stands allowed in the aforesaid terms.

Let the copy of order be served to parties.


(B. S. V. PRAKASH KUMAR)
ACTG. PRESIDENT


(NARENDER KUMAR BHOLA)
MEMBER (TECHNICAL)

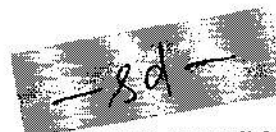
11.05.2020
SECRETARY

publication of advertisement has been complied with at least one week before the proposed meetings.

- M. All the aforesaid directions are to be complied with in accordance with the applicable law, including forms and formats contained in the Rules as well as the provisions of the Act by the Applicant Companies and as directed by this Tribunal.

The application stands allowed in the aforesaid terms.

Let the copy of order be served to parties.



(B. S. V. PRAKASH KUMAR)
ACTG. PRESIDENT



(NARENDER KUMAR BHOLA)
MEMBER (TECHNICAL)

11.05.2020
SIDDHANT

Annexure-3

IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
PRINCIPAL BENCH

CA-272/2020 IN

CA(CAA)-186(PB)2019

Order under Section 230-232

Order delivered on 16.06.2020

IN THE MATTER OF:

Bharti Airtel Ltd. and

HCIL Comtel Pvt. Ltd.

... Applicant / Petitioner

CORAM:

SH. B.S.V. PRAKASH KUMAR
HON'BLE ACTG. PRESIDENT

SH. NARENDER KUMAR BHOLA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant

Mr. Sanjeev Puri, Sr. Adv., with
Mr. Varun Lamba, Adv., Mr. Bharat Apte, Adv.
and Mr. Kunal Mehra, Adv.

ORDER

The Present CA has been filed for the correction of order dated 08.05.2020, passed by this bench. The same is being allowed and the order dated 08.05.2020, now to be read as follows-

"On the request made by the counsels for the parties, hearing is deferred to 11.05.2020.

Separately, the IA No. CA-264(PB)/2020 is heard and allowed, and the Scheme annexed as Annexure-A6 to the application is hereby taken on record. Let notice be issued to the relevant authorities under Section 230(5) of the Companies Act, 2013 at the appropriate time. The application accordingly stands disposed of."

Sd/-

(B.S.V. PRAKASH KUMAR)
ACTG. PRESIDENT

Sd/-

(NARENDER KUMAR BHOLA)
MEMBER (TECHNICAL)

April 29, 2019

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

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

Dear Sir,

Re: **Recommendation of fair value of VSAT Division for the proposed transfer of VSAT Undertaking by Bharti Airtel Limited and Bharti Airtel Services Limited as on March 31, 2019**

We refer to the engagement letter dated January 18, 2019 with VD & Co., Chartered Accountants (hereinafter referred to as "VD & Co." or "we") wherein Bharti Airtel Limited (hereinafter referred to as "BAL" or "the Transferor Company 1") has requested VD & Co. to carry out valuation of the VSAT Undertaking ("VSAT Undertaking 1") of BAL, proposed to be transferred to Hughes Communications India Limited (hereinafter referred to as "the Transferee Company 1" or "HCIL") and to carry out valuation of VSAT Undertaking ("VSAT Undertaking 2") of Bharti Airtel Services Limited (hereinafter referred to as "BASL" or "the Transferor Company 2"), proposed to be transferred to HCIL Comtel Limited (hereinafter referred to as "the Transferee Company 2" or "Comtel"), as a going concern, on Slump Sale basis under a Composite Scheme of Arrangement ("Proposed Transfer") as shared by the management of the Transferor Company 1.

1. SCOPE AND PURPOSE OF THIS REPORT:

Bharti Airtel Limited was incorporated on July 07, 1995 under the Companies Act, 1956 with the Corporate Identity Number (CIN) as L74899DL1995PLC070609. It is a public limited company, having its registered office situated at Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. The equity shares of the Company are listed on the Stock Exchanges in India.

Bharti Airtel Services Limited is a subsidiary of Bharti Airtel Limited. BASL was incorporated on December 05, 1997 under the Companies Act, 1956 with the Corporate Identity Number (CIN) as U64201DL1997PLC091001. It is a public limited company, having its registered office situated at Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070.

We understand that BAL and BASL desire to transfer VSAT Undertaking 1 and VSAT Undertaking 2 to HCIL and Comtel respectively on a going concern basis by way of Slump Sale. The transfer is proposed to be achieved by way of a Scheme of Arrangement under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for the transfer and vesting of VSAT Undertaking 1 to the Transferee Company 1 and the VSAT Undertaking 2 to the Transferee Company 2, on a going concern basis, by way of Slump Sale under a Composite Scheme of Arrangement for a lump sum consideration in the form of cash.

In this connection, we have been requested by the management of BAL ("the Management") to carry out valuation of the VSAT Undertaking 1 and VSAT Undertaking 2 and submit a Valuation Report ("the Valuation Report").



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This Report is our deliverable for the above engagement. It is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein. Further, since the valuation report is being issued on April 29, 2019, our report does not take account of events or circumstances arising after April 29, 2019.

2. BRIEF BACKGROUND OF BUSINESS:

VSAT (Very Small Aperture Terminal) is a communication system that is operated through the satellite. The end-user of a VSAT requires a box that interfaces an outside antenna with the user's computer with the help of a transceiver. The transceiver sends the received signal to a satellite transponder in the sky. The satellite receives and sends the signal that comes from the earth's station's computer which acts as a core for the system. Each end-user is connected with the core station with the help of a satellite connected in the form of a star topology. For the end-users to connect with each other, each transmitted first goes to the hub station, which is then re-transmitted to the receiving end-user's VSAT via the satellite. VSAT handles video, voice and data signals. With the help of VSAT, companies can have complete control of their communication systems, without depending on other IT companies. Domestic users and businesses also can get higher speed than regular telephone services.

The global enterprise VSAT market has been segmented on the basis of categories, hardware & services, and geographies. On the basis of categories, the market has been segregated into products and services. The services segment accounts for a dominant market share. This is mainly attributed to banks, clinics and hospitals enabled with satellite broadband services, which help them maintain direct two-way data exchange and communication. In addition, satellite broadband services also help security agencies and intelligence services improve their data analysis systems that help them in deciphering the information more accurately. Government agencies as well as aviation, maritime and military sectors are major end-users of VSAT as a service. There has been continued demand from this segment, which is driving the market. VSAT principally serves recreation and personal; government; public safety and disaster relief; oil and gas; maritime and fishing; natural resources, mining and forestry; construction; utilities; and transportation.

A major driver for the growth of the global market for enterprise VSAT is the provision of practical, cost-effective solutions for individual end-users, who require a self-regulating communications network through which a number of remote sites are connected. In addition, the VSAT network offers satellite-based, value-added services such as voice/fax communication, LAN services, data transmission, and internet access along with public and private network communications.

Geographically, the global market for enterprise VSAT has been segregated into North America, Europe, Asia Pacific, Middle East & Africa, and Latin America. North America holds the dominant share of the global market. This is attributed to high adoption of satellite services for various applications such as inspection of historical monuments, vegetation identification, volcano monitoring, and disaster management in case of storms and hurricanes. The market in Asia Pacific is estimated to witness speedy growth during the forecast period, owing to increase in government initiatives to connect schools and colleges in countries such as India, China, and Australia.

Major players operating in the global enterprise VSAT market include Gilat Satellite Networks Ltd. (Israel), Intelsat S.A. (Luxembourg), Inmarsat Plc. (UK), Globalstar, Inc. (USA), Iridium Communications



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Inc. (USA), ORBCOMM Inc. (USA), Hughes Communications (USA), ViaSat Inc. (USA), Bharti Airtel (India), Telefónica, S.A (Spain) etc.

3. BRIEF BACKGROUND OF COMPANIES:

3.1 Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa, Headquartered in New Delhi, India, the company ranks amongst the top three mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national and international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 403 million customers across its operations at the end of Dec 2018.

3.1.1 VSAT Undertaking of Bharti Airtel Limited

"VSAT Undertaking 1", as defined in the Scheme of Arrangement, means the entire VSAT business undertaking, activities and operations of the Transferor Company 1 comprising of and including, as deemed fit, the Transferor Company 1's VSAT CUG Authorization issued by DOT under the Unified License to provide VSAT services, proposed to be transferred to the Transferee Company 1.

3.2 Bharti Airtel Services Limited

Bharti Airtel Services Limited, the Transferor Company 2, offers telecommunication services. The company was formerly known as Bharti Comtel Ltd. Bharti Airtel Services Limited was incorporated in 1997 and is based in New Delhi, India. The company operates as a subsidiary of Bharti Airtel Limited. It is, inter alia, engaged in supplying hardware and related services for very small aperture terminal (VSAT) telecommunication services in India.

3.2.1 VSAT Undertaking of Bharti Airtel Services Limited

"VSAT Undertaking 2", as defined in the Scheme of Arrangement, means the entire VSAT business undertaking, activities and operations of the Transferor Company 2 comprising of and including, as deemed fit, supplying hardware and related services for VSAT telecommunications services in India of the Transferor Company 2, including all aspects constituting an undertaking, such as customers, contracts, personnel, IT system, other business infrastructures related to the VSAT Undertaking 2 and other items necessary for the Transferee Company 2 to operate the VSAT Undertaking 2 independently on a going concern basis.

3.3 Hughes Communications India Limited

Hughes Communications India Limited, the Transferee Company 1, was incorporated in March 17, 1992 to market VSAT and provide satellite communication services. It is a public limited company, having CIN as U64202DL1992PLC048053 and having its registered office situated at 1, Shivaji Marg, Westend Greens, NH-8, New Delhi – 110037. The Transferee Company 1 has set up Hubs to provide broadband, internet and other telecommunication services under various licenses obtained from the DoT.



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The Transferee Company is India's premier networking company and India's largest satellite service operator, offering broadband services under the Hughes brand. Customers include large enterprises and small and medium businesses across various verticals, and consumers. Solutions include networking, system integration, managed network services, security transaction services, intranet, internet, broadband kiosks and interactive distance education. It has two wholly owned subsidiaries, HCIL Comtel Limited and Hughes Global Education India Limited.

3.4 HCIL Comtel Limited

HCIL Comtel Limited, the Transferee Company 2, is a public limited company incorporated on September 13, 2007 under the provisions of the Companies Act, 1956, having CIN as U32204DL2007PLC168125 and having its registered office situated at 1, Shivaji Marg, Westend Greens, NH-8, New Delhi - 110037.

The Transferee Company 2 is engaged in supplying hardware and related services for very small aperture terminal (VSAT) telecommunications services in India.

4. CAPITAL STRUCTURE:

4.1 Bharti Airtel Limited

The Transferor Company 1 is a listed company and its authorized, issued, subscribed and fully paid-up share capital, as on date, is as under:

Authorized share capital	Amount (in ₹)
29,506,000,000 equity shares of ₹5/- each	147,530,000,000
Total	147,530,000,000
Issued, subscribed and paid up share capital	Amount (in ₹)
3,99,74,00,107 equity shares of ₹5/- each	19,987,000,535
Total	19,987,000,535

4.2 Bharti Airtel Services Limited

The Transferor Company 2's authorized, issued, subscribed and fully paid-up share capital, as on date, is as under:

Authorized share capital	Amount (in ₹)
10,00,000 equity shares of ₹10/- each	1,00,00,000
Total	1,00,00,000
Issued, subscribed and paid up share capital	Amount (in ₹)
1,00,000 equity shares of ₹10/- each	10,00,000
Total	10,00,000

4.3 Hughes Communications India Limited

The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company 1, as on date, is as under:



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Authorized share capital	Amount (in ₹)
2,00,00,000 equity shares of ₹10/- each	20,00,00,000
Total	20,00,00,000
Issued, subscribed and paid up share capital	Amount (in ₹)
1,55,00,000 equity shares of ₹10/- each	15,50,00,000
Total	15,50,00,000

4.4 HCIL Comtel Limited

The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company 2, as on date, is as under:

Authorized share capital	Amount (in ₹)
1,00,00,000 equity shares of ₹10/- each	10,00,00,000
Total	10,00,00,000
Issued, subscribed and paid up share capital	Amount (in ₹)
20,00,000 equity shares of ₹10/- each	2,00,00,000
Total	2,00,00,000

5. SOURCES OF INFORMATION:

The Analysis is based on a review of the information and documents shared by the management of the Company and other information as available in the public domain. Specifically, the following sources of information as provided by the Management, verbally or in written form, have been utilized in conducting the valuation analysis:

- Draft Composite Scheme of Arrangement for the proposed transfer of the VSAT Undertaking 1 and VSAT Undertaking 2;
- Unaudited Management carved out financials pertaining to the VSAT Undertaking for FY 2016-17, FY 2017-18 and nine months period ending December 31, 2018;
- Management certified Assets & Liabilities as on December 31, 2018, of the VSAT Undertaking 1 and VSAT Undertaking 2, proposed to be transferred under Slump Sale;
- Background information provided through emails, documents and our discussions with the Management;
- Discussions with the Management to augment our knowledge of the VSAT undertaking;
- Other information, explanations and representation that were required and provided by the Management;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Management. We have not independently verified the accuracy or timeliness of the same;
- Information available in public domain;
- Such other information and explanations as we have required and which have been provided by the Management.

Also, we have referred website of Mr. Aswath Damodaran and have used various data and principles for the purpose of the valuation.



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It may be noted that the Management has been provided opportunity to review factual information in our report and confirm, wherever required, as part of our standard practice to make sure that factual inaccuracies/omissions/etc. are avoided in our final report

6. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS:

Given below are limitations, assumptions, exclusions and disclaimers which form an integral part of this report and communicate our dependence on information obtained from the Management, public and other sources.

- Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us.
- Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided the valuation of the Undertaking, others may have a different opinion. The final responsibility for the determination of the share exchange/ entitlement ratio at which the proposed transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed transaction and input of other advisors.
- This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report; and (iii) the latest available financial statements of the Transferor Company / Transferee Company and other information provided by the Management or taken from public sources till the date of this Report.
- An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as at the date hereof. Events and transactions occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report, unless required by regulatory authorities.
- The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgement taking into account all the relevant factors. There will always be several factors, e.g. Management capability, present and prospective competition yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheet but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.
- The valuation rendered in this Report only represent valuation of the Undertaking based upon information furnished by the Transferor Company or its executives / representatives and other sources and the said valuation shall be considered to be in the nature of non-binding advice.
- Our work does not constitute an audit or certification of historical financial statements / prospective results including the working results of VSAT Undertaking referred to in this report. In accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified data provided by the Transferor Company. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date is mentioned in the report is as per agreed terms of



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our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

- We have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Transferor Company.
- Also, with respect to explanations and information sought from the Transferor Company, we have been given to understand by the Management of the Transferor Company that it has not omitted any relevant and material facts about the Undertaking to be transferred. Our conclusions are based on the assumptions and information given by and on behalf of the Company and reliance on public information. The Management of the Company has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.
- The Report assumes that the Transferor Company / Transferee Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the balance sheet of the Company. Our conclusion of value assumes that the assets and liabilities of the Company, reflected in its latest balance sheets remain intact as of the Report date.
- This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction or other alternatives whether or not such alternatives could be achieved or are available.
- No investigation of the Company's claim to title of assets has been made for the purpose of this Report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- We owe responsibility only to the Boards of Directors of the Company that has appointed us and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Company. In no event we shall be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, its directors, employees or agents. Unless specifically agreed, in no circumstances, shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.
- Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed transaction, without our prior written consent except for disclosures to be made to relevant regulatory authorities.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management of the company have drawn our attention to all the matters, which they are aware of concerning the financial position of VSAT Undertaking and any other matter, which may have an impact on our opinion, on the fair value of VSAT Undertaking including any significant changes that have taken place or are likely to take place in the financial position of



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VSAT Undertaking. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- In the course of valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this agreement. Public information, estimates, industry and statistical information relied on in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions and other information given by/on behalf of the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- Our report should not be construed as certification of compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed transfer.
- This report is prepared only in connection with the proposed transfer exclusively for the use of the Company and the submission to any regulatory/statutory authority as may be required under any law. Any person/party intending to provide finance/invest in the shares/business of the Transferor Company/ Transferee Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- Our fee for this Engagement is not contingent upon the results of the Valuation Report.
- VD & Co., nor its partners, managers, employees makes representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. We expressly disclaim any and all liability for any such information contained in the valuation. None of us has present or contemplated future interest in the business being valued, any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation.

7. VALUATION APPROACHES:

A valuation approach is the methodology used to determine the fair market value of a business. To determine the value of an enterprise, the following three approaches can be considered:

7.1 Asset approach – Net Assets Value Method

The Asset based approach uses the value of an enterprise's underlying net assets as the key determinant of fair market value. The Asset based approach is based on the value of the underlying net assets of the business, either, on a book value basis or realizable value basis or replacement cost basis. This valuation approach may be used in cases where the asset base dominates the earnings capability. The asset based approach also provides a useful reasonableness check when reviewing the value conclusions derived under the income or market approaches. This approach is also used as the minimum break-up value for the transaction.

Since the shares are being valued on "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the realizable or replacement value of the assets. The operating assets have therefore been considered at their book value.



7.2 Income Approach - Discounted Cash Flow Method

The Income approach quantifies the net present value of future benefits associated with ownership of the equity interest or asset. The estimated future benefits that accrue to the owner are discounted or capitalized at a rate appropriate for the risks associated with those future benefits. Common methods within the income approach include the Capitalization of Earnings (or cash flow) methodology and the Discounted Cash Flow methodology.

Under the "Income" approach, most common method being used globally is Discounting Cash Flow (DCF) Method. Under the DCF method, the projected free cash flows from business operation after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business. The free cash flows represent the cash to be generated by the Company in future which is available for distribution to all the providers of the company's capital -- equity and debt.

The discount rate, which is applied to free cash flows, should reflect the opportunity cost to both equity and debt providers, weighted by their relative contribution to the total capital of the company. WACC is the weighted average of the company's cost of equity and debts and hence, is considered the most appropriate discount rate.

To the values so obtained from DCF analysis, various adjustments, as appropriate to a particular transaction, are made for borrowings, surplus assets, contingent liabilities etc. to arrive at the equity value.

7.3 Market Approach

Market Approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.

(a) Market Price Method:

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded.

The market value generally reflects the investor's perception about the true worth of the company subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market.

(b) Comparable Companies Multiple (CCM) Method:

Under this method, value of an enterprise is arrived at by applying the derived market multiple based on the market quotations of comparable public listed companies, in an active market, possessing attributes



similar to the business of such company after making adjustments to the derived multiples on the account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued.

This method is based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for the difference between the circumstances. This method is usually applied in case of valuation of unlisted companies. Some of the common multiples used in the valuation are listed below:

- Enterprise Value/Sales Multiple
- Price /Earnings Multiple

8. VALUATION METHODOLOGY:

Method 1: Asset Approach - Net Assets Value Method

The value arrived at this method is generally based on the latest available audited financial statements of the business, however, we have considered Management Carved Out Financial Statements for the nine months period ended December 31, 2018 for the purpose of computing Net Assets Value (NAV). Enterprise Value on the basis of NAV method has been arrived at after taking into account Contingent Liabilities of INR 273.41 million and INR Nil for VSAT Undertaking 1 and VSAT Undertaking 2, respectively.

Accordingly, Enterprise Value is computed for VSAT Undertaking 1 and VSAT Undertaking 2 as INR 67.95 million and INR 274.39 million, respectively.

Method 2: Income Approach - Discounted Cash Flow Method

In view of the rapid developments in the industry, the performance of companies across industry has been quite volatile, leading to uncertainty in estimating the future cash flows. We have been informed by the Management that the financial projections of Transferor Company 1 and Transferor Company 2 are not available with the Management. Given these limitations, DCF method has not been used as methodology to arrive at the value of the VSAT Undertaking 1 and VSAT Undertaking 2.

Method 3: Market Approach - Comparable Companies Multiple Method

Though BAL is a listed entity, the market price cannot be specifically attributed to the VSAT Undertaking. Since there are no comparable companies listed purely in VSAT category in India, we have considered the companies in similar business outside India. There are lots of companies listed in the stock exchanges of USA, UK and other European and Asian markets. Few of the companies which we have found in similar business are Asia Satellite Telecommunications Holdings Limited (Hong Kong), Comtech Telecommunications Corp. (US), EchoStar Corporation (US), Eutelsat Communications S.A. (France), Gilat Satellite Networks Ltd. (Israel), Globalstar, Inc. (US), Inmarsat Plc (UK), Intelsat S.A. (Luxembourg), Iridium Communications Inc. (US), ORBCOMM Inc. (US), Satcom Systems Ltd. (Israel), Sescom S.A. (Poland), SpeedCast International Limited (Hong Kong), Telefónica, S.A. (Spain), The Egyptian Satellite Company Nilesat (Egypt), ViaSat Inc. (US).

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Based on our understanding and analysis of the business segments of the above mentioned companies, we have considered the following companies for the purpose of applying CCM method:

Company Name	Country	Business Description
EchoStar Corporation	United States	It is a provider of satellite operations, video delivery solutions, digital set-top boxes, and broadband satellite technologies and services for home and office, delivering network technologies, managed services, and solutions for enterprises and governments.
Inmarsat Plc	United Kingdom	It is a provider of global mobile satellite communications services in various segments such as Maritime, Government, Enterprise, Aviation and Central Services.
ViaSat, Inc.	United States	It is engaged in broadband technologies and services, operating through three segments: satellite services, commercial networks and government systems.

We have taken into consideration EV/Sales Multiple and EV/EBIDTA Multiple for the purpose of valuation using market approach. The respective comparable company's multiples are computed basis their published financials as at December 31, 2018.

Further, considering the comparable companies are overseas companies operating under completely different economic conditions in comparison with the undertakings being valued, we have averaged the multiples and thereafter discounted the same to arrive at a multiple to be applied for valuing the target undertakings.

Lastly, considering the management carved out financial numbers for the nine months period ended December 31, 2018 for VSAT Undertaking 1 and VSAT Undertaking 2 and considering the average Enterprise Value on the basis of EV/Sales Multiple and EV/EBIDTA Multiple, we have computed the Enterprise Value of VSAT Undertaking 1 and VSAT Undertaking 2 to be INR 1390.75 million and INR 673.73 million, respectively. Enterprise Value on the basis of CCM method has been arrived at after taking into account Contingent Liabilities of INR 273.41 million and INR NIL for VSAT Undertaking 1 and VSAT Undertaking 2, respectively.

9. COMPUTATION OF FAIR VALUE:

As per the Composite Scheme of Arrangement, the transfer and vesting of VSAT Undertaking 1 of the Transferor Company 1 to the Transferee Company 1 and the VSAT Undertaking 2 of Transferor Company 2 to the Transferee Company 2 will take place for a lump sum consideration in the form of cash. Accordingly, valuation of the Transferee Company 1 and Transferee Company 2 is not required in this case and therefore, we have not carried out independent valuation of Transferee Company 1 and Transferee Company 2. Hence, it is not required to compute exchange ratio / swap ratio as well. We have independently applied the various methods discussed above, as considered appropriate, and arrived at fair enterprise value of VSAT Undertaking 1 and VSAT Undertaking 2 in the following table:

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April 29, 2019

Page 11 of 13

Computation of Fair Value of VSAT Undertaking 1 and VSAT Undertaking 1:

Particulars	VSAT Undertaking 1		VSAT Undertaking 2	
	Enterprise Value (INR in Million)	Weight	Enterprise Value (INR in Million)	Weight
Asset Approach	67.95	55%	274.39	85%
Income Approach*	N/A	N/A	N/A	N/A
Market Approach	1,390.75	45%	673.73	15%
Fair Value	663.21		334.29	

Notes:

1. N/A – Not Applicable
 2. As the transfer is for a lump sum consideration in the form of cash, Fair Enterprise Value has been taken into consideration instead of per share price of the Transferor Companies;
 3. Rationale behind Application of Weights – In case of VSAT Undertaking 1, we have given a little less weightage to market approach, i.e.; 45% as compared to assets approach, i.e.; 55%. In case of VSAT Undertaking 2, we have given less weightage to market approach, i.e.; 15% as compared to assets approach, i.e.; 85%. VSAT Undertaking 1 is into service, the investment is low and the undertaking is less asset-intensive. However, VSAT Undertaking 2 is mainly into trading of goods where the margin is low and the undertaking is more asset-intensive. Hence, we have preferred more weightage to Market Approach in case of VSAT Undertaking 1 in comparison to VSAT Undertaking 2;
- * As mentioned above, we have been informed by the Management of the transferor companies that the financial projections are not available with the Management and hence, we have not used Income Approach - DCF method for valuing the VSAT Undertakings of the transferor companies.

10. OUR OPINION ON FAIR VALUE:

A business valuation is an exercise conducted towards providing an estimate or opinion as to the fair market value of a business at a particular time. It is more an art than science, and a properly conducted valuation is nothing but an informed opinion based on fact together with best judgment. According to Mr. Aswath Damodaran, "valuation is not an objective exercise, and any preconceptions and biases that an analyst brings to the process will find their way into value".

It is universally understood that business valuation is an art, not a precise science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. Mathematical certainty is not demanded, nor indeed is it possible. There is no legal framework which drives or dictates how valuation should be performed. Since this is an informed opinion, valuation is generally stated as a range of values. Courts in India have, over a period of time, evolved certain guiding principles, the most leading case being the decision of the Supreme Court in Hindustan Lever Employee's Union vs. Hindustan Lever Limited and Others [(1995) 83 Company Cases 301.

It should be noted that the application of any particular method of valuation depends on the purpose for which the valuation is done. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the valuation of VSAT Undertaking 1 and VSAT Undertaking 2 is assessed to be INR 663.21 million and INR 334.29 million, respectively.



VD & Co.

Chartered Accountants

11. DISTRIBUTION OF REPORT:

This valuation analysis is confidential and has been prepared exclusively for the Management of the Company for the purpose as mentioned above. M/s VD & Co. shall not be responsible if this Report is used, reproduced or circulated in whole or in part, without the prior written consent of M/s VD & Co., to any other person and for any other purpose other than mentioned earlier in this report.

Thanking You,

for **VD & Co.**,

Chartered Accountants

Firm Registration No.: 023090N

Vaibhaw Kr. Kedia

CA. Vaibhaw Kumar Kedia

Membership No.: 511519

Place: Gurugram

Date: April 29, 2019



VD & Co.

Chartered Accountants

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Thanking You,

for VD & Co.,

Chartered Accountants

Firm Registration No.: 023090N

Vaibhaw K. Kedia



CA. Vaibhaw Kumar Kedia

Membership No.: 511519

Place: Gurugram

Date: April 29, 2019

Submitted to
BHARTI AIRTEL LIMITED
&
BHARTI AIRTEL SERVICES LIMITED

FAIRNESS OPINION

On fair value of VSAT Division for the proposed sale of VSAT Division by Bharti Airtel report provided by

VD & Co.
(Chartered Accountants)

On

Proposed Transfer of VSAT Undertaking to HCIL by BAL under Slump Sale basis under a composite Scheme of Arrangement.

BY

M/s SPA CAPITAL ADVISORS LTD.

25, C-Block, Community Centre,

JanakPuri, New Delhi.

Tel: 011-45675585/011-45675558

Fax: 25572763

Website: www.spacapital.com

*"Everything we hear is an **opinion**, not a fact. Everything we see is a perspective, not the truth."*

May 02, 2019

**Fairness Opinion on Valuation report of VD& Co.(Chartered Accountants),
By: SPA Capital Advisors Limited**

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To,
BHARTI AIRTEL LIMITED

To,
BHARTI AIRTEL SERVICES LIMITED

RE: Fairness Opinion on fair value of VSAT Division for the proposed sale of VSAT Division by Bharti Airtel Limited as on March 31, 2019 provided by VD & Co.(Chartered Accountants)underSlump Sale basis under a composite Scheme of Arrangement in accordance with section 2(42C) of the IT Act.

PURPOSE

We SPA Capital Advisors Limited (hereinafter referred to as "SPA"), understand that Bharti Airtel Limited (hereinafter referred to as "BAL") having its registered office situated at Bharti Crescent 1, Nelson Mandela Road, VasantKunj, Phase II, New Delhi - 110070 is in process of transfer its VSAT Undertaking to HCIL on a going concern basis by way of Slump Sale in accordance with section 2(42C) of the IT Act, 2013and this is with reference to our engagement letter dated 26thFebruary2019wherein we have been engaged to giveFairness Opinion on fair value valuation report provided by VD & CO, Chartered Accountants (hereinafter referred to as "VD" or the "Valuer") for theproposed Slump Sale basis under a composite Scheme of Arrangement.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the Companies with Regulation 11, Regulation 37 &Regulation 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.



**Fairness Opinion on Valuation report of VD& Co.(Chartered Accountants),
By: SPA Capital Advisors Limited**

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BACKGROUND

1. Bharti Airtel Limited(BAL):

The Transferor Company is a global telecommunications services company and together with its subsidiaries, it operates in 17 countries across Asia and Africa. It provides GSM, 3G, 4G LTE and VoLTE mobile services, fixed line broadband and voice services depending upon the country of operation. It is the second largest mobile network operator in India and the third largest mobile network operator in the world with over 438 million subscribers.

The Transferor Company 1 is a listed company and its authorized, issued, subscribed and fully paid-up share capital, as on date, is as under:

Authorized share capital	Amount (in ₹)
29,506,000,000 equity shares of ₹5/- each	147,530,000,000
Total	147,530,000,000
Issued, subscribed and paid up share capital	Amount (in ₹)
3,99,74,00,107 equity shares of ₹5/- each	19,987,000,535
Total	19,987,000,535

>>VSAT Undertaking of Bharti Airtel Limited

“VSAT Undertaking 1”, as defined in the Slump Sale basis under a composite Scheme of Arrangement, means the entire VSAT business undertaking, activities and operations of the Transferor Company comprising of and including, as deemed fit, the Transferor Company’s unified license to provide VSAT services granted by the Department of Telecommunications, Government of India (DoT), to be transferred to the Transferee Company on a going concern basis by way of a Slump Sale.

BAL’s VSAT services overcomes all limitations in establishing connectivity and provides maximum transponder space from multiple satellites through its multiple operational VSAT hubs.

1.1 Bharti Airtel Services Limited

Bharti Airtel Services Limited, the Transferor Company 2, offers telecommunication services. The company was formerly known as Bharti Comtel Ltd. Bharti Airtel Services Limited was incorporated in 1997 and is based in New Delhi, India. The company operates as a subsidiary of Bharti Airtel Limited. It is, inter alia, engaged in supplying hardware and related services for very small aperture terminal (VSAT) telecommunications services in India.

The Transferor Company 2's authorized, issued, subscribed and fully paid-up share capital, as on date, is as under:

Authorized share capital	Amount (in ₹)
10,00,000 equity shares of ₹10/- each	1,00,00,000
Total	1,00,00,000
Issued, subscribed and paid up share capital	Amount (in ₹)
1,00,000 equity shares of ₹10/- each	10,00,000
Total	10,00,000

VSAT Undertaking of Bharti Airtel Services Limited

"VSAT Undertaking 2", as defined in the Slump Sale basis under a composite Scheme of Arrangement, means the entire VSAT business undertaking, activities and operations of the Transferor Company 2 comprising of and including, as deemed fit, supplying hardware and related services for VSAT telecommunications services in India of the Transferor Company 2, which qualifies as an 'undertaking' under explanation 1 of section 2(19AA) of the Income-tax Act, 1961, including all aspects constituting an undertaking, such as customers, contracts, personnel, IT system, other business infrastructures related to the VSAT Undertaking 2 and other items necessary for the Transferee Company 2 to operate the VSAT Undertaking 2 independently on a going concern basis.

2. Hughes Communications India Limited (HCIL)

Hughes Communications India Limited, the Transferee Company 1, was incorporated in March 17, 1992 to market VSAT and provide satellite communication services. It is a public limited company, having CIN as U64202DL1992PLC048053 and having its registered office situated at 1, Shivaji Marg, Westend Greens, NH-8, New Delhi -

110037. The Transferee Company 1 has set up Hubs to provide broadband, internet and other telecommunication services under various licenses obtained from the DoT.

The Transferee Company is India's premier networking company and India's largest satellite service operator, offering broadband services under the Hughes brand. Customers include large enterprises and small and medium businesses across various verticals, and consumers. Solutions include networking, system integration, managed network services, security transaction services, intranet, internet, broadband kiosks and interactive distance education. It has two wholly owned subsidiaries, HCIL Comtel Limited and HCIL Global Education India Limited.

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

Authorized share capital	Amount (in ₹)
2,00,00,000 equity shares of ₹10/- each	20,00,00,000
Total	20,00,00,000
Issued, subscribed and paid up share capital	Amount (in ₹)
1,55,00,000 equity shares of ₹10/- each	15,50,00,000
Total	15,50,00,000

>>HCIL Comtel Limited

HCIL Comtel Limited, the Transferee Company 2, is a public limited company incorporated on September 13, 2007 under the provisions of the Companies Act, 1956, having CIN as U32204DL2007PLC168125 and having its registered office situated at 1, Shivaji Marg, Westend Greens, NH-8, New Delhi - 110037.

The Transferee Company 2 is engaged in supplying hardware and related services for very small aperture terminal (VSAT) telecommunications services in India.

The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company 2, as on date, is as under:

Authorized share capital	Amount (in ₹)
1,00,00,000 equity shares of ₹10/- each	10,00,00,000
Total	10,00,00,000
Issued, subscribed and paid up share capital	Amount (in ₹)
20,00,000 equity shares of ₹10/- each	2,00,00,000
Total	2,00,00,000

TRANSACTION

Bharti Airtel Limited is the flagship company of Bharti group. BAL was incorporated on July 07, 1995 under the Companies Act, 1956 with the Corporate Identity Number (CIN) as L74899DL1995PLC070609. It is a public limited company, having its registered office situated at Bharti Crescent 1, Nelson Mandela Road, VasantKunj, Phase II, New Delhi - 110070. The equity shares of the Company are listed on the Stock Exchanges in India.

Bharti Airtel Services Limited is a subsidiary of Bharti Airtel Limited. BASL was incorporated on December 05, 1997 under the Companies Act, 1956 with the Corporate Identity Number (CIN) as U64201DL1997PLC091001. It is a public limited company, having its registered office situated at Bharti Crescent 1, Nelson Mandela Road, VasantKunj, Phase II, New Delhi - 110070.

We understand that BAL and BASL desire to transfer VSAT Undertaking 1 and VSAT Undertaking 2 to HCIL and Comtel respectively on a going concern basis by way of Slump Sale in accordance with section 2(42C) of the IT Act.

The transfer is proposed to be achieved by way of a Slump Sale basis under a composite Scheme of Arrangement under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for the transfer and vesting of VSAT undertaking 1 of the Transferor Company 1 to the Transferee Company 1 and the VSAT Undertaking 2 of Transferor Company 2 to the Transferee Company 2, on a going concern basis, by way of Slump Sale for a lump sum consideration in form of cash.



PURPOSE OF FAIRNESS OPINION REPORT

This said fairness opinion has been issued pursuant to the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the companies going through any arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc. are required to obtain a "fairness opinion" from an Independent Merchant Banker relating to the valuation of assets/ shares done by the Valuer.

INFORMATION RELIED UPON

We have prepared the Fairness Opinion Report on the basis of the information provided to us and inter-alia the following:

- Valuation Report dated April 29, 2019 issued by Valuer;
- Information relied upon by Valuer
- Other information and explanations as provided by the management of BAL and BASL and Valuer and their respective representatives and advisors

Further we had discussions with the Valuer on such matters which we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the company to carry out the independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.



VALUATION APPROACHES USED BY VALUER

As mentioned by Valuer in their valuation report and as informed by them, they have used following approaches of valuation i.e.

- Asset Approach
- Market Approach

Under Asset Approach they used the Management carved out financials of respective businesses for Nine Months ended as on December 31, 2018 and calculated Net asset value basis book value of assets and liabilities.

Under Market Approach, Valuer has used EV/Sales and EV/EBIDTA for both the businesses basis the financial information as on December 31, 2018.

Post that appropriate weightage has been applied to each of the above mentioned methods to arrive at the Weighted Average Business Value of BAL and BASL.

Valuer has not used Income Approach (DCF method) for valuing the VSAT undertaking 1 and VSAT undertaking 2 due to unavailability of financials projections because of uncertainty in estimating the future cash flows.

VALUATION SUMMARY AS PER THE VALUER

Valuation Approach	BAL (VSAT Undertaking 1)		BASL (VSAT Undertaking 2)	
	Value	Wgt (%)	Value	Wgt (%)
Cost Approach	67.95	55%	274.39	85%
Income Approach	N/A	N/A	N/A	N/A
Market Approach	1390.75	45%	673.73	15%
Fair Value (INR Million)	663.21		334.29	

**Fairness Opinion on Valuation report of VD& Co. (Chartered Accountants),
By: SPA Capital Advisors Limited**

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FAIR VALUE OF SLUM SALE RECOMMENDED BY VALUER

On the basis of Valuation summary shared above, Valuer recommended Fair value for VSAT undertaking 1 (BAL) and VSAT Undertaking 2 (BASL) to be INR 663.21 million and INR 334.29 million respectively.

CONCLUSION

On the basis of and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, **Fair Value as recommended by the Valuer in relation to the transaction is fair.**

For SPA Capital Advisors Limited



(SourabhGarg)

Sr. Vice President



(KhushbooTanwar)

Asst. Vice President

Disclaimer: The Final Report has been prepared for the internal and exclusive use of the Board of Directors of BAL(the “Board of Directors”). Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorized in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by BAL and Valuer. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which BAL and Valuer, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which BALintends to consummate the Transaction. We have not conducted any evaluation of the solvency or fair value of the company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of BAL and BASL. In addition, this fairness report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of BAL&BASL.The Final Report and the Opinion concern exclusively for the purpose of proposed Slump Sale basis under a composite Scheme of Arrangement and do not constitute an opinion by SPA as to the absolute value of the



shares of BAL & BASL. We don't accept any liability to any third party in relation to the issuance of this Fairness Opinion Report. SPA has not carried out any due diligence independently in verifying the accuracy or veracity of data provided by BAL and/or the Valuer and SPA assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by BAL and/or valuer. SPA has assumed that the business continues normally without any disruptions. Neither SPA and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue, or lost profits that may arise from or in connection with the use of this document. Future services regarding this subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of SPA or any of its employees unless previous arrangements have been made in writing.

The Final Report and the Opinion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, SPA has no obligation to update, revise, or reaffirm the Opinion. In addition, SPA is expressing no opinion as to the price at which any securities of BAL & BASL will trade on the stock market at any time. Other factors after the date hereof may affect the value of the businesses of BAL & BASL or its business units. It is understood that SPA or certain SPA affiliates, in the ordinary course of their activities, may actively trade, for their own account or for the account of customers, the equity and debt securities of BAL & BASL or companies directly or indirectly controlled by, affiliated with BAL & BASL or in which BAL & BASL holds securities, and, accordingly, may at any time hold long or short positions in such securities. It also remains understood that SPA or certain SPA affiliates may currently have and may in the future have commercial banking, investment banking, trust and



other relationships and/or engagements with Counterparties which may have interests with respect to BAL & BASL, or companies directly or indirectly controlled by, affiliated with BAL & BASL or in which BAL & BASL holds securities. Finally, it remains understood that SPA or certain SPA affiliates may have fiduciary or other relationships and engagements whereby SPA or certain SPA affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of BAL & BASL or companies directly or indirectly controlled by, affiliated with BAL & BASL, or in which BAL & BASL holds securities, or other parties with an interest in the Transaction.





September 10, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Ref.: Bharti Airtel Limited (532454)

Sub: Re-submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 w.r.t. draft Composite Scheme of arrangement between Bharti Airtel Limited ('Transferor Company 1'), Bharti Airtel Services Limited ('Transferor Company 2'), Hughes Communications India Limited ('Transferee Company 1'), and HCIL Comtel Limited ('Transferee Company 2') and their respective shareholders and creditors, under Section 230 to 232 of the Companies Act, 2013 ('Scheme').

Dear Sir / Madam,

In furtherance to our application dated June 06, 2019 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, w.r.t. aforesaid draft Scheme, we are re-submitting the Complaint Report.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary & Compliance Officer



Bharti Airtel Limited
(a Bharti Enterprise)

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



Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

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

For Bharti Airtel Limited



Rohit Krishan Puri
Dy. Company Secretary & Compliance Officer
Date: September 10, 2019

Bharti Airtel Limited
(a Bharti Enterprise)

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CIN: L74899DL1995PLC070609



July 02, 2019

National Stock Exchange of India Limited

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

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Ref.: Bharti Airtel Limited (BHARTIARTL/532454)

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

Dear Sir / Madam,

In furtherance to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) dated June 06, 2019 w.r.t. aforesaid draft Scheme, we are enclosing the report on complaints received by the Company (or its RTA) during the period of 21 days from the date of filing of the Scheme to the Stock Exchanges and hosting of the same on the website of the Company.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Bharti Airtel Limited

Rohit Krishan Puri

Dy. Company Secretary & Compliance Officer



Bharti Airtel Limited
(a Bharti Enterprise)

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CIN: L74899DL1995PLC070609

Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

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

For Bharti Airtel Limited



Rohit Krishan Puri
Dy. Company Secretary & Compliance Officer
Date: July 02, 2019



Bharti Airtel Limited
(a Bharti Enterprise)

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CIN: L74899DL1995PLC070609

DCS/AMAL/BA/R37/1609/2019-20

October 25, 2019

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

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Limited and HCIL Comtel Limited and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement Arrangement between Bharti Airtel Ltd, Bharti Airtel Services Limited, Hughes Communications India Limited and HCIL Comtel Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 25, 2019 has inter alia given the following comment(s) on the draft scheme of amalgamation and arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circular."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

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

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


Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


 Nithikumar Pujari
 Senior Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/21068_II

October 29, 2019

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

Kind Attn.: Mr. Rohit Krishan Puri

Dear Sir,

Sub: Observation Letter for Draft Composite Scheme of Arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Limited and HCIL Comtel Limited and their respective shareholders and creditors

We are in receipt of the Draft Composite Scheme of Arrangement between Bharti Airtel Limited (Transferor Company 1), Bharti Airtel Services Limited (Transferor Company 2), Hughes Communications India Limited (Transferee Company 1) and HCIL Comtel Limited (Transferee Company 2) and their respective shareholders and creditors vide application dated June 06, 2019.

Based on our letter reference no Ref: NSE/LIST/21068 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated October 25, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we conveyed our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from October 29, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



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

1. Background

- 1.1 The proposed composite scheme of arrangement (“**Scheme**”) between Bharti Airtel Limited (“**Airtel**”), Bharti Airtel Services Limited (“**BASL**”), Hughes Communications India Limited (“**Hughes Communications**”) and HCIL Comtel Limited (“**HCIL Comtel**”) and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) was approved by the board of directors (“**Board**”) of Airtel *vide* resolution dated May 6, 2019. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for: (a) transfer of the VSAT Undertaking 1 (*defined under Clause 1.35 of Part A of the Scheme*) of Airtel and vesting of the same with Hughes Communications; and (b) transfer of the VSAT Undertaking 2 (*defined under Clause 1.41 of Part A of the Scheme*) of BASL and vesting of the same with HCIL Comtel both on a going concern basis by way of a slump sale in accordance with section 2(42C) of the Income-tax Act, 1961. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.
- 1.3 The provisions of Section 232(2)(c) of the Act requires the directors of Airtel to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
- 1.4 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:
- (a) The Scheme as approved by the Board *vide* resolution dated May 6, 2019; and
- (b) Report on recommendation of fair valuation dated April 29, 2019 issued by VD & Co., Chartered Accountants (“**Valuation Report**”); and
- (c) Fairness Opinion dated May 2, 2019 issued to Airtel by SPA Capital Advisors Limited, a merchant banker registered with the Securities and Exchange Board of India (“**Fairness Opinion**”).

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	Key Managerial Personnel (“ KMPs ”) of Airtel	The KMPs of Airtel shall continue as KMP’s of Airtel upon the Effective Date.
2.	Equity & Preference Shareholders (including Promoter & Non-Promoter Shareholders) of Airtel (collectively, the “ Shareholders ”)	There shall be no change in the shareholding of Airtel’s Shareholders pursuant to the Scheme since the transfer of VSAT Undertaking 1 of Airtel into Hughes Communications will take place for a lump sum cash consideration in terms of Clause 9 of Part B of the Scheme.

Bharti Airtel Limited
(a Bharti Enterprise)

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CIN: L74899DL1995PLC070609



3. Valuation

- 3.1 The Valuation Report recommends INR 663,210,000 (Indian Rupees Six Hundred Sixty Three Million Two Hundred Ten Thousand), to be payable by Hughes Communications to Airtel in the form of cash, as lump sum consideration for transfer and vesting of VSAT Undertaking 1 of Airtel into Hughes Communications.
- 3.2 Further, since the equity shares of Airtel are listed on the Stock Exchanges (i.e. National Stock Exchange of India Limited and BSE Limited), the above mentioned Fairness Opinion was obtained. The Fairness Opinion has been issued in respect of the Valuation Report. No special valuation difficulties were reported by the valuers.
- 3.3 No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

- 4.1 The Board has adopted this report after noting and considering the information set forth in this report.

Certified True Copy
For and on behalf of Bharti Airtel Limited



Rohit Krishan Puri
(Authorised Signatory)

Date: May 22, 2020
Place: New Delhi



Bharti Airtel Limited
(a Bharti Enterprise)

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

INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF
BHARTI AIRTEL LIMITED**

Report on the Audit of the Interim Condensed Standalone Financial Statements

Opinion

We have audited the accompanying Interim Condensed Standalone Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company"), which comprise the Interim Condensed Standalone Balance Sheet as at December 31, 2019, the Interim Condensed Standalone Statement of Profit and Loss (including Other Comprehensive Income) for the quarter and nine months then ended, the Interim Condensed Standalone Statement of Changes in Equity and the Interim Condensed Standalone Statement of Cash Flows for the nine months then ended, and a summary of other explanatory notes (hereinafter referred to as "the Interim Condensed Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Interim Condensed Standalone Financial Statements give a true and fair view in conformity with Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, its loss, total comprehensive loss for the quarter and nine months then ended, its changes in equity and its cash flows for the nine months then ended.

Basis for Opinion

We conducted our audit of the Interim Condensed Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of Interim Condensed Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Interim Condensed Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Interim Condensed Standalone Financial Statements.

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 is not modified in respect of this matter.

Management's Responsibility for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Condensed Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Interim Condensed Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Interim Condensed Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Interim Condensed Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Interim Condensed Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Interim Condensed Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Interim Condensed Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Condensed Standalone Financial Statements, including the disclosures, and whether the Interim Condensed Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Interim Condensed Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Condensed Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Interim Condensed Standalone Financial Statements.

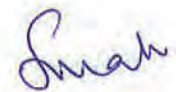
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Shyamak R Tata
Partner
(Membership No.38320)
UDIN: 20038320AAAAAA8912

Place: Gurugram
Date: February 4, 2020

Bharti Airtel Limited
Interim Condensed Standalone Balance Sheet
(All amounts are in millions of Indian Rupee)



Assets	As of	
	December 31, 2019	March 31, 2019#
Non-current assets		
Property, plant and equipment (note 5)	501,564	570,099
Capital work-in-progress (note 5)	60,269	53,662
Right-of-use assets (note 3)	342,680	-
Goodwill (note 6)	739	739
Other Intangible assets (note 6)	736,176	767,281
Intangible assets under development (note 6)	-	2,703
Investments in subsidiaries, associates and joint ventures	312,883	359,039
Financial assets		
- Investments	52	63
- Derivative instruments	103	4
- Loans and security deposits	142,087	151,032
- Others	57	70
Income tax assets (net)	12,085	10,059
Deferred tax assets (net)	197,363	49,803
Other non-current assets	50,815	69,372
	2,356,873	2,033,926
Current assets		
Inventories	6	10
Financial assets		
- Investments	147,735	16,696
- Derivative instruments	195	68
- Trade receivables	38,333	38,403
- Cash and cash equivalents	1,209	1,861
- Other bank balances	815	492
- Loans	9,507	10,815
- Others	238,253	12,688
Other current assets	131,511	114,116
	567,564	195,149
Total assets	2,924,437	2,229,075
Equity and liabilities		
Equity		
Equity Share capital	25,660	19,987
Other equity	911,146	963,072
	936,806	983,059
Non-current liabilities		
Financial liabilities		
- Borrowings	628,537	586,494
- Lease liabilities	280,458	-
- Derivative instruments	108	320
- Others	14,372	33,667
Deferred revenue	12,284	16,970
Provisions	1,908	1,927
Other non-current liabilities	8,416	-
	946,083	639,378
Current liabilities		
Financial liabilities		
- Borrowings	88,829	229,183
- Current maturities of long-term borrowings	48,373	22,222
- Lease liabilities	79,490	-
- Derivative instruments	224	1,455
- Trade payables		
-total outstanding dues of micro enterprises and small enterprises	55	31
-total outstanding dues of creditors other than micro enterprises and small enterprises	196,255	191,214
- Others	110,937	110,288
Deferred revenue	37,190	26,802
Provisions	454,843	1,088
Current tax liabilities (net)	2,262	2,248
Other current liabilities	23,090	22,107
	1,041,548	606,638
Total liabilities	1,987,631	1,246,016
Total equity and liabilities	2,924,437	2,229,075

#Refer note 4(vi)

The accompanying notes 1 to 12 form an integral part of these interim condensed standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata

Shyamak R Tata
Partner
 Membership No: 38320

Place: Gurugram



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

Rakesh Bharti Mittal
Rakesh Bharti Mittal
Director
 DIN: 00042494

Badal Bagri
Badal Bagri
Chief Financial Officer

Date: February 4, 2020

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

Pankaj Tewari
Pankaj Tewari
Company Secretary



Bharti Airtel Limited
Interim Condensed Standalone Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)



	For the three months ended		For the nine months ended	
	December 31, 2019	December 31, 2018#	December 31, 2019	December 31, 2018#
Income				
Revenue from operations (note 10)	134,797	123,137	393,257	370,846
Other income	726	625	2,164	1,790
	135,523	123,762	395,421	372,636
Expenses				
Network operating expenses	32,650	42,781	100,438	121,184
Access charges	22,668	21,432	66,978	60,180
License fee / spectrum charges	12,723	12,369	37,634	37,221
Employee benefits expense	3,706	4,054	11,168	10,976
Sales and marketing expenses	4,671	6,795	13,156	19,382
Other expenses	6,368	9,157	21,084	29,717
	82,786	96,588	250,458	278,660
Profit from operating activities before depreciation, amortisation and exceptional items	52,737	27,174	144,963	93,976
Depreciation and amortisation expense	52,264	38,250	152,266	112,134
Finance costs	29,258	18,134	77,032	59,811
Finance income	(3,815)	(15,041)	(12,909)	(24,158)
Non-operating expense	208	720	897	1,834
Loss before exceptional items and tax	(25,178)	(14,889)	(72,323)	(55,645)
Exceptional items (net) (note 8)	27,220	(11,511)	337,497	(8,580)
Loss before tax	(52,398)	(3,378)	(409,820)	(47,065)
Tax (credit) / expense				
Current tax	-	10	-	15
Deferred tax	(18,517)	(5,634)	(117,767)	(29,017)
(Loss) / profit for the period	(33,881)	2,246	(292,053)	(18,063)
Other comprehensive income				
Items not to be reclassified to profit or loss:				
- Re-measurement gains / (loss) on defined benefit plans	12	(19)	(124)	149
- Tax (charge) / credit	(4)	7	43	(52)
Other comprehensive income / (loss) for the period	8	(12)	(81)	97
Total comprehensive (loss) / income for the period	(33,873)	2,234	(292,134)	(17,966)
(Loss) / earnings per share (Face value: Rs. 5/- each)				
Basic and diluted (loss) / earnings per share*	(6.60)	0.52	(58.78)	(4.21)

Refer note 4 (vi)

*Basic and diluted (loss) / earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the nine months ended December 31, 2019.

The accompanying notes 1 to 12 form an integral part of these interim condensed standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
 Membership No: 38320



Place: Gurugram

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

Rakesh Bharti Mittal
Director
 DIN: 00042494

Badal Bagri
Chief Financial Officer

Date: February 4, 2020

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

Pankaj Tewari
Company Secretary





Bharti Airtel Limited
Interim Condensed Standalone Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; unless stated otherwise)

	Equity share capital		Other equity - Reserves and Surplus					Total equity		
	No of shares (in '000)	Amount	Securities premium	Retained earnings	General reserve	Business restructuring reserve	Debt redemption reserve		Share-based payment reserve	Capital reserve
As of April 1, 2018 (note 4(vii))	3,997,400	19,987	107,180	845,481	22,595	16,313	7,500	670	8,751	1,008,490
Loss for the period	-	-	-	(18,063)	-	-	-	-	-	(18,063)
Other comprehensive income	-	-	-	97	-	-	-	-	-	97
Total comprehensive loss	-	-	-	(17,966)	-	-	-	-	-	(17,966)
Transaction with owners of equity										
Issue of equity shares	0	0	0	-	-	-	-	-	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	257	-	257
Exercise of share options	-	-	-	-	-	-	-	(281)	-	(281)
Business combination (note 4(viii))	-	-	-	(19,988)	-	-	-	5,315	-	5,315
Common control transactions (note 4(x) & (xi))	-	-	-	18	-	-	-	-	-	18
As of December 31, 2018	3,997,400	19,987	107,180	808,448	22,595	16,313	7,500	646	14,066	976,745
Profit for the period	-	-	-	(629)	-	-	-	-	-	(629)
Other comprehensive loss	-	-	-	(630)	-	-	-	-	-	(1,259)
Total comprehensive loss	-	-	-	(1,259)	-	-	-	-	-	(1,259)
Transaction with owners of equity										
Issue of equity shares (note 4(viii))	0	0	0	-	-	-	-	-	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	76	-	76
Exercise of share options	-	-	-	-	16	-	-	(66)	-	(50)
Common control transactions (note 4(vii))	-	-	-	(13,085)	-	-	-	-	-	(13,085)
As of March 31, 2019	3,997,400	19,987	107,180	784,746	22,611	16,313	7,500	656	14,066	963,072
Transition impact on adoption of ind AS 116 (note 3 (a)(ii))	-	-	-	(20,088)	-	-	-	-	-	(20,088)
As of April 1, 2019	3,997,400	19,987	107,180	774,658	22,611	16,313	7,500	656	14,066	942,984
Loss for the period	-	-	-	(292,053)	-	-	-	-	-	(292,053)
Other comprehensive loss	-	-	-	(81)	-	-	-	-	-	(81)
Total comprehensive loss	-	-	-	(292,134)	-	-	-	-	-	(292,134)
Transaction with owners of equity										
Issue of equity shares, net of expenses (note 4(iii) & 4(v))	1,134,562	5,673	243,803	-	-	-	-	200	-	249,476
Employee share-based payment expense	-	-	-	-	-	-	-	(340)	-	(340)
Exercise of share options	-	-	-	-	110	-	-	-	-	110
Business combination (note 4(iii))	-	-	-	-	-	-	-	-	12,301	12,301
Common control transactions (note 4(ii))	-	-	-	150	-	-	-	-	4,063	4,213
As of December 31, 2019	5,131,962	25,660	350,983	482,674	22,730	16,313	7,500	516	30,430	911,146

The accompanying notes 1 to 12 form an integral part of these interim condensed standalone financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R. Tata

Shyamak R. Tata
Partner
 Membership No: 38320

Place: Gurugram



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

Gopal Vittal

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

Pankaj Tewari

Pankaj Tewari
Company Secretary

Rakesh Bharti Mittal
Director
 DIN: 00042494

Badal Bagri

Badal Bagri
Chief Financial Officer

Date: February 4, 2020



Bharti Airtel Limited
Interim Condensed Standalone Statement of Cash Flows



(All amounts are in millions of Indian Rupee)

	For the nine months ended	
	December 31, 2019	December 31, 2018#
Cash flows from operating activities		
Loss before tax	(409,820)	(47,065)
Adjustments for:		
Depreciation and amortisation expense	152,266	112,134
Finance costs	76,673	59,870
Finance income	(12,909)	(24,158)
Loss on sale of property, plant and equipment	1	155
Employee share-based payment expenses	185	257
Other non-cash / non-operating items	341,112	(3,802)
Operating cash flow before changes in working capital	147,508	97,391
Changes in working capital		
Trade receivables	(6,151)	(6,944)
Trade payables	2,087	20,610
Inventories	91	(154)
Provisions	135,274	(27)
Other financial and non-financial liabilities	6,924	(6,923)
Other financial and non-financial assets	(121,225)	(27,252)
Net cash generated from operations before tax	164,508	76,701
Income tax paid - net	(1,774)	10,199
Net cash generated from operating activities (a)	162,734	86,900
Cash flows from investing activities		
Purchase of property, plant and equipment	(86,483)	(161,947)
Proceeds from sale of property, plant and equipment	4,721	45
Purchase of intangible assets	(4,314)	(12,633)
Payment towards spectrum - deferred payment liability* (Purchase) / sale of current investments (net)	(9,866)	(6,668)
(Purchase) / sale of current investments (net)	(129,334)	(11,936)
Sale of non-current investments	11	-
Proceeds from sale of investment in subsidiaries	-	2,726
Consideration / advance for acquisitions, net of cash acquired	-	(1,524)
Investment in Associates / Subsidiaries	(4,405)	(2,382)
Loan given to subsidiaries	(18,137)	(14,233)
Loan repayment by subsidiaries	24,528	27,385
Dividend received	8,631	20,014
Interest received	1,593	2,837
Net cash used in investing activities (b)	(213,055)	(158,316)
Cash flows from financing activities		
Net proceeds from issue of shares	249,137	-
Proceeds from borrowings	194,024	148,987
Repayment of borrowings	(177,089)	(61,907)
Payment of lease liabilities	(29,035)	-
Net (repayment of) / proceeds from short-term borrowings	(133,234)	29,426
Interest and other finance charges paid	(55,370)	(33,222)
Proceeds from exercise of share options	2	4
Dividend paid (including tax)	-	(19,988)
Net cash generated from financing activities (c)	48,435	63,300
Net decrease in cash and cash equivalents during the period (a+b+c)	(1,886)	(8,116)
Add : Cash and cash equivalents as at the beginning of the period#	1,707	4,169
Cash and cash equivalents as at the end of the period (note 7)	(179)	(3,947)

Refer note 4 (vi)

*Cash flows towards spectrum acquisitions are based on the timing of payouts to DoT (viz. upfront / deferred)

The accompanying notes 1 to 12 form an integral part of these interim condensed standalone financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Shyamak R Tata

Shyamak R Tata

Partner

Membership No: 38320

Place: Gurugram



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

Rakesh Bharti Mittal
Rakesh Bharti Mittal
Director

DIN: 00042494

Badal Bagri

Badal Bagri
Chief Financial Officer

Date: February 4, 2020

Gopal Vittal

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

DIN: 02291778

Pankaj Tewari

Pankaj Tewari
Company Secretary



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

1. Background

- 1.1 The proposed composite scheme of arrangement (“Scheme”) between Bharti Airtel Limited (“Airtel”), Bharti Airtel Services Limited (“BASL”), Hughes Communications India Limited (“Hughes Communications”) and HCIL Comtel Limited (“HCIL Comtel”) and their respective shareholders and creditors (“Scheme”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) was approved by the board of directors (“Board”) of BASL *vide* resolution dated May 6, 2019. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for: (a) transfer of the VSAT Undertaking 1 (*defined under Clause 1.35 of Part A of the Scheme*) of Airtel and vesting of the same with Hughes Communications; and (b) transfer of the VSAT Undertaking 2 (*defined under Clause 1.41 of Part A of the Scheme*) of BASL and vesting of the same with HCIL Comtel both on a going concern basis by way of a slump sale in accordance with section 2(42C) of the Income-tax Act, 1961. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.
- 1.3 The provisions of Section 232(2)(c) of the Act requires the directors of BASAL to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
- 1.4 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:
- (a) The Scheme as approved by the Board *vide* resolution dated May 6, 2019; and
- (b) Report on recommendation of fair valuation dated April 29, 2019 issued by VD & Co., Chartered Accountants (“Valuation Report”).

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	Key Managerial Personnel (“KMPs”) of BASL	The KMPs of BASL shall continue as KMP’s of BASL upon the Effective Date.
2.	Equity Shareholders (including Promoter & Non-Promoter Shareholders) of BASL (collectively, the “Shareholders”)	There shall be no change in the shareholding of BASL’s Shareholders pursuant to the Scheme since the transfer of VSAT Undertaking 2 of BASL into HCIL Comtel will take place for a lump sum cash consideration in terms of Clause 9 of Part C of the Scheme.

3. Valuation

- 3.1 The Valuation Report recommends 334,290,000 (Indian Rupees Three Hundred Thirty Four Million Two Hundred Ninety Thousand), to be payable by HCIL Comtel to BASL in the form of cash, as lump sum consideration for transfer and vesting of VSAT Undertaking 2 of BASL into HCIL Comtel.

Bharti Airtel Services Limited
 (A Bharti enterprise)
 [CIN: U64201DL1997PLC091001]
 Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070.
 T: +91-11-4666 6100, F: +91-11-4166 6137, email: 121@in.airtel.com

3.2 No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

4.1 The Board has adopted this report after noting and considering the information set forth in this report.

Certified True Copy

For and on behalf of Bharti Airtel Services Limited



Pankaj Tewari

(Authorized Signatory)

Bharti Airtel Services Limited

(A Bharti enterprise)

[CIN: U64201DL1997PLC091001]

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL SERVICES LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Bharti Airtel Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

NHL

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

NHL

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the current year except directors sitting fees, accordingly provision of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3 (xi) of the Order are not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to be transferred to the Investor Education and Protection Fund by the Company.

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Nilesh H. Lahoti

Partner

(Membership No. 130054)

UDIN:19130054AAAAHM2375

Place: New Delhi
Date: July 15, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bharti Airtel Services Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Bharti Airtel Services Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

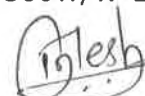
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Nilesh H. Lahoti
Partner

(Membership No. 130054)
UDIN:19130054AAAAHM2375

Place: New Delhi
Date: July 15, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of to the Members of Bharti Airtel Services Limited of even date)

- i. In respect of Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.
 - b) The Company, except for customer premises equipment, has a program of verification of fixed assets to cover balance items in a phased manner at reasonable intervals, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets, except for customer premises equipment, were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification or reconciliation, as applicable
 - c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.

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- vi. To the best of our knowledge and as explained, the central government has not prescribed maintenance of cost records under clause 148(1) of the companies Act, 2013 for the services of the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax and Service Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statutes	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount disputed	Amount unpaid
				(in Rs. Million)	(in Rs. Million)
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2003-2004	18	18
		Commissioner Income Tax Appeals	AY 2014-2015	3	3
			AY 2015-2016	5	0
The Karnataka VAT Act, 2003	Sales Tax	Karnataka Appellate Tribunal	FY 2009-2010	0*	0*
		Joint commissioner Appeals	FY 2010-2011	6	1
			Deputy Commissioner	FY 2011-2012	1
				FY 2012-2013	6
The UP VAT Act	Sales Tax	Assistant Commissioner	FY 2004-2005	0*	0*
		Additional commissioner	FY 2015-2016	0*	NIL
		Deputy Commissioner	FY 2009-2010	3	0*
Andhra Pradesh VAT Act, 2005	Sales Tax	Telangana VAT Appellate Tribunal	FY 2013-2014	5	3

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Name of the Statutes	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount disputed	Amount unpaid
				(in Rs. Million)	(in Rs. Million)
The Madhya Pradesh VAT Act, 2002	Sales Tax	Additional Commissioner	FY 2012-2013	0*	0*
Rajasthan VAT Act	Sales Tax	Assistant Commissioner	FY 2016-2017	1	NIL
The Gujarat VAT Act, 2003	Sales Tax	Assistant Commissioner	FY 2008-2009	1	0*
Finance Act, 1994 (Service Tax Provisions)	Service Tax	Customs Excise and Service Tax Appellate Tribunal	FY 2008-2012	155	0

*Amount less than million are appearing as '0'.

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable.
- ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the current year except directors sitting fees, accordingly provision of section 197 read with schedule V of the act are not applicable to the Company and hence reporting under clause 3 (xi) of the Order are not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

NHL

- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Nilesh H. Lahoti
Partner

(Membership No. 130054)
UDIN:19130054AAAAHM2375

Place: New Delhi
Date: July 15, 2019

Bharti Airtel Services Limited
Balance Sheet
(All amounts are in millions of Indian Rupee)

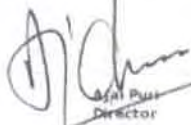
	Notes	As of	
		March 31, 2019	March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	6	450	350
Capital work-in-progress	6	72	68
Investment in fellow subsidiaries	7	47	47
Financial assets			
- Security deposits		5	6
Income tax assets		404	414
Deferred tax assets	8	410	461
Other non-current assets	9	123	84
		1,511	1,430
Current assets			
Inventories	10	414	299
Financial assets			
- Trade receivables	11	1,237	2,671
- Cash and cash equivalents	12	102	75
- Other bank balances	12	2	3
Other current assets	9	383	829
		2,138	3,677
Total assets		3,649	5,307
Equity and liabilities			
Equity			
Share capital	13	1	1
Other equity		(105)	(313)
		(104)	(312)
Non-current liabilities			
Financial liabilities			
- Borrowings	15	14	19
- Security deposit		2	731
Deferred revenue		259	642
Provisions	16	26	146
		301	1,538
Current liabilities			
Financial liabilities			
- Borrowings	15	1,664	1,320
- Current maturities of long-term borrowings	15	9	6
- Trade payables			
total outstanding dues of micro enterprises and small enterprises	17	0	0
total outstanding dues of creditors other than micro enterprises and small enterprises	17	926	1,030
Others	18	332	721
Deferred revenue		244	432
Provisions	16	18	124
Current tax liabilities		181	294
Other current liabilities	19	78	154
		3,452	4,081
Total liabilities		3,753	5,619
Total equity and liabilities		3,649	5,307

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100C18)

Nishant H. Lahoti
Partner
Membership No: 130054

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


Ajay Paul
Director
DIN : 06527868


Badal Begri
Director
DIN : 00367278

Place : New Delhi

Date July 16, 2019



Bharti Airtel Services Limited
Statement of changes in equity
(All amounts are in millions of Indian Rupee)

	Share capital		Other equity - Reserves and Surplus		Total equity
	No of shares (in '000')	Amount	Retained earnings	Total	
As of April 1, 2017	100	1	(1,010)	(1,010)	(1,009)
Profit for the year			688	688	688
Other comprehensive income			-	7	7
Total comprehensive income			695	695	695
Transaction with owners of equity					
Common control transactions			2	7	2
As of March 31, 2018	100	1	(311)	(111)	(312)
Profit for the year			200	200	200
Other comprehensive income			-	8	8
Total comprehensive income			208	208	208
As of March 31, 2019	100	1	(105)	(105)	(104)

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

Nish H. Lahoti
Partner
Membership No. 130054

Place : New Delhi

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

Ajal Puri
Director
DIN : 06527868

Date July 15, 2019

Badal Bagri


Badal Bagri
Director
DIN : 00367278



Bharti Airtel Services Limited
Statement of changes in equity
(All amounts are in millions of Indian Rupee)

	Notes	For the year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations	21	3,749	4,877
Other income		20	98
		<u>3,778</u>	<u>4,975</u>
Expenses			
Network operating expenses		1,030	207
Cost of goods sold	22	1,405	1,344
Employee benefits expense	23	144	2,063
Sales and marketing expenses		52	43
Other expenses	24	286	673
		<u>3,317</u>	<u>4,330</u>
Profit from operating activities before depreciation and tax		461	625
Depreciation	6	158	94
Finance costs	25	31	3
Finance income	25	(44)	(72)
Profit before tax		388	596
Tax expense		72	389
Current tax	8	46	(461)
Deferred tax			
		<u>201</u>	<u>688</u>
Profit for the year			
Other comprehensive income			
Items not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans		13	7
Income tax credit		(5)	0
		<u>8</u>	<u>7</u>
Other comprehensive gains / (loss) for the year			
Total comprehensive gains / (loss) for the year		200	695
Earnings per share (Face value of Rs.10/- each) (In Rupees)			
Basic and Diluted	26	2,000	6,000

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W 100018)

Ansh H. Lahoti
Partner
Membership No: 130054

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


Ajal Puri
Director
DIN : 06527868


Rishi Singh
Director
DIN : 00367278

Place : New Delhi

Date July 15, 2019




Bharti Airtel Services Limited
Statement of Cash Flows
(All amounts are in millions of Indian Rupee)

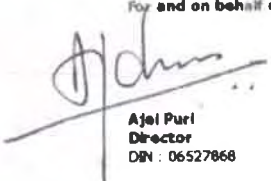
	For the year ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Profit before tax	110	596
Adjustments for:		
Depreciation	156	98
Finance costs	31	3
Finance income	(44)	(72)
Other non-cash items	253	176
Operating cash flow before changes in working capital	714	801
Changes in working capital		
Trade receivables	1,255	(1,264)
Trade payables	(100)	(945)
Inventories	(44)	(192)
Provisions	(214)	(28)
Other financial and Non financial assets	383	19
Other financial and Non financial liabilities	(1,570)	374
Net cash generated from operations before tax	424	(1,235)
Income tax paid	(181)	226
Net cash generated from operating activities (a)	243	(1,009)
Cash flows from investing activities		
Purchase of property, plant and equipment	(555)	(43)
Investment in associates		(47)
Proceeds from sale of investment in associates		252
Interest received		72
Net cash used in investing activities (b)	(555)	234
Cash flows from financing activities		
Repayments of finance lease liabilities	(2)	
Proceeds from borrowings	6,398	5,684
Repayments of borrowings	(4,054)	(4,884)
Interest and other finance charges paid	(3)	(3)
Net cash generated from financing activities (c)	339	797
Net increase / (decrease) in cash and cash equivalents during the year (a + b + c)	27	22
Add : Cash and cash equivalents as at the beginning of the year	75	53
Cash and cash equivalents as at the end of the year (refer note 12)	102	75


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

As per our report of even date
 For Deloitte Haskins & Sells LLP
Chartered Accountants
 (Firm's Registration No: 117366W / W 100018)


 Nilesh H. Laheti
 Partner
 Membership No. 130054

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


 Ajal Puri
 Director
 DIN : 06527868


 Badal Bagri
 Director
 DIN 00367278

Place : New Delhi

Date July 15, 2019



AS

Bharti Airtel Services Limited
Interim Condensed Balance Sheet
(All amounts are in millions of Indian Rupee)

Annexure-14

	As of	
	June 30, 2019	March 31, 2019
Assets		
Non-current assets		
Property, plant and equipment	447	450
Capital work-in-progress	85	72
Investment in fellow subsidiaries	47	47
Financial assets		
- Security deposits	6	5
- Others	2	-
Income tax assets	200	404
Deferred tax assets	439	410
Other non-current assets	205	123
	1,431	1,511
Current assets		
Inventories	539	414
Financial assets		
- Trade receivables	967	1,237
- Cash and cash equivalents	40	102
- Other bank balances	2	2
Other current assets	647	383
	2,195	2,138
Total assets	3,626	3,649
Equity and liabilities		
Equity		
Share capital	1	1
Other equity	(37)	(105)
	(36)	(104)
Non-current liabilities		
Financial liabilities		
- Borrowings	12	14
- Security deposit	2	2
Deferred revenue	202	259
Provisions	10	26
	226	301
Current liabilities		
Financial liabilities		
- Borrowings	1,888	1,664
- Current maturities of long-term borrowings	6	9
- Trade payables		
-total outstanding dues of micro enterprises and small enterprises	-	0
-total outstanding dues of creditors other than micro enterprises and small enterprises	892	926
- Others	290	332
Deferred revenue	247	244
Provisions	10	18
Current tax liabilities	65	181
Other current liabilities	38	78
	3,436	3,452
Total liabilities	3,662	3,753
Total equity and liabilities	3,626	3,649

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

For and on behalf of Bharti Airtel Services Limited

Ajai Puri
 Director
 DIN : 06527868

Place : New Delhi

Badal Bagri
Badal Bagri
 Director
 DIN : 00367278

Date : November 26, 2019

Bharti Airtel Services Limited
Interim Condensed Statement of Profit and Loss
(All amounts are in millions of Indian Rupee - except per share data)

	For three months ended June 30, 2019	For twelve months ended March 31, 2019
Income		
Revenue from operations	876	3,749
Other income	10	29
	886	3,778
Expenses		
Network operating expenses	370	1,030
Cost of goods sold	254	1,695
Employee benefits expense	35	144
Sales and marketing expenses	13	52
Other expenses	113	396
	785	3,317
Profit from operating activities before depreciation and tax	101	461
Depreciation	37	156
Finance costs	-	31
Finance income	(21)	(44)
Profit before tax	85	318
Tax expense		
Current tax	45	72
Deferred tax	(28)	46
Profit for the period	68	200
Other comprehensive income		
Items not be reclassified to profit or loss:		
Re-measurement (loss) / gain on defined benefit plans	(0)	13
Income tax credit / (charge)	0	(5)
Other comprehensive (loss) / gains for the period	(0)	8
Total comprehensive gains for the period	68	208

Earnings per share (Face value of Rs.10/- each) (In Rupee)

Basic and Diluted	678	2,000
-------------------	-----	-------

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

For and on behalf of Bharti Airtel Services Limited

Ajai Puri
 Director
 DIN : 06527868

Place : New Delhi

Badal Bagri
 Director
 DIN : 00367278

Date : November 26, 2019

Bharti Airtel Services Limited
Interim Condensed Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; unless stated otherwise)

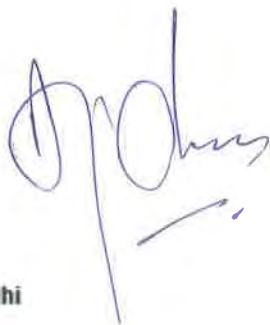
	Share capital		Other equity - Reserves and Surplus		Total equity
	No of shares (in '000')	Amount	Retained earnings	Total	
As of April 1, 2018	100	1	(313)	(313)	(312)
Profit for the period			200	200	200
Other comprehensive income			8	8	8
Total comprehensive income			208	208	208
As of March 31, 2019	100	1	(105)	(105)	(104)
Profit for the year	-	-	68	68	68
Other comprehensive loss	-	-	(0)	(0)	(0)
Total comprehensive income	-	-	68	68	68
As of June 30, 2019	100	1	(37)	(37)	(36)

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

For and on behalf of Bharti Airtel Services Limited

Ajai Puri
Director
DIN : 06527868

Place : New Delhi



Badal Bagri
Badal Bagri
Director
DIN : 00367278

Date : November 26, 2019

Bharti Airtel Services Limited
Notes to Interim Condensed Financial Statement
(All amounts are in millions of Indian Rupee 'Rs.'; unless stated otherwise)

	For three months ended June 30, 2019	For twelve months ended March 31, 2019
Cash flows from operating activities		
Profit before tax	85	318
Adjustments for:		
Depreciation	37	156
Finance costs	-	31
Finance income	(21)	(44)
Other non-cash items	93	253
Operating cash flow before changes in working capital	194	714
Changes in working capital		
Trade receivables	145	1,255
Trade payables	(35)	(100)
Inventories	(93)	(44)
Provisions	(23)	(214)
Other financial and Non financial assets	(349)	383
Other financial and Non financial liabilities	(136)	(1,570)
Net cash (used in) / generated from operations before tax	(297)	424
Income tax refund / (paid)-net	63	(181)
Net cash (used in) / generated from operating activities (a)	(234)	243
Cash flows from investing activities		
Purchase of property, plant and equipment	(47)	(555)
Net cash used in investing activities (b)	(47)	(555)
Cash flows from financing activities		
Repayments of finance lease liabilities	-	(2)
Proceeds from borrowings	1,112	6,398
Repayments of borrowings	(893)	(6,054)
Interest and other finance charges paid	-	(3)
Net cash generated from financing activities (c)	219	339
Net (decrease) / increase in cash and cash equivalents during the period (a + b +c)	(62)	27
Add : Cash and cash equivalents as at the beginning of the year	102	75
Cash and cash equivalents as at the end of the period	40	102

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

For and on behalf of Bharti Airtel Services Limited

Ajai Puri
Director
 DIN : 06527868

Place : New Delhi

Badal Bagri
Director
 DIN : 00367278

Date : November 26, 2019



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HUGHES COMMUNICATIONS INDIA LIMITED (NOW KNOWN AS HUGHES COMMUNICATIONS INDIA PRIVATE LIMITED) IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON FRIDAY, 24TH DAY OF MAY, 2019 AT 1, SHIVJI MARG, WESTEND GREENS, N.H. – 8, NEW DELHI - 110037.

1. Background

- 1.1 The proposed composite scheme of arrangement between Bharti Airtel Limited (“**Airtel**”), Bharti Airtel Services Limited, Hughes Communications India Limited (now known as Hughes Communications India Private Limited) (“**HCIPL**”) and HCIL Comtel Limited (now known as HCIL Comtel Private Limited) and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) was approved by the board of directors (“**Board**”) of Hughes Communications *vide* resolution dated May 24, 2019.
- 1.2 The Scheme provides for, *inter alia*, transfer of the VSAT Undertaking 1 (*defined under Clause 1.35 of Part A of the Scheme*) of Airtel and vesting of the same with Hughes Communications on a going concern basis by way of a slump sale in accordance with Section 2(42C) of the Income-tax Act, 1961. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.
- 1.3 The provisions of Section 232(2)(c) of the Act requires the directors of Hughes Communications to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
- 1.4 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:
- (a) The Scheme as approved by the Board *vide* resolution dated May 24, 2019; and
- (b) Report on recommendation of fair valuation dated April 29, 2019 issued by VD & Co., Chartered Accountants (“**Valuation Report**”).

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	Key Managerial Personnel (“ KMPs ”) and Directors	The KMPs and Directors of HCIPL shall continue as KMPs of HCIPL after the Effective Date.

Hughes Communications India Private Limited
(Formerly known as Hughes Communications India Limited)
 Plot No. 1, Sector 18, Electronic City, Gurgaon – 122 015, India
 Tel.: +91-124-713 2500, Fax.: +91-124-713 2840, CIN – U64202DL 1992PTC048053
 Regd. Office: 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India

www.hughes.in

S. NO.	EFFECT OF THE SCHEME ON	
2.	Shareholders (including Promoter & Non-Promoter Shareholders) (collectively, the “Shareholders”)	There shall be no change in the shareholding of the Shareholders of HCIPL pursuant to the Scheme since the transfer of VSAT Undertaking 1 of Airtel into HCIPL will take place for a lump sum cash consideration in terms of Clause 9 of Part B of the Scheme.

3. Valuation

- 3.1 As per the Scheme, the transfer and vesting of VSAT Undertaking 1 of Airtel to HCIPL will take place for a lump sum consideration in the form of cash. Hence, it is not required to compute share exchange ratio.
- 3.2 The Valuation Report recommends INR 663,210,000 (Indian Rupees Six Hundred Sixty Three Million Two Hundred Ten Thousand), to be payable by HCIPL to Airtel in the form of cash, as lump sum consideration for transfer and vesting of VSAT Undertaking 1 of Airtel into Hughes Communications.
- 3.3 No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

- 4.1 The Board has adopted this report after noting and considering the information set forth in this report.

**Certified True Copy
For and on behalf of Hughes Communications India Limited
(now known as Hughes Communications India Private Limited)**




**Pranav Roach
(Director and Authorized Signatory)**

DIN: 00017425

Hughes Communications India Private Limited
(Formerly known as Hughes Communications India Limited)
Plot No. 1, Sector 18, Electronic City, Gurgaon – 122 015, India
Tel.: +91-124-713 2500, Fax.: +91-124-713 2840, CIN – U64202DL 1992PTC048053
Regd. Office: 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India

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B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITOR'S REPORT**To the Members of Hughes Communications India Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Hughes Communications India Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2019, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts outstanding as at 31 March 2019 for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to directors in excess of the limit laid down under Section 197 of the Act was approved by the shareholders in their extra ordinary general meeting held during the year ended 31 March 2018. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants

Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner

Membership No. 094549

Place: Gurugram
Date: 1 June 2019

Annexure A to the Independent Auditor's Report on standalone financial statements of Hughes Communications India Limited for the year ended 31 March 2019

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets except for equipment given on rent, which are matched to rental income and / or confirmation received from the third party, are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, and on the basis of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to a company, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) According to the information and explanations given to us, the aforesaid loans including the interest due thereon have been repaid during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of services rendered, where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, duty of excise, goods & services tax, cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities.

As explained to us, the Company did not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Sales tax, Service tax, Duty of Customs, Value Added tax, Goods & Services Tax, duty of excise, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, duty of excise, Duty of Customs, Value Added Tax, Goods & Services Tax, which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Statement of Disputed Dues

Name of the Statute	Nature of the dues	Amount involved (Rs. million)	Amount paid under protest	Period to which the amount relates (AY)	Forum where dispute is pending
Custom, Excise and Service Tax Act	Service tax	183.79	-	2005-06 to 2010-11	Custom, Excise and Service Tax Appellate Tribunal
Custom, Excise and Service Tax Act	Service tax	13.04	-	2012-13 and 2013-14	Custom, Excise and Service Tax Appellate Tribunal
Custom, Excise and Service Tax Act	Service tax	6.31	-	2014-15	Custom, Excise and Service Tax Appellate Tribunal
	Sub - Total	203.14	-		
Income-tax Act, 1961	Income tax	7.00	-	1999-00	Delhi High Court
Income-tax Act, 1961	Income tax	2.12	2.80	2005-06	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax	2.69	8.86	2006-07	Income Tax Appellate Tribunal

Name of the Statute	Nature of the dues	Amount involved (Rs. million)	Amount paid under protest	Period to which the amount relates (AY)	Forum where dispute is pending
Income-tax Act, 1961	Income tax	16.78	23.26	2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax	31.83	49.83	2009-10	Commission of Income Tax Appeals)
Income-tax Act, 1961	Income tax	53.89	49.91	2010-11	Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	Income tax	19.39	9.20	2011-12	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax	45.36	32.05	2012-13	Commissioner of Income Tax (Appeal)
	Sub – Total	179.06	179.80		
Employee State Insurance Act, 1948	Employee State Insurance	2.92	1.02	2000-03	Civil Judge, ESIC Court
	Sub – Total	2.92	1.02		
FERA Act, 1973	FERA related	11.50	3.00	1991-92	Delhi High Court
	Sub – Total	11.50	3.00		
Department of Telecommunications	License fees #	1,043.21	63.60	2002-03 to 2014 - 15	Telecom Dispute Settlement and Appellate Tribunal
Department of Telecommunications	License fees #	5.52	-	2015 - 16	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	8.68	-	2016 - 17	Joint Controller of Communication Accounts
Department of Telecommunications	Wireless Planning and Coordination charges #	511.48	17.45	2002-03 to 2014 - 15	Telecom Dispute Settlement and Appellate Tribunal
Department of Telecommunications	Wireless Planning and	1.42	-	2015 - 16	Joint Controller of Communication Accounts

Name of the Statute	Nature of the dues	Amount involved (Rs. million)	Amount paid under protest	Period to which the amount relates (AY)	Forum where dispute is pending
	Coordination charges #				
Department of Telecommunications	License fees #	2.84	2.86	2012-13	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	0.24	0.24	2005-06 to 2009-10	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	1.12	1.12	2010-11 and 2011-12	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	0.21	-	2015-16	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	10.18	-	2013-14	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	17.29	-	2014-15	Joint Controller of Communication Accounts
Department of Telecommunications	License fees #	8.19	-	2015-16	Joint Controller of Communication Accounts
	Sub – Total	1,610.38	85.27		

Includes interest on delayed payment, penalty and interest on penalty amounting to Rs. 1,262.91 million.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken loans or borrowings from financial institutions, government or banks and there were no debentures issued during the year or outstanding as at 31 March 2019.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and the Company did not have any term loans outstanding during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid/ provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013, also refer note 37 to the standalone financial statements of the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants

Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner

Membership No. 094549

Place: Gurugram
Date: 1 June 2019

Annexure B to the Independent Auditors' Report on standalone financial statements of Hughes Communications India Limited for the year ended 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Hughes Communications India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner
Membership No. 094549

Place: Gurugram
Date: 1 June 2019

Hughes Communications India Limited
Balance sheet as at March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non-current assets				
Property, plant and equipment	3	357.55	345.75	325.48
Capital work-in-progress	3	0.04	7.82	54.65
Intangible assets	4	22.56	21.14	14.29
Financial assets				
(i) Investments	5	448.73	448.73	207.00
(ii) Loans	6(d)	9.23	9.40	8.83
(iii) Other financial assets	6(e)	12.09	-	-
Deferred tax assets	7	80.10	89.32	143.31
Non-current tax assets	8	199.48	146.34	99.07
Other non-current assets	9	388.22	424.66	470.52
Total non-current assets		1,518.00	1,493.16	1,323.15
Current assets				
Inventories	10	-	-	0.58
Financial assets				
(i) Trade receivables	6(a)	476.29	600.96	497.57
(ii) Cash and cash equivalents	6(b)	171.63	231.69	265.40
(iii) Bank balances other than (ii) above	6(c)	32.14	66.29	79.24
(iv) Loans	6(d)	201.00	4.60	2.20
(v) Other financial assets	6(e)	62.50	63.70	49.73
Other current assets	11	155.41	94.62	143.28
Total current assets		1,098.97	1,061.86	1,038.00
Total assets		2,616.97	2,555.02	2,361.15
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	155.00	155.00	155.00
Other equity	13	1,990.94	1,905.30	1,795.33
Total equity		2,145.94	2,060.30	1,950.33
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	14(a)	1.76	3.91	5.86
Provisions	15	35.05	36.60	27.00
Total non-current liabilities		36.81	40.51	32.86
Current liabilities				
Financial liabilities				
(i) Borrowings	14(b)	-	-	51.91
(ii) Trade payables	14(c)	-	-	-
Total outstanding dues of micro enterprises and small enterprises		168.10	263.32	167.17
Total outstanding dues of creditors other than micro enterprises and small enterprises		104.43	8.83	1.89
(iii) Other financial liabilities	14(d)	91.70	84.84	89.39
Provisions	16	69.99	97.22	67.60
Other current liabilities	17	-	-	-
Total current liabilities		434.22	454.21	377.96
Total liabilities		471.03	494.72	410.82
Total equity and liabilities		2,616.97	2,555.02	2,361.15

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm registration No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

For and on behalf of the Board of Directors of
Hughes Communications India Limited

Pranav Roach
Director
DIN No: 00017425

Partha Banerjee
Managing Director
DIN No: 00017485

Alok Goyal
Chief Financial Officer

Place: Gurugram
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

Hughes Communications India Limited
Statement of profit and loss for the year ended March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	18	1,630.10	1,616.16
Other income	19	57.72	113.42
Total income (I)		1,687.82	1,729.58
Expenses			
Purchases of stock-in-trade	20	3.82	1.53
Changes in inventories of stock-in-trade	21	-	0.58
Space segment charges		527.63	513.45
License fees		191.31	197.57
Employee benefits expense	22	157.55	139.96
Finance costs	23	0.58	2.46
Depreciation and amortisation expense	24	87.87	81.99
Other expenses	25	597.56	594.23
Total expenses (II)		1,566.32	1,531.77
Profit before tax (I-II=III)		121.50	197.81
Tax expense (IV)			
- Current tax	7	24.76	34.75
- Income tax adjustment for earlier years	7	1.78	(2.60)
- Deferred tax	7	9.25	54.46
Total tax expense (IV)		35.79	86.61
Profit for the year (III-IV=V)		85.71	111.20
Other comprehensive income / (expense) (VI)			
Item that will not be re-classified to profit or loss			
Remeasurement of defined benefit liability/(asset)		(0.10)	(1.70)
Income tax relating to items that will not be reclassified to profit or loss		0.03	0.47
Total other comprehensive income/ (expense) for the year (VI)		(0.07)	(1.23)
Total comprehensive income for the year (V+VI = VII)		85.64	109.97
Earnings per equity share			
1. Basic	27	5.53	7.17
2. Diluted	27	5.53	7.17

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

For and on behalf of the Board of Directors of
Hughes Communications India Limited

Pranav Roach
Director
DIN No: 00017425

Partha Banerjee
Managing Director
DIN No: 00017485

Alok Goyal
Chief Financial Officer

Place: Gurugram
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

Hughes Communications India Limited
Statement of cash flow for the year ended March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	121.50	197.81
Adjustments for:		
Depreciation and amortisation expense	87.87	81.99
Allowance for doubtful debts and advances	35.87	21.29
Bad debts/advances written off	82.11	111.63
Provision for doubtful debts written back	(82.11)	(94.25)
Net gain on disposal of property, plant and equipment	-	(22.76)
Property, plant and equipment written off (net)	0.20	0.55
Unwinding of discount on security deposits	(0.78)	(0.73)
Interest income	(18.11)	(56.18)
Liabilities no longer required written back (net)	(17.11)	(23.31)
Finance costs	0.58	2.46
Unrealised (gain) on foreign currency transactions	(1.43)	(0.25)
Operating profit before working capital changes	208.59	218.25
Adjustments for:		
Increase in provisions	5.20	3.35
(Decrease)/increase in trade payables	(76.69)	118.62
Increase in other financial liabilities	(0.35)	0.45
(Decrease)/increase in other liabilities	(27.23)	29.62
Decrease/(increase) in trade receivables	87.79	(137.74)
Decrease/(Increase) in loans	5.52	(2.14)
Decrease in inventories	-	0.58
(Increase)/decrease in other assets	(91.84)	61.32
Decrease/(increase) in other financial assets	24.66	(36.29)
Cash generated from operations	135.65	256.02
Direct taxes paid (net of refunds)	(32.39)	(21.00)
Net cash generated from operating activities (A)	103.26	235.02
B. Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and movement in capital work-in-progress and capital advances	(91.83)	(87.22)
Proceeds from sale of property, plant and equipment	0.17	41.81
Movement in bank deposits (having original maturity more than three months)	22.15	12.95
Loans given to related parties	(200.00)	-
Interest received	18.77	55.29
Net cash (used in)/generated from investing activities (B)	(250.74)	22.83
C. Cash flow from financing activities		
Repayment of long-term borrowings	(1.95)	(1.77)
Repayment of short-term borrowings	-	(51.91)
Payment for purchase of investments in subsidiary	-	(241.73)
Finance charges paid	(0.59)	(2.48)
Net cash flow (used in) financing activities (C)	(2.54)	(297.89)
Net (decrease) in cash and cash equivalents (A+B+C)	(150.02)	(40.04)
Cash and cash equivalents at the beginning of the year	225.36	265.40
Cash and cash equivalents at the end of the year	75.34	225.36

Components of cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks:		
- in current accounts	79.43	79.08
Deposits with original maturity of less than three months	87.88	145.56
Cheques on hand	4.23	6.96
Cash on hand	0.09	0.09
Cash and cash equivalents (refer note 6(b))	171.63	231.69
Less: Book overdraft (refer note 14(d))	(96.29)	(6.33)
Total	75.34	225.36

Notes:

1. The Statement of cash flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of cash flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.



Hughes Communications India Limited
 Statement of cash flow for the year ended March 31, 2019
 (Rupees in millions, except for share data and if otherwise stated)

2. Changes in liabilities arising from financing activities

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance of secured loans	5.86	7.63
Finance lease obligations	-	51.91
Cash credit and overdraft facilities from bank	-	-
Cash flows	(1.95)	(1.77)
Repayment of finance lease obligations	-	(51.91)
Repayment from cash credit and overdraft facilities from bank	-	-
Closing balance of secured loans	3.91	5.86
Finance lease obligations	-	-
Cash credit and overdraft facilities from bank	-	-

The accompanying notes form an integral part of these financial statements.
 As per our report of even date attached

For BSR & Co. LLP
 Chartered Accountants
 ICAI Firm registration No: 101248W/W-100022

Rajiv Goyal
 Partner
 Membership No. 094549

For and on behalf of the Board of Directors of
 Hughes Communications India Limited

Pranav Roach
 Director
 DIN No: 00017425

Partha Banerjee
 Managing Director
 DIN No: 00017485

Alok Goyal
 Chief Financial Officer

Place: Gurugram
 Date: June 01, 2019

Place: New Delhi
 Date: June 01, 2019

Place: New Delhi
 Date: June 01, 2019

Hughes Communications India Limited
Statement of changes in equity for the year ended March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 01, 2017	12	155.00
Changes in equity share capital during the year		-
Balance as at March 31, 2018	12	155.00
Changes in equity share capital during the year		-
Balance as at March 31, 2019	12	155.00

B. Other equity

Particulars	Note	Reserve and surplus			Total
		Treasury shares	Securities premium	Retained earnings	
Balance as at April 01, 2017	13	(21.00)	16.00	1,800.33	1,795.33
Profit for the year		-	-	111.20	111.20
Other comprehensive income/(expense) for the year		-	-	(1.23)	(1.23)
Total comprehensive income for the year		-	-	109.97	109.97
Balance as at March 31, 2018	13	(21.00)	16.00	1,910.30	1,905.30
Balance as at April 01, 2018	13	(21.00)	16.00	1,910.30	1,905.30
Profit for the year		-	-	85.71	85.71
Other comprehensive income/(expense) for the year		-	-	(0.07)	(0.07)
Total comprehensive income for the year		-	-	85.64	85.64
Balance as at March 31, 2019	13	(21.00)	16.00	1,995.94	1,990.94

Nature and purpose of reserves

Treasury shares

Treasury shares represents equity shares of the Company acquired by the Hughes Communications India Limited Employee Stock Option Scheme Trust ("Trust") from the loan granted by the Company to allocate or transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the HCIL Employees Stock Option Scheme. These treasury shares are not held for trading and are not hypothecated.

Securities premium


Securities premium account represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings represent the undistributed profits of the Company.

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

For and on behalf of the Board of Directors of
Hughes Communications India Limited


Pranav Roach
Director
DIN No: 00017425


Partha Banerjee
Managing Director
DIN No: 00017485


Alok Goyal
Chief Financial Officer

Place: Gurugram
Date: June 01, 2019

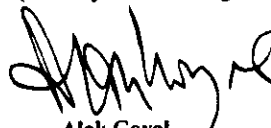
Place: New Delhi
Date: June 01, 2019

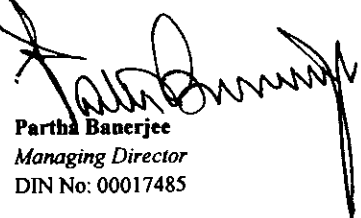
Place: New Delhi
Date: June 01, 2019

Particulars	Notes	As at June 30, 2019	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	332.57	357.55
Capital work-in-progress	3(a)	0.04	0.04
Right-of-use assets	3(b)	94.33	-
Intangible assets	4	22.08	22.56
Financial assets			
(i) Investments	5	448.73	448.73
(ii) Loans	6(d)	9.47	9.23
(iii) Other financial assets	6(e)	-	12.09
Deferred tax assets	7	88.18	80.10
Non-current tax assets	8	197.58	199.48
Other non-current assets	9	390.27	388.22
Total non-current assets		1,583.25	1,518.00
Current assets			
Inventories	10	-	-
Financial assets			
(i) Trade receivables	6(a)	451.78	476.29
(ii) Cash and cash equivalents	6(b)	203.48	171.63
(iii) Bank balances other than (ii) above	6(c)	44.14	32.14
(iv) Loans	6(d)	200.00	201.00
(v) Other financial assets	6(e)	92.26	62.50
Other current assets	11	162.49	155.41
Total current assets		1,154.15	1,098.97
Total assets		2,737.40	2,616.97
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	155.00	155.00
Other equity	13	1,978.44	1,990.94
Total equity		2,133.44	2,145.94
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	-	1.76
(ii) Lease liabilities	14(b)	68.26	-
Provisions	15	35.05	35.05
Total non-current liabilities		103.31	36.81
Current liabilities			
Financial liabilities			
(i) Borrowings	14(c)	-	-
(ii) Lease liabilities	14(b)	13.59	-
(iii) Trade payables	14(d)	-	-
Total outstanding dues of micro enterprises and small enterprises		4.46	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		256.65	168.10
(iv) Other financial liabilities	14(e)	79.84	104.43
Provisions	16	93.22	91.70
Other current liabilities	17	52.89	69.99
Total current liabilities		500.65	434.22
Total liabilities		603.96	471.03
Total equity and liabilities		2,737.40	2,616.97

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

For Hughes Communications India Private Limited
 (formerly known as Hughes Communications India Limited)


 Alok Goyal
 Chief Financial Officer


 Partha Banerjee
 Managing Director
 DIN No: 00017485

Place: New Delhi
 158 October 23, 2019

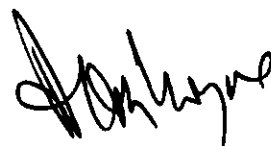
Place: New Delhi
 Date: October 23, 2019

Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited)
 Supplementary unaudited statement of profit and loss for the three month period ended June 30, 2019
 (Rupees in millions, except for share data and if otherwise stated)

Particulars	Notes	For the three month period ended June 30, 2019	For the year ended March 31, 2019
Income			
Revenue from operations	18	373.83	1,630.10
Other income	19	10.04	57.72
Total income (I)		383.87	1,687.82
Expenses			
Purchases of stock-in-trade	20	1.29	3.82
Changes in inventories of stock-in-trade	21	-	-
Space segment charges		130.47	527.63
License fees		46.86	191.31
Employee benefits expense	22	39.63	157.55
Finance costs	23	2.63	0.58
Depreciation and amortisation expense	24	26.93	87.87
Other expenses	25	133.13	597.56
Total expenses (II)		380.94	1,566.32
Profit before tax (I-II=III)		2.93	121.50
Tax expense (IV)			
- Current tax	7	3.70	24.76
- Income tax adjustment for earlier years	7	-	1.78
- Deferred tax	7	(2.57)	9.25
Total tax expense (IV)		1.13	35.79
Profit for the year (III-IV=V)		1.80	85.71
Other comprehensive income / (expense) (VI)			
Item that will not be re-classified to profit or loss			
Remeasurement of defined benefit liability/(asset)		-	(0.10)
Income tax relating to items that will not be reclassified to profit or loss		-	0.03
Total other comprehensive income/ (expense) for the year (VI)		-	(0.07)
Total comprehensive income for the year (V+VI = VII)		1.80	85.64
Earnings per equity share			
1. Basic	27	0.12	5.53
2. Diluted	27	0.12	5.53

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

For Hughes Communications India Private Limited
 (formerly known as Hughes Communications India Limited)



Alok Goyal
 Chief Financial Officer



Partha Banerjee
 Managing Director

DIN No: 00017485

Place: New Delhi
 Date: October 23, 2019

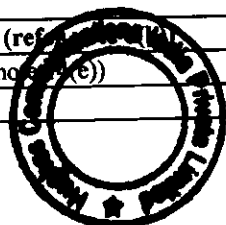
Place: New Delhi
 Date: October 23, 2019

Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited)
 Supplementary unaudited statement of cash flow for the three month period ended June 30, 2019
 (Rupees in millions, except for share data and if otherwise stated)

Particulars	For the three month period ended June 30, 2019	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	2.93	121.50
Adjustments for:		
Depreciation and amortisation expense	26.93	87.87
Allowance for doubtful debts and advances	17.45	35.87
Bad debts/advances written off	-	82.11
Provision for doubtful debts written back	-	(82.11)
Property, plant and equipment written off (net)	-	0.20
Unwinding of discount on security deposits	(0.17)	(0.78)
Interest income	(7.46)	(18.11)
Liabilities no longer required written back (net)	(1.41)	(17.11)
Finance costs	2.63	0.58
Unrealised loss/(gain) on foreign currency transactions	(1.20)	(1.43)
Operating profit before working capital changes	39.70	208.59
Adjustments for:		
Increase in provisions	1.52	5.20
Increase/(decrease) in trade payables	95.62	(76.69)
(Decrease) in other financial liabilities	-	(0.35)
(Decrease) in other liabilities	(17.10)	(27.23)
Decrease in trade receivables	7.05	87.79
Decrease in loans	0.93	5.52
(Increase) in other assets	(31.01)	(91.84)
(Increase)/decrease in other financial assets	(28.87)	24.66
Cash generated from operations	67.84	135.65
Direct taxes paid (net of refunds)	(5.89)	(32.39)
Net cash generated from operating activities (A)	61.95	103.26
B. Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and movement in capital work-in-progress and capital advances	(14.42)	(91.83)
Proceeds from sale of property, plant and equipment	-	0.17
Movement in bank deposits (having original maturity more than three months)	-	22.15
Loans given to related parties	-	(200.00)
Interest received	6.66	18.77
Net cash (used in) investing activities (B)	(7.76)	(250.74)
C. Cash flow from financing activities		
Repayment of long-term borrowings	-	(1.95)
Payment of lease liabilities	(5.47)	-
Finance charges paid	(0.26)	(0.59)
Net cash flow (used in) financing activities (C)	(5.73)	(2.54)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	48.46	(150.02)
Cash and cash equivalents at the beginning of the period/year	75.34	225.36
Cash and cash equivalents at the end of the period/year	123.80	75.34

Components of cash and cash equivalents

Particulars	As at June 30, 2019	As at March 31, 2019
Balance with banks:		
- in current accounts	64.34	79.43
Deposits with original maturity of less than three months	139.05	87.88
Cheques on hand	-	4.23
Cash on hand	0.09	0.09
Cash and cash equivalents (refer note (e))	203.48	171.63
Less: Book overdraft (refer note (e))	(79.68)	(96.29)
Total	123.80	75.34



Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited)
Supplementary unaudited statement of cash flow for the three month period ended June 30, 2019
(Rupees in millions, except for share data and if otherwise stated)

Notes:

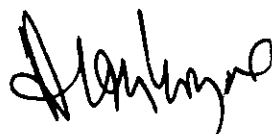
1. The Statement of cash flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of cash flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.
2. Changes in liabilities arising from financing activities

Particulars	For the three month period ended June 30, 2019	For the year ended March 31, 2019
Opening balance of secured loans		
Finance lease obligations	-	5.86
Lease liabilities (Ind AS 116 adjustment)*	84.92	-
Cash flows		
Repayment of finance lease obligations	-	(1.95)
Payment of lease liabilities (principal only)	(3.07)	
Closing balance of secured loans		
Finance lease obligations	-	3.91
Lease liabilities	81.85	-

* Lease liabilities includes opening balance of finance lease obligation due to reclassification.

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

*For Hughes Communications India Private Limited
(formerly known as Hughes Communications India Limited)*



Alok Goyal
Chief Financial Officer

Partha Banerjee
Managing Director
DIN No: 00017485

Place: New Delhi
Date: October 23, 2019

Place: New Delhi
Date: October 23, 2019

Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited)
 Supplementary unaudited statement of changes in equity for the 3 month period ended June 30, 2019
 (Rupees in millions, except for share data and if otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 01, 2018	12	155.00
Changes in equity share capital during the year		-
Balance as at March 31, 2019	12	155.00
Changes in equity share capital during the year		-
Balance as at June 30, 2019	12	155.00

B. Other equity

Particulars	Note	Reserve and surplus			
		Treasury shares	Securities premium	Retained earnings	Total
Balance as at April 01, 2018	13	(21.00)	16.00	1,910.30	1,905.30
Profit for the year		-	-	85.71	85.71
Other comprehensive income/(expense) for the year		-	-	(0.07)	(0.07)
Total comprehensive income for the year		-	-	85.64	85.64
Balance as at March 31, 2019	13	(21.00)	16.00	1,995.94	1,990.94
Balance as at April 01, 2019	13	(21.00)	16.00	1,995.94	1,990.94
Impact on account of adoption of Ind AS 116 (refer note 26)		-	-	(14.30)	(14.30)
Profit for the period		-	-	1.80	1.80
Other comprehensive income/(expense) for the period		-	-	-	-
Total comprehensive income for the period		-	-	(12.50)	(12.50)
Balance as at June 30, 2019	13	(21.00)	16.00	1,983.44	1,978.44

Nature and purpose of reserves

Treasury shares

Treasury shares represents equity shares of the Company acquired by the Hughes Communications India Limited Employee Stock Option Scheme Trust ("Trust") from the loan granted by the Company to allocate or transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the HCIL Employees Stock Option Scheme. These treasury shares are not held for trading and are not hypothecated.

Securities premium

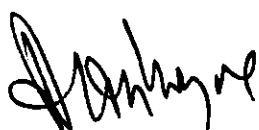
Securities premium account represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

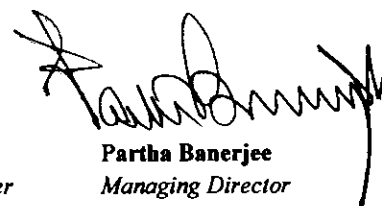
Retained earnings represent the undistributed profits of the Company.

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

For Hughes Communications India Private Limited
 (formerly known as Hughes Communications India Limited)



Alok Goyal
 Chief Financial Officer



Partha Banerjee
 Managing Director
 DIN No: 00017485

Place: New Delhi
 Date: October 23, 2019

Place: New Delhi
 Date: October 23, 2019



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HCIL COMTEL LIMITED (NOW KNOWN AS HCIL COMTEL PRIVATE LIMITED) IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON SATURDAY, 1ST DAY OF JUNE, 2019 AT 1, SHIVJI MARG, WESTEND GREENS, N.H. – 8, NEW DELHI - 110037.

1. Background

- 1.1 The proposed composite scheme of arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited (“**BASL**”), Hughes Communications India Limited (now known as Hughes Communications India Private Limited) and HCIL Comtel Limited (now known as HCIL Comtel Private Limited) (“**HCIL Comtel**”) and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) was approved by the board of directors (“**Board**”) of HCIL Comtel *vide* resolution dated June 1, 2019.
- 1.2 The Scheme provides for, *inter alia*, transfer of the VSAT Undertaking 2 (*defined under Clause 1.41 of Part A of the Scheme*) of BASL and vesting of the same with HCIL Comtel on a going concern basis by way of a slump sale in accordance with Section 2(42C) of the Income-tax Act, 1961. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.
- 1.3 The provisions of Section 232(2)(c) of the Act requires the directors of HCIL Comtel to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
- 1.4 Accordingly, this report of the Board is being made in pursuance of the requirements of Section 232(2)(c) of the Act and in this connection, the following documents were presented/ shared with the Board:
- (a) The Scheme as approved by the Board *vide* resolution dated June 1, 2019; and
- (b) Report on recommendation of fair valuation dated April 29, 2019 issued by VD & Co., Chartered Accountants (“**Valuation Report**”).

2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

S. NO.	EFFECT OF THE SCHEME ON	
1.	Key Managerial Personnel (“ KMPs ”) and Directors	The KMPs and Directors of HCIL Comtel shall continue as KMPs of HCIL Comtel after the Effective Date.
2.	Shareholders (including Promoter & Non-Promoter Shareholders) (collectively, the “ Shareholders ”)	There shall be no change in the shareholding of the Shareholders of HCIL Comtel pursuant to the Scheme since the transfer of VSAT Undertaking 2 of BASL into HCIL Comtel will take place for a

HCIL Comtel Private Limited

(Formerly known as HCIL Comtel Limited)

Plot No. 1, Sector 18, Electronic City, Gurgaon – 122 015, India
 Tel.: +91-124-713 2500, Fax.: +91-124-713 2840, CIN – U32204DL2007PTC168125
 Regd. Office: 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India

www.hughes.in

S. NO.	EFFECT OF THE SCHEME ON
	lump sum cash consideration in terms of Clause 9 of Part C of the Scheme.

3. Valuation

- 3.1 As per the Scheme, the transfer and vesting of VSAT Undertaking 2 of BASL to HCIL Comtel will take place for a lump sum consideration in the form of cash. Hence, it is not required to compute share exchange ratio.
- 3.2 The Valuation Report recommends 334,290,000 (Indian Rupees Three Hundred Thirty Four Million Two Hundred Ninety Thousand), to be payable by HCIL Comtel to BASL in the form of cash, as lump sum consideration for transfer and vesting of VSAT Undertaking 2 of BASL into HCIL Comtel.
- 3.3 No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

- 4.1 The Board has adopted this report after noting and considering the information set forth in this report.

Certified True Copy
For and on behalf of HCIL Comtel Limited
(now known as HCIL Comtel Private Limited)



Pranav Roach
(Director and Authorized Signatory)

DIN: 00017425

HCIL Comtel Private Limited
(Formerly known as HCIL Comtel Limited)
Plot No. 1, Sector 18, Electronic City, Gurgaon – 122 015, India
Tel.: +91-124-713 2500, Fax.: +91-124-713 2840, CIN – U32204DL2007PTC168125
Regd. Office: 01, Shivji Marg, Westend Greens, N.H.-8, New Delhi-110 037, India

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B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITOR'S REPORT**To the Members of HCIL Comtel Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of HCIL Comtel Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2019, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 29 (a) to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 15 (c) and 35 to the standalone financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no managerial remuneration has been provided or paid during the year ended 31 March 2019. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner

Membership No. 094549

Place: Gurugram
Date: 1 June 2019

Annexure A to the Independent Auditor's Report on standalone financial statements of HCIL Comtel Limited for the year ended 31 March 2019

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets except for equipment given on rent, which are matched to rental income and/ or confirmation received from the third party, are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) According to the information and explanations given to us, inventories except for goods-in-transit have been physically verified by management during the year. In our opinion, the frequency of such verification is reasonable. The procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or made any investments, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the products sold or services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, Goods and Service Tax (GST), duty of customs, duty of excise, cess and other statutory dues to the extent applicable have generally been regularly deposited during the current year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, GST, duty of excise, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues to the extent applicable were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, duty of excise, Value Added Tax, Goods & Services Tax, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to financial institutions. Further, no loans or borrowings were taken from government or banks and there were no debentures issued during the year or outstanding as at 31 March 2019.
- (ix) According to the information and explanations given to us, the term loan taken by the Company have been applied for the purposes for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, no managerial remuneration has been provided or paid during the year ended 31 March 2019. Accordingly paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Rajiv Goyal

Partner

Membership No. 094549

Place: Gurugram
Date: 1 June 2019

Annexure B to the Independent Auditors' Report on standalone financial statements of HCIL Comtel Limited for the year ended 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HCIL Comtel Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants

Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner

Membership No. 094549

Place: Gurugram
Date: 1 June 2019

HCIL Comtel Limited
Balance sheet as at March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non-current assets				
Property, plant and equipment	3	845.93	336.35	231.65
Capital work-in-progress	3	35.44	12.65	67.22
Intangible assets	4	0.16	0.04	0.22
Financial assets				
(i) Trade receivables	5(a)	-	-	-
(ii) Loans	5(d)	5.83	12.47	11.07
(iii) Other financial assets	5(e)	0.05	0.05	0.03
Deferred tax assets	6	43.73	32.52	31.83
Non-current tax assets	7(a)	9.00	4.75	-
Other non-current assets	8	7.21	13.00	33.24
Total non-current assets		947.35	411.83	375.26
Current assets				
Inventories	9	328.71	230.65	119.17
Financial assets				
(i) Trade receivables	5(a)	1,375.17	819.31	429.40
(ii) Cash and cash equivalents	5(b)	128.89	98.61	113.54
(iii) Bank balances other than (ii) above	5(c)	0.11	0.10	-
(iv) Loans	5(d)	1.10	0.65	1.30
(v) Other financial assets	5(e)	120.73	106.33	173.64
Other current assets	10	110.77	54.84	52.80
Total current assets		2,065.48	1,310.49	889.85
Total assets		3,012.83	1,722.32	1,265.11
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	20.00	20.00	13.60
Other equity	12	936.21	813.84	467.23
Total equity		956.21	833.84	480.83
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13	312.85	77.83	107.18
Provisions	14	19.22	12.22	8.08
Total non-current liabilities		332.07	90.05	115.26
Current liabilities				
Financial liabilities				
(i) Borrowings	15(a)	249.50	49.50	49.50
(ii) Trade payables	15(b)			
Total outstanding dues of micro enterprises and small enterprises		0.24	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,300.14	623.09	477.71
(iii) Derivatives	15(c)	12.03	2.13	9.84
(iv) Other financial liabilities	15(d)	85.99	49.62	74.77
Provisions	14	1.79	1.77	1.45
Current tax liabilities	7(b)	-	-	0.86
Other current liabilities	16	74.86	72.32	54.89
Total current liabilities		1,724.55	798.43	669.02
Total liabilities		2,056.62	888.48	784.28
Total equity and liabilities		3,012.83	1,722.32	1,265.11

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm registration No. 012487/W-100022

Rajiv Goyal
Partner
Membership No. 094549

For and on behalf of the Board of Directors of
HCIL Comtel Limited

Alok Goyal
Director
DIN No. 01271796

Partha Banerjee
Director
DIN No. 00017485

Reena Sinha
Authorised Signatory

Place: Gurugram
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

HCIL Comtel Limited
Statement of profit and loss for the year ended March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	17	2,082.07	1,546.03
Other income	18	11.76	23.31
Total income (I)		2,093.83	1,569.34
Expenses			
Purchases of stock-in-trade	19	1,024.69	882.64
Changes in inventories of stock-in-trade	20	(98.06)	(176.40)
Employee benefits expense	21	163.74	136.90
Finance costs	22	35.86	26.47
Depreciation and amortisation expense	23	140.83	94.57
Other expenses	24	650.99	427.23
Total expenses (II)		1,918.05	1,391.41
Profit before tax (I-II=III)		175.78	177.93
Tax expense (IV)			
- Current tax	6	62.20	68.80
- Income tax adjustment for earlier years	6	1.32	(2.29)
- Deferred tax	6	(10.91)	(0.49)
Total tax expense (IV)		52.61	66.02
Profit for the year (III-IV=V)		123.17	111.91
Other comprehensive income / (expense) (VI)			
Item that will not be re-classified to profit or loss			
Remeasurement of defined benefit (asset)/liability		(1.12)	(0.69)
Income tax relating to items that will not be reclassified to profit or loss		0.32	0.20
Total other comprehensive income/ (expense) for the year (VI)		(0.80)	(0.49)
Total comprehensive income for the year (V+VI = VII)		122.37	111.42
Earnings per equity share			
1. Basic	26	61.59	75.61
2. Diluted	26	61.59	75.61

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

For and on behalf of the Board of Directors of
HCIL Comtel Limited

Alok Goyal
Director
DIN No: 01271796

Partha Banerjee
Director
DIN No: 00017485

Reena Sinha
Authorised Signatory

Place: Gurugram
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

Place: New Delhi
Date: June 01, 2019

HCIL Comtel Limited
Statement of cash flow for the year ended March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	175.78	177.93
Adjustments for:		
Depreciation and amortisation expense	140.83	94.57
Allowance for doubtful debts and advances	57.73	19.14
Bad debts/advances written off	41.73	33.31
Provision for doubtful debts written back	(39.47)	(29.57)
Property, plant and equipment written off (net)	2.56	4.23
Unwinding of discount on security deposits	(0.79)	(1.18)
Interest income	(1.41)	(3.12)
Liabilities no longer required written back (net)	(9.15)	(2.23)
Fair value (loss)/ gain on derivatives not designated as hedges	9.90	(7.71)
Finance costs	35.86	26.47
Unrealised (gain) / loss on foreign currency transactions	(16.65)	7.06
Operating profit before working capital changes	396.92	318.90
Adjustments for:		
Increase in provisions	5.90	3.77
Increase in trade payables	702.75	141.78
(Decrease)/increase in other financial liabilities	1.01	1.10
Increase in other liabilities	2.54	17.43
(Increase) in trade receivables	(615.51)	(414.02)
Decrease in loans	7.74	1.41
(Increase) in inventories	(98.06)	(176.40)
(Increase)/ decrease in other assets	(51.13)	17.47
(Increase)/ decrease in other financial assets	(14.42)	67.35
Cash generated from operations	337.74	(21.21)
Direct taxes paid (net of refunds)	(67.77)	(72.12)
Net cash generated from operating activities (A)	269.97	(93.33)
B. Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and movement in capital work-in-progress and capital advances	(675.63)	(85.45)
Proceeds from sale of property, plant and equipment	-	1.37
Movement in bank deposits (having original maturity more than three months)	(0.01)	(0.12)
Interest received	1.43	3.08
Net cash flow (used in) investing activities (B)	(674.21)	(81.12)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	241.59
Proceeds from long-term borrowings	300.00	-
Repayment of long-term borrowings	(36.69)	(38.43)
Proceeds from short-term borrowings	200.00	-
Finance charges paid	(36.29)	(26.90)
Net cash generated from financing activities (C)	427.02	176.26
Net increase in cash and cash equivalents (A+B+C)	22.78	1.81
Cash and cash equivalents at the beginning of the year	88.63	86.82
Cash and cash equivalents at the end of the year	111.41	88.63

Components of cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks:		
- in current accounts	87.88	88.25
Deposits with original maturity of less than three months	35.19	9.94
Cheques on hand	5.76	0.41
Cash on hand	0.06	0.01
Cash and cash equivalents (refer note 5(b))	128.89	98.61
Less: Book overdraft (refer note 15(d))	(17.48)	(9.98)
Total	111.41	88.63

Notes:

- The Statement of cash flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of cash flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.
- Changes in liabilities arising from financing activities



HCIL Comtel Limited
 Statement of cash flow for the year ended March 31, 2019
 (Rupees in millions, except for share data and if otherwise stated)

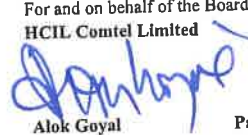
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance of loans	114.52	152.95
Finance lease obligations (secured)	-	-
Long-term loan from related parties (refer note 34)	49.50	49.50
Short-term loan from related parties (refer note 34)		
Cash flows	(36.69)	(38.43)
Repayment of finance lease obligations	300.00	-
Proceeds from long-term loan from related parties	200.00	-
Proceeds from short-term loan from related parties		
Closing balance of loans	77.83	114.52
Finance lease obligations (secured)	300.00	-
Long-term loan from related parties (refer note 34)	249.50	49.50
Short-term loan from related parties (refer note 34)		

The accompanying notes form an integral part of these financial statements.
 As per our report of even date attached

For B S R & Co. LLP
 Chartered Accountants
 CAI Firm registration No. 101248 W/W-100022

 Rajiv Goyal
 Partner
 Membership No. 094549

For and on behalf of the Board of Directors of
 HCIL Comtel Limited


 Alok Goyal
 Director
 DIN No: 01271796


 Partha Banerjee
 Director
 DIN No: 00017485


 Reena Sinha
 Authorised Signatory

Place: Gurugram
 Date: June 01, 2019

Place: New Delhi
 Date: June 01, 2019

Place: New Delhi
 Date: June 01, 2019

HCIL Comtel Limited
Statement of changes in equity for the year ended March 31, 2019
(Rupees in millions, except for share data and if otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 01, 2017	11	13.60
Changes in equity share capital during the year		6.40
Balance as at March 31, 2018	11	20.00
Changes in equity share capital during the year		-
Balance as at March 31, 2019	11	20.00

B. Other equity

Particulars	Note	Reserve and surplus		Total
		Securities premium	Retained earnings	
Balance as at April 01, 2017	12	191.90	275.33	467.23
Profit for the year		-	111.91	111.91
Other comprehensive income/(expense) for the year		-	(0.49)	(0.49)
Total comprehensive income for the year		-	111.42	111.42
Transaction with owners recorded directly in equity				
Contribution by and distributions to owners				
Issue of equity shares		235.34	-	235.34
Less: Transaction cost arising on share issues		(0.15)	-	(0.15)
Total transaction with owners		235.19	-	235.19
Balance as at March 31, 2018	12	427.09	386.75	813.84
Balance as at April 01, 2018	12	427.09	386.75	813.84
Profit for the year		-	123.17	123.17
Other comprehensive income/(expense) for the year		-	(0.80)	(0.80)
Total comprehensive income for the year		-	122.37	122.37
Balance as at March 31, 2019	12	427.09	509.12	936.21

Nature and purpose of reserves

Securities premium

Securities premium represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earning

Retained earnings represent the undistributed profits of the Company.

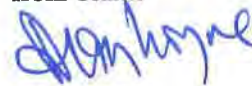
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For BSR & Co, LLP
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

For and on behalf of the Board of Directors of
HCIL Comtel Limited



Alok Goyal
Director
DIN No: 01271796


Reena Sinha
Authorised Signatory



Partha Banerjee
Director
DIN No: 00017485

Place: Gurugram
Date: June 01, 2019

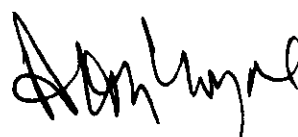
Place: New Delhi
Date: June 01, 2019

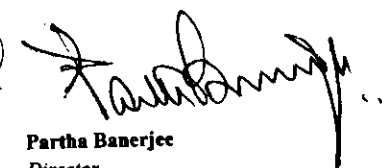
Place: New Delhi
Date: June 01, 2019

Particulars	Notes	As at June 30, 2019	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	826.06	845.93
Capital work-in-progress	3(a)	27.27	35.44
Right-of-use assets	3(b)	88.57	-
Intangible assets	4	0.17	0.16
Financial assets			
(i) Loans	5(d)	6.08	5.83
(ii) Other financial assets	5(e)	0.05	0.05
Deferred tax assets	6	51.95	43.73
Non-current tax assets	7(a)	5.34	9.00
Other non-current assets	8	7.92	7.21
Total non-current assets		1,013.41	947.35
Current assets			
Inventories	9	202.40	328.71
Financial assets			
(i) Trade receivables	5(a)	1,071.84	1,375.17
(ii) Cash and cash equivalents	5(b)	276.16	128.89
(iii) Bank balances other than (ii) above	5(c)	0.11	0.11
(iv) Loans	5(d)	1.45	1.10
(v) Other financial assets	5(e)	153.33	120.73
Other current assets	10	137.60	110.77
Total current assets		1,842.89	2,065.48
Total assets		2,856.30	3,012.83
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	20.00	20.00
Other equity	12	960.20	936.21
Total equity		980.20	956.21
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	245.00	312.85
(ii) Lease liabilities	13(b)	56.69	-
Provisions	14	19.22	19.22
Total non-current liabilities		320.91	332.07
Current liabilities			
Financial liabilities			
(i) Borrowings	15(a)	249.50	249.50
(ii) Lease liabilities	13(b)	34.72	-
(iii) Trade payables	15(b)	-	-
Total outstanding dues of micro enterprises and small enterprises		31.68	0.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		939.79	1,300.14
(iv) Derivatives	15(c)	13.55	12.03
(v) Other financial liabilities	15(d)	186.00	85.99
Provisions	14	2.80	1.79
Current tax liabilities	7(b)	-	-
Other current liabilities	16	97.15	74.86
Total current liabilities		1,555.19	1,724.55
Total liabilities		1,876.10	2,056.62
Total equity and liabilities		2,856.30	3,012.83

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

For HCIL Comtel Private Limited
 (formerly known as HCIL Comtel Limited)


 Alok Goyal
 Director
 DIN No: 01271796


 Partha Banerjee
 Director
 DIN No: 00017485

Place: New Delhi
 Date: October 25, 2019

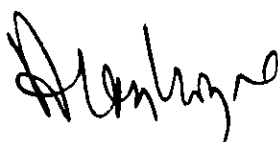
Place: New Delhi
 Date: October 25, 2019

HCIL Comtel Private Limited (formerly known as HCIL Comtel Limited)
 Supplementary unaudited statement of profit and loss for the three months period ended June 30, 2019
 (Rupees in millions, except for share data and if otherwise stated)

Particulars	Notes	For the three months period ended June 30, 2019	For the year ended March 31, 2019
Income			
Revenue from operations	17	519.81	2,082.07
Other income	18	(1.10)	11.76
Total income (I)		518.71	2,093.83
Expenses			
Purchases of stock-in-trade	19	59.78	1,024.69
Changes in inventories of stock-in-trade	20	126.31	(98.06)
Employee benefits expense	21	44.38	163.74
Finance costs	22	21.09	35.86
Depreciation and amortisation expense	23	47.61	140.83
Other expenses	24	183.01	650.99
Total expenses (II)		482.18	1,918.05
Profit before tax (I-II=III)		36.53	175.78
Tax expense (IV)			
- Current tax	6	18.24	62.20
- Income tax adjustment for earlier years	6	-	1.32
- Deferred tax	6	(7.49)	(10.91)
Total tax expense (IV)		10.75	52.61
Profit for the period/year (III-IV=V)		25.78	123.17
Other comprehensive income / (expense) (VI)			
Item that will not be re-classified to profit or loss		-	(1.12)
Remeasurement of defined benefit (asset)/liability		-	0.32
Income tax relating to items that will not be reclassified to profit or loss		-	(0.80)
Total other comprehensive income/ (expense) for the period/year (VI)			
Total comprehensive income for the period/year (V+VI = VII)		25.78	122.37
Earnings per equity share			
1. Basic	26	12.89	83.22
2. Diluted	26	12.89	83.22

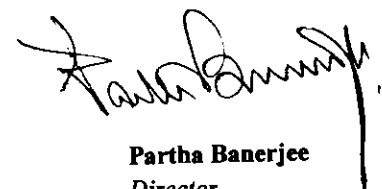
The accompanying notes form an integral part of these financial statements.

For HCIL Comtel Private Limited
 (formerly known as HCIL Comtel Limited)



Alok Goyal
 Director
 DIN No: 01271796

Place: New Delhi
 Date: October 25, 2019



Partha Banerjee
 Director
 DIN No: 00017485

Place: New Delhi
 Date: October 25, 2019

HCIL Comtel Private Limited (formerly known as HCIL Comtel Limited)
 Supplementary unaudited statement of cash flow for the three months period ended June 30, 2019
 (Rupees in millions, except for share data and if otherwise stated)

Particulars	For the three months period ended June 30, 2019	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	36.53	175.78
Adjustments for:		
Depreciation and amortisation expense	47.61	140.83
Allowance for doubtful debts and advances	21.90	57.73
Bad debts/advances written off	0.01	41.73
Provision for doubtful debts written back	-	(39.47)
Property, plant and equipment written off (net)	-	2.56
Unwinding of discount on security deposits	(0.16)	(0.79)
Interest income	(0.16)	(1.41)
Liabilities no longer required written back (net)	-	(9.15)
Fair value (loss)/ gain on derivatives not designated as hedges	1.52	9.90
Finance costs	21.09	35.86
Unrealised (gain) / loss on foreign currency transactions	(23.36)	(16.65)
Operating profit before working capital changes	104.98	396.92
Adjustments for:		
Increase in provisions	1.01	5.90
Increase in trade payables	(305.11)	702.75
(Decrease)/increase in other financial liabilities	0.08	1.01
Increase in other liabilities	22.29	2.54
(Increase) in trade receivables	280.49	(615.51)
Decrease in loans	0.06	7.74
(Increase) in inventories	126.31	(98.06)
(Increase)/ decrease in other assets	(28.42)	(51.13)
(Increase)/ decrease in other financial assets	(32.60)	(14.42)
Cash generated from operations	169.09	337.74
Direct taxes paid (net of refunds)	(14.58)	(67.77)
Net cash generated from operating activities (A)	154.51	269.97
B. Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and movement in capital work-in-progress and capital advances	(85.70)	(675.63)
Proceeds from sale of property, plant and equipment	-	-
Movement in bank deposits (having original maturity more than three months)	-	(0.01)
Interest received	0.16	1.43
Net cash flow (used in) investing activities (B)	(85.54)	(674.21)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	300.00
Proceeds from long-term borrowings	-	(36.69)
Repayment of long-term borrowings	-	200.00
Proceeds from short-term borrowings	-	-
Payment of lease liabilities	(14.41)	(36.29)
Finance charges paid	(17.32)	-
Net cash generated from financing activities (C)	(31.73)	427.02
Net increase in cash and cash equivalents (A+B+C)	37.24	22.78
Cash and cash equivalents at the beginning of the period/year	111.41	88.63
Cash and cash equivalents at the end of the period/year	148.65	111.41



HCIL Comtel Private Limited (formerly known as HCIL Comtel Limited)
 Supplementary unaudited statement of cash flow for the three months period ended June 30, 2019
 (Rupees in millions, except for share data and if otherwise stated)

Components of cash and cash equivalents

Particulars	As at June 30, 2019	As at March 31, 2019
Balance with banks:		
- in current accounts	94.27	87.88
Deposits with original maturity of less than three months	181.80	35.19
Cheques on hand	-	5.76
Cash on hand	0.09	0.06
Cash and cash equivalents (refer note 5(b))	276.16	128.89
Less: Book overdraft (refer note 15(d))	(127.51)	(17.48)
Total	148.65	111.41

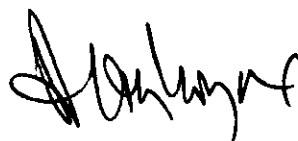
- Notes:
- The Statement of cash flows has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of cash flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.
 - Changes in liabilities arising from financing activities

Particulars	For the three months period ended June 30, 2019	For the year ended March 31, 2019
Opening balance of loans		
Finance lease obligations (secured)	-	114.52
Lease liabilities (Ind AS 116 adjustment)*	101.91	-
Long-term loan from related parties (refer note 34)	300.00	-
Short-term loan from related parties (refer note 34)	249.50	49.50
Cash flows		
Repayment of finance lease obligations	-	(36.69)
Payment of lease liabilities (principal only)	(10.50)	-
Proceeds from long-term loan from related parties	-	300.00
Proceeds from short-term loan from related parties	-	200.00
Closing balance of loans		
Finance lease obligations (secured)	-	77.83
Lease liabilities	91.41	-
Long-term loan from related parties (refer note 34)	300.00	300.00
Short-term loan from related parties (refer note 34)	249.50	249.50

* Lease liabilities includes opening balance of finance lease obligation due to reclassification.

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

For HCIL Comtel Private Limited
 (formerly known as HCIL Comtel Limited)



Alok Goyal
 Director
 DIN No: 01271796



Partha Banerjee
 Director
 DIN No: 00017485

Place: New Delhi
 Date: October 25, 2019

Place: New Delhi
 Date: October 25, 2019

A. Equity share capital

Particulars	Note	Amount
Balance as at April 1, 2018	11	20.00
Changes in equity share capital during the year		-
Balance as at March 31, 2019	11	20.00
Changes in equity share capital during the year		-
Balance as at June 30, 2019	11	20.00

B. Other equity

Particulars	Note	Reserve and surplus		Total
		Securities premium	Retained earnings	
Balance as at April 01, 2018	12	427.09	386.75	813.84
Profit for the year		-	123.17	123.17
Other comprehensive income/(expense) for the year		-	(0.80)	(0.80)
Total comprehensive income for the year		-	122.37	122.37
Balance as at March 31, 2019	12	427.09	509.12	936.21
Balance as at April 01, 2019	12	427.09	509.12	936.21
Impact on account of adoption of Ind AS 116 (refer note 25)		-	(1.79)	(1.79)
Profit for the period		-	25.78	25.78
Other comprehensive income/(expense) for the period		-	-	-
Total comprehensive income for the period		-	23.99	23.99
Balance as at June 30, 2019	12	427.09	533.11	960.20

Nature and purpose of reserves

Securities premium

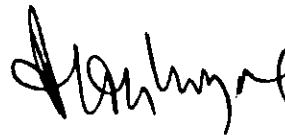
Securities premium represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earning

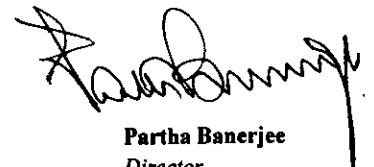
Retained earnings represent the undistributed profits of the Company.

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

For HCIL Comtel Private Limited
 (formerly known as HCIL Comtel Limited)



Alok Goyal
 Director
 DIN No: 01271796



Partha Banerjee
 Director
 DIN No: 00017485

Place: New Delhi
 Date: October 25, 2019

Place: New Delhi
 Date: October 25, 2019



Pre and post Shareholding pattern of Bharti Airtel Limited

(a) Equity Shareholding pattern:

S. No.	Particulars	Pre-Scheme (As on June 12, 2020)		Post-Scheme (No change)	
		Total no. of Equity Shares	Total Shareholding as % of total no of equity shares	Total no. of Equity Shares	Total Shareholding as % of total no of equity shares
(A)	Promoter				
1	Indian				
	Bodies Corporate	1966236438	36.04	1966236438	36.04
	Sub-Total (A)(1)	1966236438	36.04	1966236438	36.04
2	Foreign				
	Bodies Corporate	1101344767	20.19	1101344767	20.19
	Sub-Total (A)(2)	1101344767	20.19	1101344767	20.19
	Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	3067581205	56.23	3067581205	56.23
(B)	Public Shareholding				
1	Institution				
	Mutual Funds	690567849	12.66	690567849	12.66
	Banks / Financial Institution	1444252	0.03	1444252	0.03
	Insurance Companies	282910289	5.19	282910289	5.19
	FII(including Foreign Portfolio Investor)	1112079400	20.38	1112079400	20.38
	Others	66054263	1.21	66054263	1.21
	Sub-Total (B)(1)	2153056053	39.47	2153056053	39.47
2	Non-Institution				
	Indian Bodies Corporate				
	Individuals				
	(i)Individual holding Nominal share capital upto Rs. 1 Lakh	47532813	0.87	47532813	0.87
	(ii)Individual holding Nominal share capital in excess of Rs. 1 Lakh	14964039	0.27	14964039	0.27
	Clearing Members	8836074	0.16	8836074	0.16
	Foreign Companies	114470656	2.10	114470656	2.10
	NBFC	4048	0.00	4048	0.00
	Non-resident Indians	2760901	0.05	2760901	0.05
	Non-resident Indians (Non-Repatriable)	1372362	0.03	1372362	0.03
	Trust(ESOP)	26588107	0.49	26588107	0.49
	Investor Education and Protection Fund	120039	0.00	120039	0.00
	Bodies Corporates	16084264	1.70	16084264	1.70
	Sub-Total (B)(2)	232733303	5.67	232733303	5.67
	Total Public Shareholding (B)= (B)(1)+(B)(2)	2385789356	45.14	2385789356	45.14
(C)	Shares held by custodians for GDR's and ADR's	0.00	0.00	0.00	0.00
	Grand Total (A+B+C)	5455557355	100	5455557355	100

(b) Preference Shareholding pattern (Redeemable Preference shares):

S. No.	Particulars	Pre-Scheme (As on June 12, 2020)		Post-Scheme (No change)	
		Total no. of Preference Shares	Total Shareholding as % of total no of Preference shares	Total no. of Preference Shares	Total Shareholding as % of total no of Preference shares
(A)	Promoter Shareholding				
1.	Indian	0	0.00	0	0.00
2.	Foreign	0	0.00	0	0.00
	Total Promoter Shareholding (A)= (A)(1)+(A)(2)	0	0.00	0	0.00
(B)	Public Shareholding				
1	Institution				
	Banks / Financial Institution	4	0.81	4	0.81
	Sub-Total (B)(1)	4	0.81	4	0.81
2	Non-Institution				
	Trust	10	2.01	10	2.01
	Indian Bodies Corporate	483	97.18	483	97.18
	Sub-Total (B)(2)	493	99.19	493	99.19
	Total Public Shareholding (B)= (B)(1)+(B)(2)	497	100	497	100
	Grand Total (A+B)	497	100	497	100

Note: Above Redeemable Preference Shares were issued pursuant to the (i) Scheme of Arrangement between Tata Teleservices (Maharashtra) Limited and Bharti Airtel Limited; and (ii) Composite Scheme of Arrangement between Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited.

For Bharti Airtel Limited



Rohit Krishan Puri
Dy. Company Secretary & Compliance Officer



This is an Abridged Prospectus containing salient features of business of Bharti Airtel Services Limited (“Transferor Company 2” or “BASL”) and Composite Scheme of Arrangement involving the Bharti Airtel Limited (“Transferor Company 1” or “BAL”), Transferor Company 2, Hughes Communications India Private Limited (“Transferee Company 1” or “Hughes”) and HCIL Comtel Private Limited (“Transferee Company 2” or “HCIL”). You may download the Composite Scheme of Arrangement from the website of Bharti Airtel Limited (www.airtel.in) and the Stock Exchanges where the equity shares of Bharti Airtel Limited are listed (“Stock Exchanges”), i.e. www.nseindia.com and www.bseindia.com.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS

Bharti Airtel Services Limited

(Bharti Airtel Services Limited was incorporated on December 05, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana. The Corporate Identification Number of the Company is U64201DL1997PLC091001)

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India
Tel.: +91 11 4666 6100; E-mail: bhartiairtelservices@bharti.in
Contact Person: Mr. Pankaj Tewari, Director

Promoter of Bharti Airtel Services Limited: Bharti Airtel Limited

Please ensure that you also read the Composite Scheme of Arrangement which has been approved by the Board of Directors of BASL vide resolution dated May 06, 2019. The shareholders are advised to retain a copy of the Abridged Prospectus for their future reference.

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF BAL ONLY

ABRIDGED PROSPECTUS

In the nature of an Abridged Prospectus containing salient features of the Composite Scheme of Arrangement involving the Bharti Airtel Limited (“Transferor Company 1” or “BAL”), Bharti Airtel Services Limited (“Transferor Company 2” or “BASL”), Hughes Communications India Private Limited (“Transferee Company 1” or “Hughes”) and HCIL Comtel Private Limited (“Transferee Company 2” or “HCIL”) and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (hereinafter referred to as the “Scheme”). This Abridged Prospectus discloses applicable information of the unlisted entity i.e. Bharti Airtel Services Limited, in compliance with SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended (the “SEBI Circular”) relating to the Scheme.

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular, and sets out the disclosures in an abridged prospectus format as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR regulations, 2018”), to the extent applicable. The equity shares of Transferor Company 1 are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) (NSE and BSE are collectively referred to as the “Stock Exchanges”). The Scheme involves, transfer of VSAT Undertaking 1 of the Transferor Company 1 and vesting of the same with Transferee Company 1 and transfer of VSAT Undertaking 2 of Transferor Company 2 and vesting of the same with Transferee Company 2. The requirements with respect to General Information Document are not applicable and this Abridged Prospectus should be read accordingly.

BASL’S ABSOLUTE RESPONSIBILITY

Transferor Company 1, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to Transferor Company 1 and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Abridged Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

MERCHANT BANKER

Sundae Capital Advisors Private Limited

3rd Floor, C - 11, Community Centre
Janak Puri, New Delhi - 110 058
Tel: +91 11 4914 9740
Investor Grievance E-mail: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com
SEBI Regn. No.: INM000012494

GENERAL INFORMATION

Bharti Airtel Services Limited was incorporated on December 05, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana. The Corporate Identification Number of the Company is U64201DL1997PLC091001.

Registered Office of the Company

Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India.

Registrar & Share Transfer Agent

Kfintech Technologies Private Limited,
Tower-B, Plot No 31 & 32, Selenium Building Financial District,
Nanakramguda Gachibowli,
Hyderabad - 500 032

Statutory Auditor

Deloitte Haskins & Sells LLP
Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

SCHEME DETAILS AND PROCEDURE

Pursuant to the Composite Scheme of Arrangement involving the Bharti Airtel Limited (“Transferor Company 1” or “BAL”), Bharti Airtel Services Limited (“Transferor Company 2” or “BASL”), Hughes Communications India Private Limited (“Transferee Company 1” or “Hughes”) and HCIL Comtel Private Limited (“Transferee Company 2” or “HCIL”) and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (“Scheme”), (a) transfer of VSAT Undertaking 1 of the Transferor Company 1 and vesting the same with Transferee Company 1; and (b) transfer of VSAT Undertaking 2 from Transferor Company 2 and vesting the same with Transferee Company 2, both on going concern basis by way of Slump Sale. For the purposes of obtaining approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated stock exchange is the BSE Limited.

PROMOTERS OF BASL

The Promoter of BASL is Bharti Airtel Limited (“BAL”) and holds 100% of the total issued and paid-up share capital of BASL. BAL was incorporated under the provisions of Companies Act, 1956 on July 07, 1995 as “Bharti Televentures Limited” with the Registrar of Companies, NCT of Delhi and Haryana. The name of the Company was later changed to “Bharti Airtel Limited” and the fresh Certificate of Incorporation was issued on April 24, 2006. The Corporate Identification Number of the Company is L74899DL1995PLC070609. The registered office of BAL is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070. The equity shares of BAL are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 423 million customers across its operations at the end of March 2020

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Overview

Bharti Airtel Services Limited (“BASL”) was incorporated on December 05, 1997. BASL is primarily engaged in the business of supplying hardware and related services for telecommunication networks and rendering of manpower services, including very small aperture terminal (VSAT) related telecommunication services in India.

Pursuant to Scheme of Arrangement, BASL will demerge the VSAT Undertaking 2 into Transferee Company 2 w.e.f. the appointed date on going concern basis. The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following key benefits:

- expanding the businesses of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies; -
- consolidation of the VSAT businesses of the Transferor Companies with those of the Transferee Companies;
- availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;
- the combination of the VSAT Undertakings with the Transferee Companies is a strategic fit for serving existing markets and for catering to additional volume linked to new consumers;
- enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the VSAT Undertakings and the Transferee Companies thereby significantly contributing to future growth and maximizing shareholder value of the Companies; and
- increase in customer base and also acquisition of new customers by the Transferee Companies.

BOARD OF DIRECTORS OF THE TRANSFEROR COMPANY 1

Sr. No.	Name, DIN and Address	Designation	Experience
1.	Mr. Ajai Puri DIN :06527868 Address: House No.-105 A, Beverly Park 1, DLF Phase 2, M.G. Road, Near D T Mall, Chakarpur (74), Farrukhna, Gurugram - 122 002	Director	Ajai Puri is a post graduate in commerce and has overall 40 years of experience in Marketing Operations.
2.	Mr. Badal Bagri DIN : 00367278 Address: 148 Birch Court, Nirvana Country, Sector 50, Gurugram - 122 003	Director	A Commerce Graduate from Calcutta University and a Chartered Accountant, Badal has around 25 years of experience across Telecom, FMCG, Services and Manufacturing.
3.	Mr. Pankaj Tewari DIN: 08006533 Address: House No-P2A-106, Princeton Estate, Near Golf Course Road, DLF Phase-5, Sikanderpur, Gurugram - 122 002	Director	Pankaj Tewari is a member of Institute of Company Secretaries of India and a graduate in law with around 18 years of professional experience. He has worked extensively in corporate governance and compliance space.
4	Ms. Neha Sharma DIN : 02647445 Address: 5/13 Roshan Singh Bhandari Marg, Near Central Bank of India, Regional Office, 1 Sanskriti Park, Indore, Madhya Pradesh - 452 003	Director	Neha has completed MA in Industrial Relations and Personnel Management and has over 13 years of experience in HR.

OBJECTS OF THE ISSUE

The Transferor Company 2 of the Scheme does not propose to raise any capital and the equity shares of the Transferor Company 2 are unlisted. The demerger of VSAT undertaking 2 from Transferor Company 2 into Transferee Company 2 is on the going concern basis by way of slump sale.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable

CAPITAL STRUCTURE OF BASL

PRE SCHEME	
Authorised Share Capital	₹ 10,000,000 comprising of 1,000,000 equity shares of face value ₹ 10 each
Issued, Subscribed and Paid up Capital	₹ 1,000,000 comprising of 100,000 equity shares of face value ₹ 10 each
POST SCHEME	
Authorised Share Capital	₹ 10,000,000 comprising of 1,000,000 equity shares of face value ₹ 10 each
Issued, Subscribed and Paid up Capital	₹ 1,000,000 comprising of 100,000 equity shares of face value ₹ 10 each

Based on the above, the pre and post Scheme shareholding pattern of BASL is as under:

Sr. No.	Particulars	Pre Scheme (number of shares)	Pre Scheme (%age holding)	Post Scheme (number of shares)	Post Scheme (%age holding)
1	Promoter and Promoter Group*	1,00,000	100.00	1,00,000	100.00
2	Public	-	-	-	-
3	Custodians / Non Public Non promoter shareholders	-	-	-	-
	Total	1,00,000	100.00	1,00,000	100.00

* includes 6 (Six) Shares held by Nominees of BAL.

SUMMARY OF AUDITED FINANCIALS OF BASL

The summary of the audited financial statements of BASL for the last five financial years is as under:

Particulars	(` in millions)				
	FY 2019-20 ¹	FY 2018-19 ¹	FY 2017-18 ¹	FY 2016-17 ¹	FY 2015-16 ¹
Total income (net) ²	3,795	3,778	4,975	5,616	5,757
Net Profit / (Loss) after tax ³	105	200	688	8	(60)
Paid up Equity Share Capital	1	1	1	1	1
Other Equity (excluding revaluation reserves)	Nil	(105)	(313)	(1,010)	(883)
Net worth ⁴	1	(104)	(312)	(1,009)	(882)
Basic earnings per share (in Rs.)	1,050	2,000	6,880	80	(600)
Diluted earnings per share (in Rs.)	1,050	2,000	6,880	80	(600)
Return on net worth (%) ⁵	NA	NA	NA	NA	NA
Net asset value per share (in Rs.) ⁶	10	(1,040)	(3,120)	(10,090)	(8,820)

Note 1: Summary for the period ended March 31, 2020 are unaudited and summary for financial years ended March 31, 2019 and March 31, 2018, March 31, 2017 and March 31, 2016 and are based on Ind AS and for the financial year ended March 31, 2015 is based on Indian GAAP.

Note 2: Total income includes revenue from operations and other income.

Note 3: Net Profit / (Loss) after tax is income before other comprehensive income.

Note 4: 'Net Worth' means means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred

expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Note 5: Return on net worth (%) has been arrived at by dividing Profit / (Loss) after tax by Net Worth.

Note 6: Net asset value per share has been derived by dividing Net Worth by the number of outstanding shares.

INTERNAL RISK FACTORS

1. The Scheme for transfer and vesting of 'VSAT Undertaking 2' of the Transferor Company 2 to the Transferee Company 2 with effect from the Appointed Date is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
2. The technological outlook in the telecom industry has seen swift changes in the recent past. If Bharti Airtel Services Limited is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in demand for our services or face challenges in implementing the business strategy.
3. The Company is presently an unlisted Company and its securities are presently not available for trading on any stock exchange.
4. For the business model, the company operates in, requires the funding to purchase the equipment to provide the same on rental model. In case the company is not able to generate enough funds, it may not be able to generate new business for rental cases.
5. In certain cases, the Company needs to pay in foreign currency for the equipment purchased, however the revenue is generated in Indian Rupee. As there is a significant time gap between the payment and receipt of money in rental cases, the adverse movement of foreign exchange rate may deteriorate the financial performance of the Company.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

Total number of outstanding litigations against the Company and amount involved is as under:

Nature of litigations	No. of litigations	Aggregate Amount (if ascertainable) (Rs. In millions)
Civil :Writ Petition	1	Nil
Consumer Case	1	0.06
Labour & Industrial	31	11.04

- A. Brief details of the top 5 material outstanding litigations against the Company and amount involved: **None of the litigation is material**
- B. Regulatory action, if any. Disciplinary action taken by SEBI or stock exchange against the Promoter in the last 5 years including outstanding action, if any: **BAL is the sole promoter of BASL. No regulatory / disciplinary action has been taken by SEBI or stock exchanges against BAL in the last 5 years nor is any such matter pending for disposal.**
- C. Brief details of outstanding criminal proceedings against Promoter (BAL): **There are no pending litigations against the Promoter, except as under:**

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
1.	GR 6656/2016 Patrakar Nagar PS, Patna, Bihar	Sections 406, 420, 467, 468, 471 and 120B of Indian Penal Code	The complainant Alok Kumar being aggrieved of sudden disconnection/barring of his mobile number and receipt of threatening calls, approached Police Station – Patrakar Nagar, Patna and requested for a FIR to be lodged against the Company. The Police after preliminary investigation found the complaint to be frivolous and denied registration of FIR. Subsequently, the complainant approached the Court of Chief Judicial Magistrate, Patna u/s 156(3) of Code of Criminal Procedure for institution of a FIR and accordingly Court directed Police to register a FIR. The complainant has alleged in his complaint that he has received numerous threatening calls on his alternate	The matter is pending.

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
			number from his primary mobile number which has been barred/disconnected by the Company without his consent. The Police has registered a FIR as directed by the Court and investigation of the matter is underway.	
2.	Cr. Complaint 1974/2018 (Amit Vikram) ACJM III, Patna, Bihar	Sections 463, 464, 467, 468, 469, 470, 471, 504, 506, & 120 B of Indian Penal Code	An employee of company was removed from services due to performance issues and being aggrieved of termination he has filed a criminal complaint alleging certain malpractices of the organization in dealing with the external environment, and also alleged that he was forced to be a part of such dealings, and upon his refusal to participate in them, his services were terminated. He has levelled allegations against 11 personnel of the company including Chairman, and the Court of ACJM-III, Patna took cognizance against all persons named in the petition. The company has filed petitions in High Court for quashing of the complaint and stay of proceedings before the trial court. The Patna High Court has passed an interim order in the petition filed by Chairman of the company and further proceedings against the Chairman have been stayed.	The matter is pending.
3.	2427A/2002 N.D.M.C vs. Sunil Bharti Mittal & Ors. MM, Patiala House Courts, New Delhi	Section 252 read with Section 369 (1) of the NDMC Act, 1994	A criminal complaint has been filed by New Delhi Municipal Corporation (“NDMC”) before the trial court against senior officials of the Company for misuse of a property situated at Khan Market, New Delhi. The NDMC has alleged that the Company has installed a remote switching units without prior permission in a residential property, which amounts to misuse. The Company has filed a petition under section 482 of Criminal Procedure Code, 1973 pursuant to which the Delhi High Court has stayed the trial court proceedings.	The matter is pending.
4.	CC No.406/2002 DDA vs. Bharti Telenet Ltd. & Ors. MM, Patiala House Courts, New Delhi	Section 29(2) read with sections 14/32 of the DDA Act, 1957	A criminal complaint has been filed by the Delhi Development Authority (“DDA”) before the trial court against the Company and others for misuse of property under section 29(2) read with Sections 14 and 32 of the Delhi Development Authority Act, 1957 with respect to sites situated at K-6, ground floor, NDSE II. The DDA has alleged that the Company has installed a remote switching unit without advance permission at such sites. The Company has filed a petition under section 482 of Criminal Procedure Code, 1973 pursuant to which the Delhi High Court stayed the trial court proceedings.	The matter is pending.
5.	CC No.116/2003 DDA vs. Bharti Telenet Ltd. & Ors. MM, Patiala House Courts, New Delhi	Section 29(2) read with sections 14/32 of the DDA Act, 1957	A criminal complaint has been filed by the Delhi Development Authority (“DDA”) before the trial court against the Company and others for misuse of property under section 29(2) read with Sections 14 and 32 of the Delhi Development Authority Act, 1957 with respect to site situated at C-657 New Friends Colony, New Delhi. The DDA has alleged that the Company has installed a remote switching unit without advance permission at such sites. The Company has filed a petition under section 482 of Criminal Procedure Code, 1973 pursuant to which the Delhi High Court stayed the trial court proceedings.	The matter is pending.
6.	CC No. 20968/2011 State; Ankit Srivastava S/o	Section 323, 504, 406 IPC and section 72 of the IT Act; section 156(3) of	Ms. Akansha Shrivastava had filed a criminal complaint under Section 156 (3) of the Criminal Procedure Code, 1973 before the Court of Chief Judicial Magistrate, Noida against the Company and certain employees, alleging,	The matter is pending.

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
	Akanshi Srivastava vs. 1.Bharti Airtel Ltd., through Director; 2. Mr. Anirudh Saksena; 3.Capt.Rakesh Bakshi; 4.Mr. Rajiv Arora CJM, Ghaziabad	Code of Criminal Procedure	among others, that personal and confidential call details of the mobile being used by her son Ankit Srivastava were leaked and made available to others. Court ordered investigation and basis the Police Report, the Court took cognizance of the matter under Sections 323, 504, 406 of the Criminal Procedure Code, 1973 read with Section 72 Information Technology Act, 2000.	
7.	ICC No. 4522/2014 Bishnu Prasad Mishra vs. Bharti Airtel & Ors. SDJM, Bhubaneswar	Section 406, 426, 427, 477 read with section 34 of Indian Penal Code	Mr. Bishnu Prasad Mishra, an ex-employee of the Company has filed a criminal complaint before the Judicial Magistrate First Class (JMFC), Bhubaneswar, Odisha, against the Company, its Chairman, Managing Director and other officials under section 406, 426, 427 and 477 read with Section 34 of IPC alleging non-return of original records submitted by him as a security towards repayment of an asset building loan obtained by him from the Company while he was employed with the Company and further alleging non-deposit of the EPF contribution etc. with the Regional Provident Fund Commissioner. A petition for quashing the complaint has been filed wherein the High Court of Odisha has stayed the proceedings before the Trial Court.	The matter is pending.
8.	Complaint Case No 39/2015 Angshuman Sarkar vs. Sunil Bharti Mittal, CMD, Bharti Airtel Ltd. JMFC Bidhannagar, Kolkata	Section 465 and 468 Indian Penal Code	Mr. Angshuman Sarkar has filed a criminal complaint before the Judicial Magistrate First Class (JMFC), Bidhan Nagar, West Bengal, against the Company, its Chairman, Managing Director and other officials alleging forgery u/s 465 and 468 of IPC in respect of his Customer Acquisition Form. A petition for quashing the complaint has been filed wherein the Calcutta High Court has been stayed the proceedings before the Trial Court.	The matter is pending.
9.	Criminal case No. 349/2008 Chief JMFC Court, Anand	Section 211, 503 of Indian Penal Code	Mr. Nitin Jayantibhai Patel has filed a complaint before the Chief Judicial Magistrate First Class Court at Anand, Gujarat against the company and an employee alleged that the company and its employee committed the offence under Section 211 and 503 of Indian Penal Code for harassing and threatening him for collecting the outstanding amount of the company.	The matter is pending.
10.	Case No. 2834/2010 Iqbal Ahmad vs. Smt. Sitara Begum and Ors. Judicial Magistrate IIIrd, Saharanpur	Sections 420, 467, 468, 471 and 120B of Indian Penal Code	Mr. Iqbal Ahmed has filed a complaint under Section 156 (3) Cr.PC before Chief Judicial Magistrate, Saharanpur (Uttar Pradesh) alleging that Airtel through its Managing Director along with some other persons, have illegally taken possession of his land for installation of its tower. Court took cognizance under Section 447 IPC and issued Summons. Managing Director of the Company has filed a petition before Allahabad High Court for quashing of the proceedings. High Court has stayed proceedings before the trial court.	The matter is pending.
11.	R.C.C./1301285/2015 JMFC , Court, Vasai (District and Sessions courts)	Section 319 of Code of Criminal Procedure; Section 420, 465, 467, 471, 474, 34 of Indian Penal Code	Mr. Shailesh Navalshankar Pandya, filed an application to implead Bharti Airtel Limited; Chairman and Directors in a complaint filed u/s 420, 465, 467, 468, 471, 474 read with Section 34 of IPC. The Complainant has alleged that the Respondents i.e. Bharti Airtel Limited in collusion with his agents, employee along with fake directors Mr. Abhijit Balwant Vichare and B.C. Patel, forged the signature of the Complainant and prepared rubber stamp	The matter is pending.

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
			of Bhakti Infotech Pvt. Limited. Further, he alleged that Respondents also prepared forged, fabricated Memorandum of Association (MOA) and Articles of Association (AOA) for the purpose of cheating and by using the same documents got issued 77 SIM card in the name of Bhakti Infotech Limited without consent, knowledge and permission of the Complainant.	
12.	C.C.No.5279/2008 JMFC Jabalpur	Section 138 N.I.A read with Section 200 Code of Criminal Procedure	Mr. Jawaharlal Saini has filed a complaint in the court of Chief Judicial Magistrate, Jabalpur (MP) under Section 138 of Negotiable Instrument Act against an unnamed Director of the Company and one Mr Amit Agarwal Proprietor of Delta Telecom, alleging that Mr. Aggarwal had represented to the complainant that he is the authorized signatory / representative of Bharti cellular ltd and has entered into a lease & license agreement on behalf of the Company for establishment of a transmission tower. Further it was alleged that Mr. Amit Agarwal took Rs. 2 lacs as security deposit from the complainant. As no transmission site was established on the property of complainant, to clear the debt, Mr. Amit Aggarwal issued two cheques for an amount of Rs 2,66,850/- to Mr. Jawaharlal Saini. The cheques on presentation were dishonoured by the bank. Accordingly the complainant filed complaint under Section 138 of Negotiable Instrument Act against an unnamed Director of the Company and Mr Amit Agarwal, wherein the trial court issued summons. Since company has no nexus or relationship with Mr. Amit Agarwal, the Company has challenged the summoning order before the Jabalpur High Court. High Court has issued notice and stayed the proceedings before the trial court.	The matter is pending.
13.	C.C.No.716/2011 CJM Court Gwalior	Sec.8,9&14(b) MP Shram Kalyan Nidhi Adhiniyam 1982	Labour Inspector has filed a complaint under Section 9, 31, & 14b of the MP Shram Kalyan Nidhi Act 1982 before the Judicial Magistrate, Gwalior (MP) against certain officials of the Company, alleging that during inspection of the zonal office of company at Gwalior, the company failed to show compliance to the provisions of the Act. The Company has challenged the complaint and the summoning order before the High Court of Madhya Pradesh at Gwalior. The High Court has stayed the proceedings.	The matter is pending.
14.	CCB, Cr.No. 11/2011 CC No. 2132/2013 Mr. V S Suresh – Complainant vs. Rajiv Rajagopal Chief Metropolitan Magistrate Court at Egmore, Chennai	Section 292, 292A & 294 of Indian Penal Code, U/s. 3, 4 & 6 of Indecent Representation of Women (Prohibition) Act, 1986 and Section 2, 3 & 6 of the Young Persons (Harmful Publication) Act, 1956	Mr. V S Suresh, has filed a complaint against the Company and an employee, alleging that he received obscene messages derogatory to the dignity of the women on his mobile phone connection without his consent. Police has filed a charge sheet and the Metropolitan Magistrate, Chennai took cognizance. The petition filed by Company before Madras High Court for quashing of the proceedings has been dismissed.	The matter is pending.
15.	Crime No. 2970/2016	Sec 3 (1) of Prevention of	Mayor of Cochin Corporation has instituted complaint in Central police station at Ernakulum, alleging unauthorized digging of road for laying optical fiber cables	The matter is pending.

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
	Chief Judicial Magistrate Court, Kochi	Damage to Public Property Act	by the Company, which has resulted in damage to public property. The Police has registered FIR against the Company for alleged violation of provisions of Prevention of Damage to Public Property Act.	
16.	Crime No. 1039/2018 Additional Chief Judicial Magistrate Court, Ernakulam	Sec 3 (1) of Prevention of Damage to Public Property Act	Mayor of Cochin Corporation has instituted complaint in Ernakulam Town South police station at Ernakulam, alleging un-authorized digging of road for laying optical fiber cables by the Company, which has resulted in damage to public property. The Police has registered FIR against the Company for alleged violation of provisions of Prevention of Damage to Public Property Act.	The matter is pending.
17.	Crime No. 873/2017 Judicial First class Magistrate Court, Kochi	Section 3 (1) of Prevention of Damage to Public Property Act and 431 of Indian Penal Code	Mayor of Cochin Corporation has instituted complaint in Mattancherry police station at Ernakulam, alleging un-authorized digging of road for laying optical fiber cables by the Company, which has resulted in damage to public property. The Police has registered FIR against the Company for alleged violation of provisions of Prevention of Damage to Public Property Act.	The matter is pending.
18.	Crime No. 1540/2019 Additional Chief Judicial Magistrate Court, Ernakulam	Section 3 (2)(a) of Prevention of Damage to Public Property Act and 431 of Indian Penal Code	Mayor of Cochin Corporation has instituted complaint in police station at Ernakulam, alleging un-authorized digging of road for laying optical fiber cables by the Company, which has resulted in damage to public property. The Police has registered FIR against the Company for alleged violation of provisions of Prevention of Damage to Public Property Act.	The matter is pending.
19.	CC No.20012/2009 Lakshman Kailash vs. BAL VI ACMM, Bangalore	Section 197 and 203 of Indian Penal Code	Mr. Lakshman Kailash has filed a private complaint before the Additional Metropolitan Magistrate, Bangalore against the Company under section 190A read with section 200 of Cr.P.C and sections 197, 203 of IPC, alleging that based on the erroneous information provided by the Company to the Investigation officer in a criminal case involving a defamatory statement on Shivaji Maharaj on the internet, the Investigating Officer has arrested him and wrongly detained in jail. Magistrate took the cognizance and issued summons to the Company.	The matter is pending.
20.	Revision 3/2015 Sheezan Hamid vs. CRO MC Srinagar Principal Session Judge Srinagar	Sections 115, 116, and 302(v) of J&K Municipal Corporation Act 2000 read with Section of J&K MC Act 2000	Chief Revenue Officer, Srinagar Municipal Corporation, Srinagar (J&K) has filed a Complaint before the Municipal Magistrate, Srinagar, alleging that the Company has erected number of hoardings, painted private/govt. walls with advertisements/logos in Srinagar city without any permission and thus company is liable under section 115,116 and 302(vi) read with section 384 of J&K Municipal Corporation Act. The magistrate has issued summons and the Company has filed an appeal before Munsiff Judge, Srinagar challenging the summoning orders.	The matter is pending.
21.	CRMC 54/ 2016 Bharti Airtel Ltd Vs Malik Mushtaq High Court of J&K at Srinagar	Section 406, 416, 418, 420, 109, 120-B of Indian Penal Code	Mr. Malik Mushtaq Ahmed has filed a criminal complaint under sections 406,416,418,420,109,120-B of RPC before the Court of the Judicial Magistrate First Class, Pulwama (J&K) against the Company, its Managing Director and other officials for non-activation of his mobile connection. A petition for quashing the complaint has been filed wherein the High Court of Jammu and Kashmir has stayed the proceedings before the Trial Court.	The matter is pending.

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
22.	FIR No. 398/2014 at Vibhuti Khand Police Station, Lucknow	Sections 149, 323, 504, 506, 392 and 120-B of Indian Penal Code	Mr. Pankaj Shukla an ex-employee, terminated on having been found guilty of sexual harassment, filed an FIR at Vibhuti Khand Police Station, Lucknow, alleging that he had been manhandled and robbed of his personal belongings both at Gurgaon and Lucknow. A petition was filed in the High Court for quashing of FIR. The state filed a short reply stating that no incriminating material has been collected to show the commission of the crime and final closure report has been filed in the Trial Court. High Court disposed of the petition, accordingly. The matter is pending for formal orders to be passed by The Trial Court on the closure report.	The matter is pending.

ANY OTHER MATERIAL INFORMATION OF THE COMPANY: NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines / regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For **Bharti Airtel Services Limited**

PANKAJ TEWARI
Digitally signed by PANKAJ TEWARI
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 0dc6c485d42f5949e47eb1c8b2d4499014
 9e, postalCode=220002, st=Uttar Pradesh,
 serialNumber=23023151cd774c984ca885
 9749bbab8ee23e4e4f5c6d7993ec845345a
 c73274, cn=PANKAJ TEWARI
 Date: 2020.06.23 15:08:17 +05'30'

Pankaj Tewari
Director
DIN: 08006533

Date: June 23, 2020
Place: New Delhi

ANCHAL LOHIA
Digitally signed by ANCHAL LOHIA
 DN: c=IN, o=INDIAN CAPITAL ADVISORS PRIVATE
 LIMITED, postalCode=201011, st=Uttar Pradesh,
 2.5.3.20-37432a2557011d20c968bd1daedc9f6c6ed8f
 4c484e159d00749990505e5e,
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 Date: 2020.06.23 23:07:57 +05'30'

June 23, 2020

To

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, Block -G
BandraKurla Complex
Bandra (East), Mumbai - 400 051

BSE Limited
Corporate Relationship Department
P.J. Towers, Dalal Street
Mumbai - 400 001

Sub.: Proposed Composite Scheme of Arrangement among Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker, having Registration No. INM000012494 have been appointed by Bharti Airtel Services Limited to provide a compliance report with respect to adequacy and accuracy of disclosures made in the Abridged Prospectus dated June 23, 2020 (the "**Abridged Prospectus**") under the Proposed Composite Scheme of Arrangement among Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

Scope and Purpose of Compliance Report

As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, a compliance report has to be obtained from a merchant banker on the information to be disclosed in the Explanatory Statement to the Notice to be issued for Tribunal convened meeting of the shareholders of listed company in line with information disclosed in abridged prospectus in terms of Part E of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The purpose of abridged prospectus is to inform the shareholders about the information / details of unlisted company, to the extent applicable, involved in the Scheme.

Sources of the Information

We have received the following information from the Management of Bharti Airtel Limited and Bharti Airtel Services Limited:

1. Draft Scheme of Arrangement
2. Disclosure in the format of Abridged Prospectus dated June 23, 2020 prepared in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017
3. Information / documents / undertakings, etc provided by the Management of Bharti Airtel Limited and Bharti Airtel Services Limited pertaining to the disclosures made in the Abridged Prospectus dated June 23, 2020.

Compliance Report

1. As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, we have examined the disclosures made in the Abridged Prospectus issued by Bharti Airtel Services Limited, which shall form part of the explanatory statement to the Notice to be issued by Bharti Airtel Limited.
2. Accordingly, we confirm that the information disclosed in the Abridged Prospectus contains all applicable information required in respect of unlisted entity involved in the Scheme, i.e. Bharti Airtel Services Limited, in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Thanking you,

Yours sincerely,

***For Sundae Capital Advisors Private Limited
(SEBI Regn. No. INM000012494)***

***Anchal Lohia
Sr. Manager***

This is an Abridged Prospectus containing salient features of business of Hughes Communications India Private Limited ("Transferee Company 1" or "HCIPL") and Composite Scheme of Arrangement involving the Bharti Airtel Limited ("Transferor Company 1" or "BAL"), Bharti Airtel Services Limited ("Transferor Company 2" or "BASL"), Transferee Company 1 and HCIL Comtel Private Limited ("Transferee Company 2" or "Comtel"). You may download the Composite Scheme of Arrangement from the website of Bharti Airtel Limited (www.airtel.in) and the Stock Exchanges where the equity shares of Bharti Airtel Limited are listed ("Stock Exchanges"), i.e. www.nseindia.com and www.bseindia.com.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS

Hughes Communications India Private Limited

(Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited) was incorporated on March 17, 1992 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana. The Corporate Identification Number of the Company is U64202DL1992PTC048053)

Regd. Office: 1, Shivji Marg, Westend Greens, NH-8 New Delhi - 110 037
Tel.: +91 11 4608 3309; E-mail: damini.srivastava@hughes.in
Contact Person: Damini Srivastava

Promoter of Hughes Communications India Private Limited: HNS-India VSAT, Inc.

Please ensure that you also read the Composite Scheme of Arrangement which has been approved by the Board of Directors of HCIPL vide resolution dated May 24, 2019. The shareholders are advised to retain a copy of the Abridged Prospectus for their future reference.

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF BAL ONLY

ABRIDGED PROSPECTUS

In the nature of an Abridged Prospectus containing salient features of the Composite Scheme of Arrangement involving the Bharti Airtel Limited ("Transferor Company 1" or "BAL"), Bharti Airtel Services Limited ("Transferor Company 2" or "BASL"), Hughes Communications India Private Limited ("Transferee Company 1" or "HCIPL") and HCIL Comtel Private Limited ("Transferee Company 2" or "Comtel") and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). This Abridged Prospectus discloses applicable information of the unlisted entity i.e. Hughes Communications India Private Limited, in compliance with SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended (the "SEBI Circular") relating to the Scheme. Transferor Company 1 and Transferor Company 2 shall be collectively referred to as Transferor Companies, and Transferee Company 1 and Transferee Company 2 shall be collectively referred to as Transferee Companies.

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular, and sets out the disclosures in an abridged prospectus format as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR regulations, 2018"), to the extent applicable. The equity shares of Transferor Company 1 are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (NSE and BSE are collectively referred to as the "Stock Exchanges"). The Scheme involves, transfer of VSAT Undertaking 1 of the Transferor Company 1 and vesting of the same with Transferee Company 1 and transfer of VSAT Undertaking 2 of Transferor Company 2 and vesting the same with Transferee Company 2. The requirements with respect to General Information Document are not applicable and this Abridged Prospectus should be read accordingly.

HCIPL'S ABSOLUTE RESPONSIBILITY

HCIPL, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to HCIPL and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Abridged Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

MERCHANT BANKER

Sundae Capital Advisors Private Limited
3rd Floor, C - 11, Community Centre
Janak Puri, New Delhi - 110 058
Tel: +91 11 4914 9740
Investor Grievance E-mail: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com
SEBI Regn. No.: INM000012494

GENERAL INFORMATION

HCIPL was incorporated as “Hughes Escorts Communications Limited” on March 17, 1992 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana. Thereafter, on April 5, 2006, its name was changed to “Hughes Communications India Limited” and subsequently, on October 23, 2019, its name was changed to its current name i.e. “Hughes Communications India Private Limited” pursuant to it being converted from a public limited company to private limited company. The Corporate Identification Number of the Company is U64202DL1992PTC048053.

Registered Office of HCIPL

Registered office of HCIPL is situated at 1, Shivji Marg, Westend Greens, NH-8 New Delhi - 110 037.

Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited
F - 65, First Floor
Okhla Industrial Area, Phase - I
New Delhi - 110 020

Statutory Auditor

BSR & Co LLP
Chartered Accountants
Building No. 10, 8th Floor, Tower B
DLF Cyber City, Phase - II
Gurugram - 122 002
Haryana, India

SCHEME DETAILS AND PROCEDURE

Pursuant to the Composite Scheme of Arrangement involving the Bharti Airtel Limited (“Transferor Company 1” or “BAL”), Bharti Airtel Services Limited (“Transferor Company 2” or “BASL”), Hughes Communications India Private Limited (“Transferee Company 1” or “HCIPL”) and HCIL Comtel Private Limited (“Transferee Company 2” or “Comtel”) and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (“Scheme”), (a) transfer of VSAT Undertaking 1 of the Transferor Company 1 and vesting the same with Transferee Company 1; and (b) transfer of VSAT Undertaking 2 from Transferor Company 2 and vesting the same with Transferee Company 2, both on going concern basis by way of Slump Sale. For the purposes of obtaining approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated stock exchange is the BSE Limited.

PROMOTERS OF HCIPL

The Promoters of HCIPL is HNS-India VSAT, Inc. (“HNS”) and hold 60.80% of the total issued and paid-up share capital of HCIPL.

HNS was incorporated on November 14, 1991 with the State of Delaware, the United States of America. The registered office of HNS is situated at Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware 19808, USA. The equity shares of HNS are not listed on any stock exchange.

Hughes Network Systems, LLC (“Hughes”) owns 100% of HNS-India VSAT, Inc.

HNS is the holding company for the purpose of holding investments in HCIPL. It also provides technical installation services.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Overview

HCIPL is carrying on the business as networking companies and is one of the leading satellite service operator, offering broadband services under the “Hughes” brand.

Its customers include large enterprises and small and medium businesses across various verticals, and consumers. The solutions offered include networking, system integration, managed network services, security transaction services, intranet, internet, broadband kiosks and interactive distance education.

HCIPL offers advanced solutions and enterprise offerings for the government as well as businesses. HCIPL is present across all key vertical markets ranging from Banking, Education, Defence, Telecom, Energy, Retail and addressing the connectivity of needs of the various government departments.

Upon the Scheme becoming effective, Transferor Company 1 will demerge the VSAT Undertaking 1 into Transferee Company 1 w.e.f. the Appointed Date (as defined in the Scheme) on a going concern basis by way of slump sale in accordance with the provisions set out in the Scheme. The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following key benefits:

- a) expanding the businesses of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies; -
- b) consolidation of the VSAT businesses of the Transferor Companies with those of the Transferee Companies;
- c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;
- d) the combination of the VSAT Undertakings with the Transferee Companies is a strategic fit for serving existing markets and for catering to additional volume linked to new consumers;
- e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the VSAT Undertakings and the Transferee Companies thereby significantly contributing to future growth and maximizing shareholder value of the Companies; and
- f) increase in customer base and also acquisition of new customers by the Transferee Companies.

BOARD OF DIRECTORS OF HCIPL

Sr. No.	Name, DIN and Address	Designation	Experience
1.	Mr. Partha Banerjee DIN :00017485 Plot No. 35, Sector - 9 Gurgaon - 122 001 Haryana, India	Managing Director	Mr. Banerjee, 59 years old, joined HCIPL in 1994 and became the President and Managing Director in 2002. He did his engineering from Delhi College of Engineering and Masters in Business Administration from Faculty of Management Studies Delhi, besides other diploma / certificate courses in Marketing and Financial Management. Prior to joining HCIPL, he has worked in Philips India, Tata Telecom Limited etc.
2.	Mr. Pradman Prithvinath Kaul DIN : 00017166 10912, Barn Wood Lane Potomac Maryland 20854 USA	Director	Mr. Kaul, 74 years old, received a Bachelor of Science degree in Electrical Engineering from George Washington University and a Master of Science degree in Electrical Engineering from the University of California at Berkeley. He holds numerous patents and has published articles and papers on a variety of technical topics concerning satellite communications. In October 2004, Mr. Kaul was inducted into the National Academy of Engineering. Mr. Kaul was selected as a "Distinguished Engineering Alumnus" of the University of California, Berkeley in 1999 and "Distinguished Alumnus" at George Washington University, Washington DC in 2005. He was awarded the IEEE Third Millennium medal in 2000. In 2009, Mr. Kaul was inducted into the Society of Satellite Professionals International (SSPI) Hall of Fame and was awarded "Satellite Executive of the Year 2008" by Via Satellite magazine. In 2014 Mr. Kaul received the Lifetime Achievement Award at the Via Satellite

Sr. No.	Name, DIN and Address	Designation	Experience
			Excellence Awards breakfast ceremony held during the Satellite 2015 conference/exhibition in Washington, DC.
3.	Mr. Pranav Roach DIN: 00017425 B-49, Sarvodaya Enclave, Malviya Nagar Delhi - 110 017, India	Director	Mr. Roach, 54 years, has been associated with all aspects of Hughes' investments and operations in India relative to telecom, networking and software development for the past 25 years. He graduated in law from the University of Delhi. Prior of joining HCIPL, Pranav practiced law specializing in corporate and investment related laws and assisted several projects and investments in sectors such as aviation lease & finance, telecom and entertainment. He has been a member of the CII National Telecom & Broadband Committee since 2004. He was a key member of the CII Broadband Economy Committee which formulated the report entitled "India's Broadband Economy: Vision 2010". He is a regular speaker at events within and outside India. He also serves as an independent director on the boards of 'for profit' and 'non-profit' organizations
4	Mr. Vinod Sood DIN : 00017525 B-52, Greenwood City Sector - 45, Kanahi (73) Gurgaon - 122 003 Haryana, India	Director	Mr. Sood has more than 25 years of experience in Communications Software industry. Previously, Mr. Sood was Head of Engineering and R&D at Hughes Software Systems (HSS) and served on the Board as well. Prior to HSS Mr. Sood worked with C-DOT. He is on the CII National Committee on IT, ITes & e-Commerce and on the NASSCOM mentor panel for emerging companies. He is a member of Advisory Committee of the Institute of Informatics and Communications, University of Delhi. Mr. Sood is also the Chairman of RMC-CORE in Network Engineering (setup by TIFAC, Department of Science and Technology Government of India, a Government, Academia and Industry partnership initiative).
5	Mr. Dean Alfred Manson DIN : 07674218 1630, Irvin St Vienna VA -221822118, USA	Director	Mr. Manson joined Hughes in 2000 from the law firm of Milbank, Tweed, Hadley & McCloy LLP, where he focused on international project finance and corporate transactions and was appointed General Counsel of Hughes in 2004. Mr. Manson received a B.S. in engineering from Princeton University and a Juris Doctorate from Columbia University School of Law.

OBJECTS OF THE ISSUE

HCIPL does not propose to raise any capital and its equity shares are unlisted.

The demerger of VSAT undertaking 1 from Transferor Company 1 into Transferee Company 1 is on a going concern basis by way of slump sale.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of the company in the preceding 10 years: Not Applicable

CAPITAL STRUCTURE OF HCIPL

PRE SCHEME	
Authorised Share Capital	Rs. 20,00,00,000 comprising of 2,00,00,000 equity shares of face value Rs. 10 each
Issued, Subscribed and Paid up Capital	Rs. 15,50,00,000 comprising of 1,50,00,000 equity shares of face value Rs. 10 each
POST SCHEME	
Authorised Share Capital	Rs. 20,00,00,000 comprising of 2,00,00,000 equity shares of face value Rs. 10 each
Issued, Subscribed and Paid up Capital	Rs. 15,50,00,000 comprising of 1,50,00,000 equity shares of face value Rs. 10 each

Based on the above, the pre and post Scheme shareholding pattern of HCIPL would be as under:

Sr. No.	Particulars	Pre Scheme (number of shares)	Pre Scheme (%age holding)	Post Scheme (number of shares)	Post Scheme (%age holding)
1	Promoter and Promoter Group	1,48,64,986	95.90	1,48,64,986	95.90
2	Public	6,35,014	4.10	6,35,014	4.10
3	Custodians / Non Public Non promoter shareholders	-	-	-	-
	Total	1,55,00,000	100.00	1,55,00,000	100.00

SUMMARY OF AUDITED CONSOLIDATED FINANCIALS OF HCIPL

Particulars	(Rs. in millions)				
	FY 2019-20 ^{1 & 2}	FY 2018-19 ¹	FY 2017-18 ¹	FY 2016-17 ¹	FY 2015-16 ¹
Total income (net) ³	3629.78	3,819.08	3,400.68	3,006.90	2,787.66
Net Profit / (Loss) after tax ⁴	68.31	256.76	250.15	259.64	178.23
Paid up Equity Share Capital	155.00	155.00	150.00	150.00	150.00
Other Equity (excluding revaluation reserves)	2665.36	2,620.55	2,333.64	2,111.69	1,852.05
Net worth ⁴	2820.36	2,775.55	2,483.64	2,261.69	2,002.05
Basic earnings per share (in Rs.)	4.41	16.57	16.14	17.31	11.88
Diluted earnings per share (in Rs.)	4.41	16.57	16.14	17.31	11.88
Return on net worth (%) ⁶	2.42	9.25	10.07	11.48	8.90
Net asset value per share (in Rs.) ⁷	181.96	179.07	160.23	145.92	129.16

Note 1: Summary for the period ended March 31, 2020 are unaudited and summary for financial years ended March 31, 2019 has been extracted from audited financial statements prepared based on Ind-AS (notified under Companies (Indian Accounting Standards) Rules, 2015). The summary for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016 has been extracted from audited financial statements prepared based on Indian GAAP (Indian Generally Accepted Accounting Principles).

Note 2: The litigation concerning Adjusted Gross Revenue ('AGR'), before the Hon'ble Supreme Court (SC) remains inconclusive. In its order dated October 24, 2019 the Hon'ble Court ruled that income of the licensee from IP-1 registration may be included under the CUG licence. Subsequently, the Hon'ble Court has been pleased to exercise its inherent power invoking its equity jurisdiction to do complete justice on the basis of DoT's submissions in their Additional Affidavit dated 10.06.2020, and opined in its order dated 11.06.2020 that apparently certain licences are different and inter-alia, stating "That the definition of revenue are different..... most of the Public Sector Undertakings, therefore hold licenses, under which the relevant terms and clauses, may not be similar to the Access Service license apparently analysed and interpreted by this Hon'ble Court in judgment dated 24.10.2019 passed in Civil Appeal Nos. 6328-6399 of 2015." The company similarly does not have an access service license and is not in the business of providing mobile services to the general public. The company holds a VSAT CUG license and Infrastructure Provider licence used for providing satellite based infrastructure and connectivity services to banks, Indian Armed Forces, para military forces, Indian Railways and other private and government organisations that operate in the remote parts of the country. As such there ought not to be any claim against the company. In such a situation, the management of the Company cannot

determine any amount towards AGR and therefore, no amount has been provided for by the Company in the provisional financial statements for the financial year ended on March 31, 2020.

Note 3: Total income includes revenue from operations and other income.

Note 4: Net Profit / (Loss) after tax is income before other comprehensive income.

Note 5: 'Net Worth' means means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Note 6: Return on net worth (%) has been arrived at by dividing Profit / (Loss) after tax by Net Worth.

Note 7: Net asset value per share has been derived by dividing Net Worth by the number of outstanding shares (i.e. 15,500,000 shares).

INTERNAL RISK FACTORS

1. Depending on the timeframe and medium of payment of AGR dues, there could be serious adverse impact on the financial liabilities of HCIPL.
2. The Scheme for transfer and vesting of 'VSAT Undertaking 1' of the Transferor Company 1 to the Transferee Company 1 upon the Scheme becoming effective and with effect from the Appointed Date is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
3. The technological outlook in the telecom industry has seen swift changes in the recent past. If HCIPL is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in demand for our services or face challenges in implementing the business strategy.
4. If HCIPL is in a highly regulated telecom space. So if HCIPL is not able to procure, renew or maintain, as the case may be, the statutory or regulatory permits or third party approvals required to operate its business, it may have a material adverse effect on the business of HCIPL.
5. Future growth will be contingent upon HCIPL's ability to finance its working capital requirements and funding required for any future growth.
6. Retrospective price revision provisions under various contracts between HCIPL and the Department of Space, if upheld, could have serious adverse impact on the financial liabilities of HCIPL. HCIPL's dependence on Department of Space as the sole agency for provision of space segment, which is an important raw material used by HCIPL in its service business.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

A. Total number of outstanding litigations against HCIPL and amount involved is as under:

Nature of litigations	No. of litigations	Aggregate Amount (if ascertainable)
Show cause notices issued by Enforcement Directorate under Foreign Exchange Regulation Act, 1973	3	The two show-cause notices issued in 2001 were for a demand of Rs. 10.00 million each and a further Rs. 15.00 million on the Company. Further, the Company was directed to repatriate INR 19.00 million as dividend which was alleged to be wrongly paid.
Dispute is regarding the applicability of retrospective price revision provisions under various contracts between the Company and the Department of Space	1	Alleged arrears amounting to Rs.108.24 million.
The Department of Telecommunications ("DoT") is seeking license fees (along with interest and penalty) calculated on the basis of the Company's AGR from activities not covered by DoT license and in respect of revenues realized under the IP-1 registration which have been clubbed with the VSAT license revenues dating back to 2001	1	Licence Fees of Rs.1,030 million and spectrum usage charges of Rs.500 million, including principal, interest, penalty and interest on penalty.

Nature of litigations	No. of litigations	Aggregate Amount (if ascertainable)
Specific Performance of contract	1	Not ascertainable.
Services Tax: Dispute relates to the levy of service tax on the interactive online educational services provided by the Company	1	Recovery of Rs. 183.79 million and a penalty of Rs. 146.17 million.
Income Tax: Disallowance of expenses claimed by the Company	3	Amount not ascertainable. The aggregate amount of expenses disallowed is Rs. 130.60 million.

B. Brief details of the top 5 material outstanding litigations against HCIPL and amount involved:

Below is a list of material proceedings against HCIPL. In this regard, HCIPL submits that a materiality threshold of USD 5,00,000 (US Dollars Five Lakhs only) (approx. INR 3,50,00,000 (Rupees Three Crores Fifty Lakhs only)) (“Threshold Limit”) has been taken for the purposes of the below disclosure i.e. claims amounting to (or above) the Threshold Limit have been disclosed.

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
1	Show cause notices were issued by the Enforcement Directorate	Foreign Exchange Regulation Act, 1973 (“FERA”)	Enforcement Directorate alleged that Government approval for the initial investment was not obtained. The two show-cause notices issued in 2001 were for a demand of Rs. 10.00 million each and a further Rs.15.00 million on HCIPL. Further, HCIPL was directed to repatriate Rs.19.00 million as dividend which was alleged to be wrongly paid. It is the case of HCIPL that such approval was not required in view of the fact that the subsequent authorization had retroactive effect	HCIPL, in terms of directions of Hon’ble High Court of Delhi has made the deposit and the appeal of HCIPL was admitted which will be listed in due course.
2	Department of Space	Telecom Regulatory Authority of India Act, 1997	Dispute is regarding the applicability of retrospective price revision provisions under various contracts between HCIPL and the Department of Space (“DoS”), and the alleged arrears amounting to Rs.108.24 million sought to be recovered by DoS from HCIPL on account of these provisions.	The matter is listed for framing of issues but has not yet been taken up by the TDSAT due to the suspension of hearings due to Covid-19 pandemic. The next date of hearing is July 07, 2020.
3	Supreme Court	The Indian Telegraph act, 1885 and terms of the unified license	The Department of Telecommunications (“DoT”) is seeking license fees (along with interest and penalty) calculated on the basis of HCIPL’s AGR from activities not covered by DoT license and in respect of revenues realized under the IP-1 registration which have been clubbed with the VSAT license revenues dating back to 2001. The demand raised by the DoT on account of license fee charges is approximately Rs. 1,030.00 million which includes principal, interest, penalty and interest on penalty, and spectrum usage charges of approximately Rs. 500.00 million (including principal, interest, penalty and interest on penalty). A vast majority of the claim relating to license fee and spectrum usage charges is on account of interest and penalty, and interest on penalty, which is several times that of the principal amount.	The Hon’ble Supreme Court directed all operators to file their audited financial statements for the last 10 years. The matter will now be listed in the third week of July 2020.
4.	Delhi High Court	The Specific Relief Act, 1963 and The Indian	HCIPL is seeking specific performance of a contract by the opposite contracting party namely Imaging Solutions Private Limited (“ISPL”). The said contract was executed between the two entities for the eventual purpose of sale of office building to HCIPL by ISPL. HCIPL had executed a lease deed with ISPL on March 23, 2001 for renting	The matter came up for hearing on October 31, 2019 at the Delhi High Court, and time to complete the pleadings and file synopsis of the

Sr. No.	Case Reference No. and Authority	Provision of law	Brief facts of case	Present Status
		Contract Act, 1872	property situated at Plot No. 1, Sector 18, Electronic City, Gurgaon with an irrevocable option to purchase such property at a pre-determined sale price of Rs. 15.00 million.	matter has been granted by the Court. The matter is listed for hearing on August 07, 2020.
5.	Custom and Excise and Service Tax Tribunal	Finance Act 1994	Order dated December 10, 2013 was passed by the Commissioner Service Tax (Adjudication) for recovery of Rs. 183.79 million and penalty of Rs. 146.17 million (on the above principal amount) towards non-payment of service tax on the interactive online educational services provided by HCIPL in collaboration with various educational institutes. HCIPL has filed an appeal against the said order before the Custom and Excise and Service Tax Tribunal (CESTAT).	The matter has been transferred to the Division Bench of CESTAT and is yet to be listed for hearing.

C. Regulatory action, if any. Disciplinary action taken by SEBI or stock exchange against the Promoters in the last 5 years including outstanding action, if any: **HNS is the sole promoter of HCIPL. No regulatory / disciplinary action has been taken by SEBI or stock exchanges against HNS in the last 5 years nor is any such matter pending for disposal.**

D. Brief details of outstanding criminal proceedings against the Promoters: **There are no pending litigations against the Promoter.**

ANY OTHER MATERIAL INFORMATION OF HCIPL: NIL

DECLARATION BY HCIPL

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines / regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For **Hughes Communications India Private Limited**



Pranav Roach
(Director and Authorized Signatory)

DIN: 00017425

Date: June 24, 2020
Place: New Delhi

June 24, 2020

To

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, Block -G
BandraKurla Complex
Bandra (East), Mumbai - 400 051

BSE Limited
Corporate Relationship Department
P.J. Towers, Dalal Street
Mumbai - 400 001

Sub.: Proposed Composite Scheme of Arrangement among Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker, having Registration No. INM000012494 have been appointed by Hughes Communications India Private Limited to provide a compliance report with respect to adequacy and accuracy of disclosures made in the Abridged Prospectus dated June 24, 2020 (the "**Abridged Prospectus**") under the Proposed Composite Scheme of Arrangement among Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

Scope and Purpose of Compliance Report

As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, a compliance report has to be obtained from a merchant banker on the information to be disclosed in the Explanatory Statement to the Notice to be issued for Tribunal convened meeting of the shareholders of listed company in line with information disclosed in abridged prospectus in terms of Part E of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The purpose of abridged prospectus is to inform the shareholders about the information / details of unlisted company, to the extent applicable, involved in the Scheme.

Sources of the Information

We have received the following information from the Management of Hughes Communications India Private Limited and HCIL Comtel Private Limited:

1. Draft Scheme of Arrangement
2. Disclosure in the format of Abridged Prospectus dated June 24, 2020 prepared in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017
3. Information / documents / undertakings, etc provided by the Management of Hughes Communications India Private Limited and HCIL Comtel Private Limited pertaining to the disclosures made in the Abridged Prospectus dated June 24, 2020.

Compliance Report

1. As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, we have examined the disclosures made in the Abridged Prospectus issued by Hughes Communications India Private Limited, which shall form part of the explanatory statement to the Notice to be issued by Bharti Airtel Limited.
2. Accordingly, we confirm that the information disclosed in the Abridged Prospectus contains all applicable information required in respect of unlisted entity involved in the Scheme, i.e. Hughes Communications India Private Limited, in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Thanking you,

Yours sincerely,

***For Sundae Capital Advisors Private Limited
(SEBI Regn. No. INM000012494)***

***Anchal Lohia
Sr. Manager***

This is an Abridged Prospectus containing salient features of business of HCIL Comtel Private Limited ("Transferee Company 2" or "Comtel") and Composite Scheme of Arrangement involving the Bharti Airtel Limited ("Transferor Company 1" or "BAL"), Bharti Airtel Services Limited ("Transferor Company 2" or "BASL"), Hughes Communications India Private Limited ("Transferee Company 1" or "HCIPL") and Transferee Company 2. You may download the Composite Scheme of Arrangement from the website of Bharti Airtel Limited (www.airtel.in) and the Stock Exchanges where the equity shares of Bharti Airtel Limited are listed ("Stock Exchanges"), i.e. www.nseindia.com and www.bseindia.com.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS

HCIL Comtel Private Limited

(HCIL Comtel Private Limited (formerly known as HCIL Comtel Limited) was incorporated on September 13, 2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana. The Corporate Identification Number of the Company is U32204DL2007PTC168125)

Regd. Office: 1, Shivji Marg, Westend Greens, NH - 8 New Delhi - 110 037
Tel.: +91 11 4608 3309; E-mail: damini.srivastava@hughes.in
Contact Person: Damini Srivastava

Promoter of HCIL Comtel Private Limited: Hughes Communications India Private Limited

Please ensure that you also read the Composite Scheme of Arrangement which has been approved by the Board of Directors of Comtel vide resolution dated June 1, 2019. The shareholders are advised to retain a copy of the Abridged Prospectus for their future reference.

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF BAL ONLY

ABRIDGED PROSPECTUS

In the nature of an Abridged Prospectus containing salient features of the Composite Scheme of Arrangement involving the Bharti Airtel Limited ("Transferor Company 1" or "BAL"), Bharti Airtel Services Limited ("Transferor Company 2" or "BASL"), Hughes Communications India Private Limited ("Transferee Company 1" or "HCIPL") and HCIL Comtel Private Limited ("Transferee Company 2" or "Comtel") and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). This Abridged Prospectus discloses applicable information of the unlisted entity i.e. HCIL Comtel Private Limited, in compliance with SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended (the "SEBI Circular") relating to the Scheme. Transferor Company 1 and Transferor Company 2 shall be collectively referred to as Transferor Companies, and Transferee Company 1 and Transferee Company 2 shall be collectively referred to as Transferee Companies.

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular, and sets out the disclosures in an abridged prospectus format as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR regulations, 2018"), to the extent applicable. The equity shares of Transferor Company 1 are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (NSE and BSE are collectively referred to as the "Stock Exchanges"). The Scheme involves, transfer of VSAT Undertaking 1 of the Transferor Company 1 and vesting of the same with Transferee Company 1 and transfer of VSAT Undertaking 2 of Transferor Company 2 and vesting of the same with Transferee Company 2. The requirements with respect to General Information Document are not applicable and this Abridged Prospectus should be read accordingly.

COMTEL'S ABSOLUTE RESPONSIBILITY

Comtel, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to Comtel and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Abridged Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

MERCHANT BANKER

Sundae Capital Advisors Private Limited
3rd Floor, C - 11, Community Centre
Janak Puri, New Delhi - 110 058
Tel: +91 11 4914 9740
Investor Grievance E-mail: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com
SEBI Regn. No.: INM000012494
Validity: Permanent

GENERAL INFORMATION

Comtel was incorporated as “HCIL Comtel Limited” on September 13, 2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana. Thereafter, on October 25, 2019, its name was changed to its current name i.e. “HCIL Comtel Private Limited” pursuant to it being converted from a public limited company to private limited company. The Corporate Identification Number of the Company is U32204DL2007PTC168125.

Registered Office of the Comtel

Registered office of Comtel is situated at 1, Shivji Marg, Westend Greens, NH-8 New Delhi - 110 037.

Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited,
F-65, First Floor
Okhla Industrial Area
Phase-I, New Delhi - 110 020

Statutory Auditor

BSR & Co LLP
Chartered Accountants
Building No. 10, 8th Floor, Tower B
DLF Cyber City, Phase-II
Gurugram - 122 002
Haryana, India

SCHEME DETAILS AND PROCEDURE

Pursuant to the Composite Scheme of Arrangement involving the Bharti Airtel Limited (“Transferor Company 1” or “BAL”), Bharti Airtel Services Limited (“Transferor Company 2” or “BASL”), Hughes Communications India Private Limited (“Transferee Company 1” or “HCIPL”) and HCIL Comtel Private Limited (“Transferee Company 2” or “Comtel”) and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (“Scheme”), (a) transfer of VSAT Undertaking 1 of the Transferor Company 1 and vesting the same with Transferee Company 1; and (b) transfer of VSAT Undertaking 2 from Transferor Company 2 and vesting the same with Transferee Company 2, both on going concern basis by way of Slump Sale. For the purposes of obtaining approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated stock exchange is the BSE Limited.

PROMOTERS OF THE COMTEL

The sole promoter of Comtel is HCIPL and it holds beneficial ownership of 100% of the total issued and paid-up share capital of Comtel.

HCIPL was incorporated on March 17, 1992. The registered office of HCIPL is situated at 1, Shivji Marg, Westend Greens, NH-8 New Delhi - 110 037. The equity shares of HCIPL are not listed on any stock exchange.

HCIPL is carrying on the business as networking companies and is one of the leading satellite service operator, offering broadband services under the “Hughes” brand. Its customers include large enterprises and small and medium businesses across various verticals, and consumers. The solutions offered include networking, system integration, managed network services, security transaction services, intranet, internet, broadband kiosks and interactive distance education.

HCIPL offers advanced solutions and enterprise offerings for the government as well as businesses. HCIPL is present across all key vertical markets ranging from Banking, Education, Defence, Telecom, Energy, Retail and addressing the connectivity of needs of the various government departments.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Overview

Comtel is engaged in the business of supplying hardware and related services for telecommunication networks including VSAT related telecommunication services in India.

Upon the Scheme becoming effective, Transferor Company 2 will demerge the VSAT Undertaking 2 into Transferee Company 2 w.e.f. the Appointed Date (as defined in the Scheme) on a going concern basis by way of slump sale in accordance with the provisions set out in the Scheme. The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following key benefits:

- a) expanding the businesses of the Transferee Companies in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Companies; -
- b) consolidation of the VSAT businesses of the Transferor Companies with those of the Transferee Companies;
- c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Companies and servicing existing as well as prospective customers of the Transferee Companies, innovatively and efficiently;
- d) the combination of the VSAT Undertakings with the Transferee Companies is a strategic fit for serving existing markets and for catering to additional volume linked to new consumers;
- e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the VSAT Undertakings and the Transferee Companies thereby significantly contributing to future growth and maximizing shareholder value of the Companies; and
- f) increase in customer base and also acquisition of new customers by the Transferee Companies.

BOARD OF DIRECTORS OF COMTEL

Sr. No.	Name, DIN and Address	Designation	Experience
1.	Mr. Pranav Roach DIN: 00017425 B-49, Sarvodaya Enclave Malviya Nagar New Delhi - 110 017 India	Director	<p>Mr. Roach, 54 years, has been associated with all aspects of HCIPL's investments and operations in India relative to telecom, networking and software development for the past 25 years. He graduated in law from the University of Delhi. Prior of joining HCIPL, Pranav practiced law specializing in corporate and investment related laws and assisted several projects and investments in sectors such as aviation lease & finance, telecom and entertainment.</p> <p>He has been a member of the CII National Telecom & Broadband Committee since 2004. He was a key member of the CII Broadband Economy Committee which formulated the report entitled "India's Broadband Economy: Vision 2010". He is a regular speaker at events within and outside India. He also serves as an independent director on the boards of 'for profit' and 'non-profit' organizations</p>
2.	Mr. Partha Banerjee DIN: 00017485 Plot No. 35, Sector -9 Gurgaon - 122 001 Haryana, India	Director	<p>Mr. Banerjee, 59 years old, joined HCIPL in 1994 and became the President and Managing Director in 2002.</p> <p>He did his engineering from Delhi College of Engineering and Masters in Business Administration from Faculty of Management Studies Delhi, besides other diploma / certificate courses in Marketing and Financial Management.</p> <p>Prior to joining HCIPL, he has worked in Philips India, Tata Telecom Limited etc.</p>

Sr. No.	Name, DIN and Address	Designation	Experience
3	Mr. Alok Goyal DIN : 01271796 A-2/604, Palm Grove Heights Ardee City, Sector - 52 Gurgaon - 122 003 Haryana, India	Director	Mr. Goyal, 56 years, is a Chartered Accountant with membership of the Institute of Chartered Accountants of India since 1987. He holds Master's degree in Commerce with specialisation in Accounts & Law. Out of his total experience of 33 years, he has spent 27 years with HCIPL in one or the other capacities. Before joining HCIPL, he was Director- Finance of Hughes Software Systems Limited (now Flextronics Software Systems Ltd) and was part of the first ever IPO of HSS on book-build basis in India.
4	Mr. Shivaji Chaterjee DIN : 02736066 Flat 10C, Tower B Central Park Resorts Sector - 48, Sohna Road Gurgaon - 122 018 Haryana, India	Director	Mr. Chatterjee, 47 years old, is a Gold medalist in Computer Engineering from Pune University. Subsequently, he did his post graduation in Marketing from NMIMS in Mumbai. In a career spanning a total of over 24 years, he has been with Hughes for the past 22 years during which he has won several Business and Sales & Marketing accolades. Having started out his career at HCIPL as an Account Manager in 1997, he has grown to head the Enterprise Business Division, and has spearheaded many achievements for Hughes and for the VSAT industry in India. His areas of expertise include satellite communications, broadband networking and business solutions – across diverse industry segments with many firsts in the areas of Digital Cinema, e-Governance, Digital Divide, Banking and Distance education.

OBJECTS OF THE ISSUE

Comtel does not propose to raise any capital and the equity shares of Comtel are unlisted.

The demerger of VSAT undertaking 2 from Transferor Company 2 into Transferee Company 2 is on a going concern basis by way of slump sale.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable

CAPITAL STRUCTURE OF COMTEL

PRE SCHEME	
Authorised Share Capital	Rs. 10,00,00,000 comprising of 1,00,00,000 equity shares of face value Rs.10 each
Issued, Subscribed and Paid up Capital	Rs. 2,00,00,000 comprising of 20,00,000 equity shares of face value Rs.10 each
POST SCHEME	
Authorised Share Capital	Rs. 10,00,00,000 comprising of 1,00,00,000 equity shares of face value Rs.10 each
Issued, Subscribed and Paid up Capital	Rs. 2,00,00,000 comprising of 20,00,000 equity shares of face value Rs.10 each

Based on the above, the pre and post Scheme shareholding pattern of Comtel would be as under:

Sr. No.	Particulars	Pre Scheme (number of shares)	Pre Scheme (%age holding)	Post Scheme (number of shares)	Post Scheme (%age holding)
1	Promoter and Promoter Group*	20,00,000	100.00	20,00,000	100.00
2	Public	-	-	-	-
3	Custodians / Non Public Non promoter shareholders	-	-	-	-
	Total	20,00,000	100.00	20,00,000	100.00

* includes 6 (Six) Shares held by Nominees of HCIPL.

SUMMARY OF AUDITED CONSOLIDATED FINANCIALS OF COMTEL

Particulars	(Rs. in millions)				
	FY 2019-20 ¹	FY 2018-19 ¹	FY 2017-18 ¹	FY 2016-17 ¹	FY 2015-16 ¹
Total income (net) ²	2,036.48	2,093.83	1,569.34	1,278.91	913.37
Net Profit / (Loss) after tax ³	56.80	123.17	111.91	78.55	24.46
Paid up Equity Share Capital	20.00	20.00	20.00	13.60	5.50
Other Equity (excluding revaluation reserves)	989.33	936.21	813.84	466.32	195.87
Net worth ⁴	1,009.33	956.21	833.84	479.91	201.37
Basic earnings per share (in Rs.)	28.40	61.59	75.61	58.92	24.46
Diluted earnings per share (in Rs.)	28.40	61.59	75.61	58.92	24.46
Return on net worth (%) ⁵	5.74	12.88	13.42	16.37	12.15
Net asset value per share (in Rs.) ⁶	504.67	478.11	416.92	352.96	366.13

Note 1: Summary for the period ended March 31, 2020 are unaudited and summary for financial years ended March 31, 2019 and March 31, 2018, March 31, 2017 and March 31, 2016 has been extracted from audited financial statements.

Note 2: Total income includes revenue from operations and other income.

Note 3: Net Profit / (Loss) after tax is income before other comprehensive income.

Note 4: 'Net Worth' means means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Note 5: Return on net worth (%) has been arrived at by dividing Profit / (Loss) after tax by Net Worth.

Note 6: Net asset value per share has been derived by dividing Net Worth by the number of outstanding shares.

INTERNAL RISK FACTORS

1. The Scheme for transfer and vesting of 'VSAT Undertaking 2' of the Transferor Company 2 to the Transferee Company 2 upon the Scheme becoming effective and with effect from the Appointed Date is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
2. The technological outlook in the telecom industry has seen swift changes in the recent past. If Comtel is unable to keep pace with technological developments and changing customer preferences, it may experience a decline in demand for our services or face challenges in implementing the business strategy.
3. The Government is embarked on the "Make in India" program. Today a substantial portion of the equipment supplied by Comtel are all imported for its imports. So if the Government starts to mandate local goods for key sectors, it will impact the business and operations of Comtel and Comtel will have to find alternate resources to do local manufacturing/assembly of the equipment it is presently importing.
4. Future growth will be contingent upon Comtel's ability to finance its working capital requirements and funding required for any future growth.

5. Lockdown and restrictions due to the Covid 19 pandemic has to some extent impacted the movement of goods in relation to some customers particularly in the movie and education sector.
6. Foreign exchange rate fluctuations may adversely impact the profitability of operations of Comtel.
7. Comtel continues to support the executed projects by way of warranty and annual maintenance contracts. As these projects have been executed using hardware and software supplied by multiple original equipment manufacturers (“OEMs”) prior to execution of these projects, the support provided by Comtel is contingent on the availability of the equipment and support from OEMs. Technological obsolescence and closure of OEMs business may effect this business adversely.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

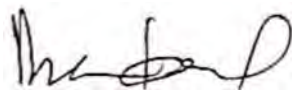
- A. Total number of outstanding litigations against Comtel and amount involved is as under: **Nil**
- B. Brief details of the top 5 material outstanding litigations against Comtel and amount involved: **None of the litigation is material**
- C. Regulatory action, if any. Disciplinary action taken by SEBI or stock exchange against the Promoter in the last 5 years including outstanding action, if any: **HCIPL is the sole promoter of Comtel. No regulatory / disciplinary action has been taken by SEBI or stock exchanges against HCIPL in the last 5 years nor is any such matter pending for disposal.**
- D. Brief details of outstanding criminal proceedings against Promoter (HCIPL): **There are no pending criminal proceedings against the Promoter.**

ANY OTHER MATERIAL INFORMATION OF COMTEL: NIL

DECLARATION BY COMTEL

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines / regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For **HCIPL Comtel Private Limited**



Pranav Roach
(Director and Authorized Signatory)

DIN: 00017425

Date: June 24, 2020

Place: New Delhi

June 24, 2020

To

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, Block -G
BandraKurla Complex
Bandra (East), Mumbai - 400 051

BSE Limited
Corporate Relationship Department
P.J. Towers, Dalal Street
Mumbai - 400 001

Sub.: Proposed Composite Scheme of Arrangement among Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker, having Registration No. INM000012494 have been appointed by HCIL Comtel Private Limited to provide a compliance report with respect to adequacy and accuracy of disclosures made in the Abridged Prospectus dated June 24, 2020 (the "**Abridged Prospectus**") under the Proposed Composite Scheme of Arrangement among Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

Scope and Purpose of Compliance Report

As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, a compliance report has to be obtained from a merchant banker on the information to be disclosed in the Explanatory Statement to the Notice to be issued for Tribunal convened meeting of the shareholders of listed company in line with information disclosed in abridged prospectus in terms of Part E of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The purpose of abridged prospectus is to inform the shareholders about the information / details of unlisted company, to the extent applicable, involved in the Scheme.

Sources of the Information

We have received the following information from the Management of HCIL Comtel Private Limited and Hughes Communications India Private Limited:

1. Draft Scheme of Arrangement
2. Disclosure in the format of Abridged Prospectus dated June 24, 2020 prepared in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017
3. Information / documents / undertakings, etc provided by the Management of Hughes Communications India Private Limited and HCIL Comtel Private Limited pertaining to the disclosures made in the Abridged Prospectus dated June 24, 2020.

Compliance Report

1. As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, we have examined the disclosures made in the Abridged Prospectus issued by HCIL Comtel Private Limited, which shall form part of the explanatory statement to the Notice to be issued by Bharti Airtel Limited.
2. Accordingly, we confirm that the information disclosed in the Abridged Prospectus contains all applicable information required in respect of unlisted entity involved in the Scheme, i.e. HCIL Comtel Private Limited, in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Thanking you,

Yours sincerely,

***For Sundae Capital Advisors Private Limited
(SEBI Regn. No. INM000012494)***

***Anchal Lohia
Sr. Manager***