



December 19, 2018

BSE Limited
Listing Department
P. J. Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: 532371

Scrip Symbol: TTML

Dear Sirs,

Subject: Update on the Scheme of Arrangement amongst Tata Teleservices (Maharashtra) Limited and Bharti Airtel Limited and their respective shareholders and creditors

We wish to inform you that the Hon'ble National Company Law Tribunal ("NCLT"), bench at Mumbai, has, vide its order dated December 4, 2018 (certified copy of the order received on December 18, 2018), sanctioned the Scheme of Arrangement amongst Tata Teleservices (Maharashtra) Limited ("**Transferor Company**") and Bharti Airtel Limited ("**Transferee Company**") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**"). The Scheme will be given effect to after and subject to fulfilment of certain conditions including the Transferee Company obtaining the necessary approval of the NCLT, Delhi Bench, to the said Scheme and the approval of the Scheme by the Department of Telecommunication ("**DoT**").

This update is provided in accordance with the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

The certified copy of the order is enclosed. Kindly take the same on record. The above is for your information and dissemination to the public at large.

Thanking you.

Yours truly,

For: **Tata Teleservices (Maharashtra) Limited**

Vrushali Dhamnaskar

Assistant Company Secretary

Enclosure: a/a

TATA TELESERVICES (MAHARASHTRA) LIMITED

Registered Office : Voltas Premises T. B. Kadam Marg Chinchpokli Mumbai 400 033

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CIN: L64200MH1995PLC086354 Website www.tatateleservices.com

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH**

C.P. (C.A.A)/3596/230-232/NCLT/MB/MAH/2018

M/s. Tata Teleservices (Maharashtra) Limited

...Petitioner Company
(Transferor Company)

In the matter of:

Petitions under Sections 230 -232 and other relevant
provisions of the Companies Act, 2013;

And

Scheme of Arrangement amongst Tata Teleservices
(Maharashtra) Limited ("Transferor Company") and
Bharti Airtel Limited ("Transferee Company") and their
respective shareholders and creditors.

Ordered delivered on: 04.12.2018

Coram:

Hon'ble Bhaskara Pantula Mohan, Member (J)

Hon'ble V. Nallasenapathy, Member (T)

For the Petitioner:

Mr. R. M. Kadam, Senior Advocate, Mr. Darius Khambata, Senior Advocate, Mr. Ashish Kamat, Advocate, Mr. Tapan Deshpande, Advocate, Ms. Aditi Singhvi, Advocate, Ms. Priya Patwa, Advocate – i/b Cyril Amarchand Mangaldas –Advocates for the Petitioner.

For Regional Director:

Mr. S. Ramakantha, Joint Director and Ms. Rupa Sutar, Assistant Director.

For Department of Telecommunications:

Ms. Tanvi Kamat, Advocate i/b.Mr. Mandar Limaye, Advocate

Per: Bhaskara Pantula Mohan, Member (J)

ORDER

1. Heard Learned Senior Counsel Mr. R.M. Kadam appearing for the Petitioner Company, Advocate for Department of Telecommunications and Officer of the Regional Director, Western Region, Mumbai. No shareholder or creditor of the



Petitioner Company has appeared before this Tribunal to oppose the present Company Petition.

2. The Senior Counsel for the Petitioner Company states that the Company Petition has been filed to seek sanction to the Scheme of Arrangement amongst Tata Teleservices (Maharashtra) Limited (“Transferor Company”/ “Petitioner Company”) and Bharti Airtel Limited (“Transferee Company”) and their respective shareholders and creditors (“Scheme” or “Scheme of Arrangement”). The Senior Counsel for the Petitioner Company further states that the registered office of the Transferee Company is in the State of National Capital Territory of Delhi. In view thereof the Transferee Company has filed its Company Application with the National Company Law Tribunal, New Delhi Bench (“NCLT, Delhi Bench”) seeking sanction to the Scheme.
3. The Petitioner Company is primarily engaged in the business in the telecommunications, including, *inter alia*, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) wi-fi business, which are all provided under the same Telecom Licenses. The Petitioner Company holds Unified License with Access Service Authorisations for Mumbai service area and Maharashtra service Area i.e., rest of Maharashtra and Goa and a national Internet Service Provider (“ISP”) authorisation (collectively, referred to as the “Telecom Licenses”). The consumer mobile telephony business as carried out by the Petitioner Company as a part of the Demerged Undertaking and the enterprise business and other businesses carried on as part of the Residual Undertaking are separate and different businesses of the Petitioner Company. The Transferee Company is a leading global telecommunications company with operations in 16



countries across Asia and Africa. Headquartered in New Delhi, India, it 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 and international long distance services to carriers. The shares of the Petitioner Company and the Transferee Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Senior Counsel for the Petitioner Company says that the proposed Scheme provides for the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of the Petitioner Company to the Transferee Company, and the consequent issue of Equity Shares of the Transferee Company to the TTML Equity Holders (as defined in the Scheme) and BAL Redeemable Preference Shares (RPS) (as defined in the Scheme) to the TTML RPS Holders (as defined in the Scheme) by the Transferee Company in accordance with Clause 6 of the Scheme; and other matters consequential or otherwise integrally connected therewith.

4. The rationale and benefits of the Scheme, are: (a) expanding the business of the Transferee Company in the growing markets of India, thereby creating greater value for the shareholders/stakeholders of the Transferee Company; (b) consolidation of the consumer wireless telecom business of the Petitioner Company with the Transferee Company, thereby providing an opportunity to the shareholders of the Petitioner Company to acquire an interest in the Transferee Company; (c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Company and servicing existing as well as prospective customers of the Transferee Company, innovatively and efficiently; (d) the



combination of the Demerged Undertaking and the Transferee Company is a strategic fit for serving existing market and for catering to additional volume linked to new consumers; (e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Company and the Petitioner Company thereby significantly contributing to future growth and maximizing shareholders value; (f) increase in customer base and also acquisition of new customers; (g) provision of state of the art services to the customers using the spectrum and other assets; (h) enhanced generation of revenues and therefore enhanced license fee to the Government; and (i) the Scheme is in the best interests of the shareholders, employees and the creditors of the Petitioner Company and the Transferee Company, respectively.

5. The Senior Counsel for the Petitioner Company states that the Petitioner Company has complied with all the requirements as per the directions of this Tribunal and has filed necessary Affidavits of compliance in this Tribunal. Moreover, the Petitioner Company undertakes to comply with all the statutory requirements, if any, as required under the Companies Act 2013 ("2013 Act") and the Rules made thereunder. The said undertaking is accepted.

REPRESENTATIONS OF THE INCOME TAX DEPARTMENT (IT Department):

6. The IT Department through Dy. Commissioner of Income Tax, 8 (3) (1) *vide* its letter dated 29th August, 2018 has filed its representation to the Scheme. The Petitioner Company has filed its Affidavit dated 31st October, 2018 in Reply, to the said representations. In the Reply, the Petitioner Company *inter alia* stated that the points raised by the Assessing Officer, can be examined at the time of assessment and the



Petitioner Company undertakes to comply with the tax liability if any as finally determined in accordance with law and the provisions of the IT Act. The Senior Counsel stated that the IT Department in its Counter Affidavit dated 28th November, 2018 has acknowledged the above undertakings given by the Petitioner Company and prayed that this Tribunal record the undertaking given by the Petitioner Company in the order. The Petitioner Company undertakes to be bound by the Income Tax Act, 1961 ("IT Act") and the tax consequences as finally determined if the Scheme does not fall under the 'demerger' as defined under Section 2 (19AA) of the IT Act. The said undertaking of the Petitioner Company, is accepted.

REPRESENTATIONS OF THE DEPARTMENT OF TELCOMMUNICATION (DoT):

7. The DoT has also filed its representation *vide* in its letter dated 18th June, 2018 addressed to this Tribunal ("DoT Letter"), which was also placed on record by the DoT's Affidavit dated 29th August, 2018 wherein the observations of DoT on the Scheme have been set out. The Senior Counsel for the Petitioner Company states that the Petitioner Company has filed its Affidavit in Reply dated 30th October, 2018 ("Reply to DoT"), placed on record before this Tribunal, submitted its reply to the DoT letter and DoT's Affidavit, along with the undertakings as required by the DoT. The observations of the DoT are in Paragraphs 3(a) to 3(k) of the DoT Letter.
8. The Senior Counsel for the Petitioner Company states that in response to the Paragraph 3 (a) to (h) and 3(j) and 3(k) of the DOT Letter, the Petitioner Company has submitted under the Reply to DOT that the Petitioner Company undertakes that the demands and conditions stated by DOT in its letter dated June 18, 2018 shall be discharged/compliedby it in accordance with the Scheme and as and when the same



became due and payable in accordance with law. Additionally, the Transferee Company has undertaken to comply with the Guidelines for the Transfer/Merger of various categories of Telecommunications Serviced issues by DoT on February 20, 2014 ("Merger Guidelines"), including furnishing of the undertaking required by DoT, as and when called upon to do so by the DoT, in accordance with law.

9. The Senior Counsel for the Petitioner Company states that in response to the Paragraph 3 (i) of the DoT Letter, the Petitioner Company and the Transferee Company have filed an undertaking dated 23rd October, 2018, with the DoT, which is annexed as "Exhibit B" to the DoT Reply. Para 5 of the DoT Undertaking states that :

" 5. Consequently, BAL hereby undertakes that any and all demands, liabilities or proceedings or pertaining to a period prior to the effectiveness of the Scheme of Arrangement:

a. shall be transferred to BAL as part of the Scheme of Arrangement, if such demands, liabilities or proceedings are associated with any UL/Access Service Authorization in Mumbai and Maharashtra circles issued to TTML; or

b shall remain the demands, liabilities or proceedings of TTML and shall not be transferred to BAL as part of the Scheme of Arrangement, if such liability is associated with any UL/ISP License issued to TTML or any ISP licenses which were previously held by TTML."

On hearing the submission by the Senior Counsel for the Petitioner Company as well as the Advocate for the DoT and on the statement of the Advocate for the DoT, that on the above undertaking provided by the Petitioner Company being recorded in the order, DOT has no objections to sanction of the Scheme. Thus the above undertaking of the Petitioner Company as recorded above, is accepted. The approval of the DOT as required under the Merger Guidelines will be sought by the Petitioner Company subsequently.



REPRESENTATION OF A SHAREHOLDER:

10. The Senior Counsel for the Petitioner Company states that one shareholder of the Petitioner Company, Mr. Mukesh Mohan Chandiramani (**Objector**) has vide his letter dated 18th October, 2018 raised certain frivolous and baseless objections. The Petitioner Company has filed an Affidavit dated 6th November, 2018 in Reply dealing with the said objections of the Objector. The Senior Counsel for the Petitioner Company further states that the Objector holds only 9 shares in the Petitioner Company constituting 0.000000460% of the total shareholding of the Petitioner Company which does not meet the mandatory minimum threshold to prescribed under proviso to Section 230 (4) of the 2013 Act, to raise an objection by a shareholder and on this ground of having no locus, the objection raised by the Objector deserves to be dismissed. Thus, as the Objector does not meet the mandatory minimum threshold prescribed by 2013 Act for a shareholder to raise objection to a Scheme, the objection of the Objector is dismissed as not maintainable.

REPRESENTATIONS OF THE REGIONAL DIRECTOR (RD):

11. The RD has filed his Representation dated 27th November, 2018 *inter alia* raising certain observations to the Scheme in paragraph IV therein. The paragraph IV of the RD's Representation is, for sake of ready reference, reproduced hereunder:

“(a) As per the Part-B Definitions & Interpretation. Share Capital -Clause – (1.2) of the Scheme. The Appointed Date means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor as well as the Transferee Company, and thereafter approved by the NCLT. In this regard it is submitted that the “Appointed



Date” shall be as per provisions of Section 232(6) of the Companies Act, 2013 and not as specified in the above said clauses of the scheme;

(b) As per the Part-B Definitions & Interpretation. Share Capital -Clause – (1.15) of the Scheme. The Effective Date means the date on which the Scheme takes effect in accordance with Clause 9. References in this Scheme to the date of “coming into effect of this Scheme” or “Scheme becoming effective” shall be construed accordingly. . In this regard it is submitted that Effective Date shall be as per provisions of Section 232(6) of the Companies Act, 2013 and not as specified in the above said clauses of the scheme;

(c) As per the Part -B Definitions & Interpretation. Share Capital –Clause- (1.16) of the Scheme “Excluded Litigations” Means

- (i.) all criminal proceedings (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against the Transferor Company arising and pertaining to the period prior to a specified date, as mutually agreed to between the relevant Parties; and*
- (ii.) any other civil, legal, regulatory, taxation or other litigation or proceedings (including before any statutory or quasi-judicial authority or tribunal), as are specifically agreed to between the relevant Parties, including under or in accordance with any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme.*

In this regard it is submitted that petitioner to specifically specify the date to crystalize the above mentioned issues.



(d) As per Part-C–Clause -7.2.1(v) of the Scheme “Accounting Treatment” the scheme vide clause contemplates that “To the extent there is inter-corporate balances between the Transferee Company and the Demerged Undertaking, the obligations in respect thereof shall stand cancelled.” In this regard it is submitted that such adjustment is up to the Appointed Date;

(e) As per the Part-D – General Terms and Conditions – Clause- (8) of the Scheme “Modification or Amendments to the Scheme” it is stated that “The Transferor Company and the Transferee Company shall have the right to amend or modify the Scheme, as they deem fit, subject to Applicable Law. Provided that no amendment or modification will be made to the Scheme without specific and written approval of the authorized signatory of each of the Transferor Company and the Transferee Company.” In this regard it is submitted that same shall be with prior approval of the Hon’ble NCLT;

(f) The Registered Office of the Bharati Airtel Limited the Transferee/Resulting Company is situated in New Delhi and falls in the jurisdiction of Hon’ble NCLT, at New Delhi. Accordingly, similar approval be obtained by the Transferee/Resulting Company from Hon’ble NCLT, at New Delhi. Accordingly, similar approval be obtained by the Transferee/Resulting Company from Hon’ble NCLT at Delhi;

(g) As per the Part-D– General Terms and Conditions – Clause – (13) of the Scheme “Severability” it is stated that “If any part of this Scheme is found to be invalid, unenforceable or unworkable for any reason whatsoever, the same shall not, subject to the decision of the Boards of the respective Parties, affect the validity or implementation of the other parts and/or provisions of this



Scheme." In this regard it is submitted that the same ("Severability") is subject to prior approval of Hon'ble NCLT;

(h) Hon'ble NCLT may kindly direct the petitioners to file an Affidavit to the extent that the Scheme enclosed to Application & Company Petition, are not the same and there are no discrepancy /any change/ changes are made, and liberty be given to Central Government to file further report if any required;"

12. The Senior Counsel for the Petitioner Company states that the observations made by the Regional Director have been dealt with by the Petitioner Company in the Affidavit dated 28th November, 2018 in reply, dealing with the said RD's Representations as stated below:
13. As regards the observation in paragraph IV (a) and IV (b) of the said Representation, the Petitioner Company in paragraph 4 of the Affidavit dated 28th November, 2018 in reply has stated that in terms of clause 9.1 of the Scheme, the effectiveness of the Scheme is conditional upon the approval of DoT to the Scheme. This approval of the DoT is required to be obtained, under the guidelines for transfer/ merger of various categories of telecommunication service licenses/ authorization under the Unified Licenses on compromises, arrangements and amalgamation of the companies dated 20th February, 2014 (as amended from time to time), after sanction of the Scheme by this Hon'ble Tribunal. It is for this reason, the Senior Counsel for the Petitioner Company on instructions requests that, while this Tribunal may sanction the Scheme, the Petitioner Company be allowed to approach this Tribunal, to provide a fixed Appointed Date after the abovementioned approval of the DoT is received and before the Scheme is made effective. In support of the aforesaid our attention is drawn to



Section 231(1) (b) of the 2013 Act, under which this Tribunal has the power to give such directions in regard to any matter as it may consider necessary for proper implementation of the compromise or arrangement, at the time of making the order of sanction or at any time thereafter. The aforesaid gives power to this Tribunal to take on record the Appointed Date after the sanction of the Scheme. On reading Section 231(1) (b), it can be said that while a scheme of arrangement may be sanctioned, the actual date of the arrangement may be delayed till such time necessary pre-conditions are fulfilled. In any event sanctioning of the Scheme does not fetter the Tribunal from delaying the date of actual arrangement of the Petitioner Company. In the case on hand, the arrangement envisaged under the Scheme is dependent upon certain pre-conditions including approval by the DoT, in turn the approval by DoT is dependent on the sanction of the Scheme by this Tribunal. Further, with respect to IV (b) of the said Representation, Section 232(6) of the 2013 Act, the scheme shall be deemed to be effective from the Appointed Date. In this background, the Petitioner Company has provided an undertaking to this Tribunal that subsequent to the sanction of the Scheme by this Tribunal, the Petitioner Company will seek approval of the DoT and upon receipt of such approval, approach this Tribunal within 3 months and provide a fixed Appointed Date and a public notice be published in The Times of India (all India editions) in English language and a Marathi translation thereof in Maharashtra Times (Mumbai edition). The Petitioner Company undertakes that within 3 months of the Appointed Date approved by the Tribunal, the Petitioner Company shall file the consolidated Financial Statements of the Petitioner Company and the Balance Sheets of the Demerged Undertaking, as on the Appointed Date.



14. As regards the observation in paragraph IV (c) of the said Representation, the Petitioner Company in paragraph 5 of the Affidavit dated 28th November, 2018 in reply, has provided an undertaking that the specified date for the purposes of paragraph 1.16 (a) of the Scheme shall be the Effective Date.
15. As regards the observation in paragraph IV (d) of the said Representation, the Petitioner Company in paragraph 6 of the Affidavit dated 28th November, 2018 in reply, has provided an undertaking that the adjustments mentioned in Clause 7.2.1(v) of the Scheme shall be up to the Appointed Date.
16. As regards the observation in paragraph IV (e) of the said Representation, the Petitioner Company in paragraph 7 of the Affidavit dated 28th November, 2018 in reply, has provided an undertaking to this Tribunal that any amendment or modification to a provision of the Scheme, sanctioned by this Hon'ble Tribunal shall be carried out only with the leave of this Hon'ble Tribunal.
17. As regards the observation in paragraph IV (f) of the said Representation, the Petitioner Company agrees that the approval of the Scheme is subject to the Transferee Company obtaining the necessary approval of the NCLT, New Delhi Bench, to the said Scheme. The Petitioner Company has submitted that the Transferee Company has filed its Petition (Company Petition No. C.A (CAA)-138 (PB) of 2018 connected with Company Application NO. CA (CAA)-98 (PB) OF 2018) before the NCLT, Delhi Bench, seeking sanction to the said Scheme.
18. With regard to the observations in paragraph IV (g) of the said Representation, the Petitioner Company has stated that the provision on severability of the Scheme as set out in Clause 13 of the Scheme is a standard clause in schemes of arrangements and



the purpose of including such a clause is that if some other authorities and regulatory bodies treat some part of the Scheme to be invalid, unenforceable or unworkable for any reason, even then the rest of the Scheme will function. The Petitioner Company in paragraph 9 of the Affidavit dated 28th November, 2018 in reply, has provided an undertaking to this Hon'ble Tribunal that severability of the Scheme as set out in clause 13 of the Scheme is not intended to enable the Petitioner Company to sever any provisions of the Scheme through an amendment.

19. With regard to the observation in paragraph IV (h) of the said Representation, the Petitioner Company in paragraph 10 of the Affidavit dated 28th November, 2018 in reply has provided an undertaking to this Hon'ble Tribunal that the Scheme annexed to the Company Scheme Application No. 194 of 2018 and the Scheme annexed to the Company Petition No. 3596 of 2018 (*i.e. C.P.(CAA)/3596/MB/2018*) filed by the Petitioner Company in this Tribunal, are one and same and there is no discrepancy or changes, therein.
20. As stated above the observations made by the Regional Director as dealt with by the Petitioner Company in the Affidavit dated 28th November, 2018 have been explained in paragraphs 13 to 19 above. The clarifications and undertakings given by the Petitioner Company, are accepted.
21. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
22. Since all the requisite statutory compliances have been fulfilled, the Company Petition No. 3596 of 2018 filed by the Petitioner Company is made absolute in terms of prayer



clauses (a) and (b). This order is subject to the sanction to the Scheme by the NCLT, New Delhi Bench.

23. This Tribunal will provide the necessary directions to the Petitioner Company, to file this order approving the Scheme, with the concerned Stamp Authority for adjudication of stamp duty and also electronically filing the order with the concerned Registrar of Companies, after the Petitioner Company receives the approval of the DoT and approaches this Tribunal and provides a fixed Appointed Date.
24. The Petitioner Company to pay cost of the Company Petition of INR 25,000/- to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the order.
25. All concerned authorities to act on a copy of this order along with the sanctioned Scheme, duly certified by the officer of National Company Law Tribunal, Mumbai Bench.

Sd/-

V. Nallasenapathy

Member (T)



Sd/-

Bhaskara Pantula Mohan

Member (J)

Certified True Copy
Date of Application 05.12.2018
Number of Pages 14
Fee Paid Rs. 70
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Copy issued on 18.12.2018

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Assistant Registrar
National Company Law Tribunal, Mumbai Bench

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

AMONGST

TATA TELESERVICES (MAHARSHTRA) LIMITED
(TTML or Transferor Company)

AND
BHARTI AIRTEL LIMITED
(BAL or Transferee Company)

AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



PART A – GENERAL

I. PREAMBLE AND OVERVIEW OF THE SCHEME

- (a) This scheme of arrangement ("Scheme", as more particularly defined below) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined below) read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961, between Tata Teleservices (Maharashtra) Limited ("TTML" or the "Transferor Company") and Bharti Airtel Limited ("BAL" or the "Transferee Company") and their respective shareholders and creditors.
- (b) This Scheme provides for the following:
- (i) the transfer by way of a demerger of the Demerged Undertaking (as defined below) of the Transferor Company to the Transferee Company, and the consequent issue of BAL Equity Shares to the TTML Equity Holders and BAL RPS to the TTML RPS Holders by the Transferee Company in accordance with Clause 6 below; and
 - (ii) various other matters consequential or otherwise integrally connected therewith.

II. INTRODUCTION

- (a) TTML is a public listed company incorporated on March 13, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number L64200MH1995PLC086354. Its registered office is situated Voltas Premises, TB Kadam Marg, Chinchpokli, Mumbai, 400033. TTML holds an Unified License with Access Service Authorisations for Mumbai service area and Maharashtra service i.e. rest of Maharashtra and Goa and a national Internet Service Provider ("ISP") authorisation (collectively, referred to as the "Telecom Licenses"). TTML is engaged in businesses in the telecom sector including, *inter alia*, (i) consumer mobile telephony business; (ii) enterprise business; (iii) retail wireline voice and broadband business and (iv) wi-fi business, which are all provided under the same Telecom License. The consumer mobile telephony business as carried out by TTML as a part of the Demerged Undertaking and the enterprise business and other businesses carried on as part of the Residual Undertaking are separate and different business of TTML. The equity shares of TTML are listed on the Stock Exchanges (defined below).
- (b) BAL is a public listed company incorporated on July 7, 1995 under the provisions of the Companies Act, 1956 with Corporate Identification Number L74899DL1995PLC070609. Its registered office is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. BAL is engaged in the business of providing global telecommunication services with operations in 17 (seventeen) countries across Asia and Africa. In India, the Transferor Company's product offerings include consumer mobile services (2G, 3G and 4G), mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national and international long distance services to carriers. It has Unified License to operate in Punjab, Himachal Pradesh, Karnataka, Andhra Pradesh, Delhi and Kolkata and Unified Access Service License in remaining circles except in Rajasthan and North-Eastern circle. In the rest of the geographies, it offers consumer mobile services (2G, 3G and 4G) and mobile commerce.

III. RATIONALE AND BENEFITS OF THIS SCHEME



This Scheme for the demerger and vesting of the Demerged Undertaking (as defined hereinafter) of TTML to BAL, results in the following benefits:

- (a) expanding the business of the Transferee Company in the growing markets of India, thereby creating greater value for the shareholders/ stakeholders of the Transferee Company;
- (b) consolidation of the consumer wireless telecom business of the Transferor Company with the Transferee Company, thereby providing an opportunity to the shareholders of the Transferor Company to acquire an interest in the Transferee Company;
- (c) availability of increased resources and assets which can be utilized for strengthening the customer base of the Transferee Company and servicing existing as well as prospective customers of the Transferee Company, innovatively and efficiently;
- (d) the combination of the Demerged Undertaking and the Transferee Company is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;
- (e) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of the Transferee Company and the Transferor Company thereby significantly contributing to future growth and maximizing shareholders value;
- (f) increase in customer base and also acquisition of new customers;
- (g) provision of state of the art services to the customers using the spectrum and other assets; and
- (h) enhanced generation of revenues and therefore enhanced license fee to the Government.

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

IV. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- (a) Part A deals with background of the Parties and the rationale and benefits of the Scheme;
- (b) Part B deals with the Definitions, Interpretation and Share Capital;
- (c) Part C deals with demerger of the Demerged Undertaking as a going concern into the Transferee Company, in compliance with Section 2(19AA) of the Income-tax Act, 1961;
- (d) Part D deals with the General Terms and Conditions applicable to the Scheme.



PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1. "Act" means the Companies Act, 2013 and the Companies Act, 1956 (to the extent the same is in force and applicable), the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;
- 1.2. "Appointed Date" means either of (a) the Effective Date; or (b) such other date as may be agreed in writing by the Board of Directors of the Transferor as well as the Transferee Company, and thereafter approved by the NCLT;
- 1.3. "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/ or jurisdiction; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4. "Appropriate Authority" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange in India or any other country including the Registrar of Companies, Regional Director, DoT, CCI, Reserve Bank of India, SEBI, Stock Exchanges, NCLT, and such other sectoral regulators or authorities as may be applicable;
- 1.5. "Assets" shall mean and include without limitation, assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, whether owned or leased or otherwise acquired by or in the possession of the Transferor Company, in connection with or pertaining or relatable to the Demerged Undertakings;
- 1.6. "BAL Equity Shares" means fully paid up equity shares of BAL of face value INR 5 (Rupees five only) each in the share capital of the Transferee Company;
- 1.7. "BAL RPS" means fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 100 (Rupees hundred only) each in the share capital of Transferee Company 1 and having the terms set forth in Schedule 3;
- 1.8. "Board" in respect of a company means the board of directors of such company at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;
- 1.9. "Cash" means and includes, the aggregate amount in respect of the following items, including without limitation: (a) cash and bank balances; (b) securities held by or on behalf of the Transferor Company which are readily convertible into cash (i.e. cash equivalents); (c) fixed deposit receipts and any interest accrued thereon; and (d) any other cash equivalent;



- 1.10. "Contract" means any contract, lease, licence, indenture, agreement, commitment or any other legally binding arrangement;
- 1.11. "CCI" means the Competition Commission of India;
- 1.12. "Demerged Undertaking" means the entire consumer wireless mobile business, undertakings, activities and operations of the Transferor Company in the TTML Circles to be transferred to BAL as a going concern with effect from the Appointed Date and, unless mutually agreed to and/ or identified between Parties, includes without limitation:
- (a) all Assets used by the Transferor Company primarily in connection with the Demerged Undertaking, including without limitation:
- (i) the Spectrum allocated in relation to the Demerged Undertaking as set out in Schedule 1;
 - (ii) various resources granted by the DoT in relation to the TTML Circles. Such resources, include but are not limited to, frequencies for microwave backhaul (MW access and backbone carriers), access codes, MSC codes, MCC and MNC codes, SP codes, mobile numbering series, location routing number (LRN) codes, SACFA clearance certificates, wireless operating licences, other relevant licences/ permissions access spectrum, import licences, other administratively assigned frequencies, VSAT links, etc.;
 - (iii) all current assets, deposits including accrued interest, loans and advances, accrued to, or available with, the Transferor Company as on the Appointed Date;
 - (iv) the Cash pertaining to the Demerged Undertaking, accrued to, or available with, the Transferor Company as on the Appointed Date;
 - (v) all statutory and regulatory approvals, licenses except UL and ISP, agreements, permissions, approvals or consents to carry on the operations of the Demerged Undertaking including permissions for establishing cellular towers (including cell site licenses) or receiving stations and/ or approvals for bandwidth, spectrum, wireless access network and any other licenses, approvals, clearances, registrations (except the registration as infrastructure provider), permissions, authorities, allocations including but not limited to coverage test certificates, lawful interception clearances, approvals related to launch of mobile services and other service authorization permissions, EMF test certificates, remote access permissions, various security clearances including security policy filed with the DoT and audit certificates, permissions for various products/services and other miscellaneous approvals, etc. used by the Transferor Company primarily in owning or operating the Demerged Undertaking;
 - (vi) the base station transmitting and/or receiving equipment and other active equipment installed at any site, which is primarily used by the Transferor Company for operating the Demerged Undertaking, including base station controllers, switches, packet core, router and switches, Mobility IN/HLR/VAS, antennas, microwave dishes, wireless cable runs, panels, conduits, radio, amplifiers, filters and other transmission or communications equipment (including microwave transmitters operating in licensed band allocated for mobile networks, receivers and accessories);



- (vii) plant and machinery, utilities, vehicles, furniture, office equipment, appliances, accessories, information technology and related infrastructure used by the Transferor Company primarily in the operations of the Demerged Undertaking;
 - (viii) all Intellectual Property and goodwill used primarily in relation to the Demerged Undertaking; and
 - (ix) indefeasible right to use a part of the optical fibre network of the Transferor Company on terms mutually agreed to between the relevant Parties.
- (b) the freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking;
 - (c) specified Tax benefits, CENVAT credits, goods and services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking;
 - (d) all employees of the Transferor Company who are either (A) employed (whether primarily or exclusively) with the Demerged Undertaking as on the Effective Date, or (B) are mutually agreed between the Parties to be directly involved and responsible for the operations of the Demerged Undertaking ("Transferring Employees");
 - (e) all subscribers of the Demerged Undertaking in the TTML Circles other than the subscribers of the Residual Undertaking;
 - (f) all Liabilities of the Demerged Undertaking;
 - (g) all Contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature relating exclusively to the Demerged Undertaking and to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking may be eligible, and which are subsisting or have effect ("Transferring Contracts");
 - (h) all deposits and balances with Appropriate Authorities and any other persons, earnest moneys and/or security deposits paid by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking, by way of cash, deposits, bank guarantees including without limitation the DoT Bank Guarantees, etc. which shall be substituted by the Transferee Company except identified bank guarantees, as mutually agreed to between the Parties;
 - (i) all civil, legal or other proceedings in relation to the Demerged Undertaking, except the Excluded Litigations ("Transferring Litigations");
 - (j) all necessary books, tax books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations and other records whether in physical or electronic form relating exclusively to the Demerged Undertaking; and
 - (k) the microwave backhaul of the Transferor Company.

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



- 1.14. "DoT Bank Guarantees" means all the bank guarantees provided by TTML to DoT in terms of any notice inviting application issued by DoT or UL held by TTML or as mutually agreed to and/ or identified between the Parties;
- 1.15. "Effective Date" means the date on which the Scheme takes effect in accordance with Clause 9. References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly;
- 1.16. "Excluded Litigations" means:
- (a) all criminal proceedings (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against the Transferor Company arising and pertaining to the period prior to a specified date, as mutually agreed to between the relevant Parties; and
 - (b) any other civil, legal, regulatory, taxation or other litigation or proceedings (including before any statutory or quasi-judicial authority or tribunal), as are specifically agreed to between the relevant Parties, including under or in accordance with any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme.
- 1.17. "INR" means Indian Rupees;
- 1.18. "Intellectual Property" means all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software), in relation to the Demerged Undertakings, excluding Intellectual Property owned by Tata Sons Limited and NTT Docomo Inc. and Future Corporate Resources Limited;
- 1.19. "Liabilities" means liabilities determined and identified after due consideration of the applicable provisions of Section 2(19AA) of the Income-tax Act, 1961, and includes without limitation:
- (a) liabilities in connection with or pertaining or relatable to the Demerged Undertakings of every kind, nature and description, and recognized as liabilities in the books of accounts of the Transferor Company, as on the Appointed Date, in accordance with applicable accounting standards and/ or generally accepted accounting principles in India;
 - (b) the specific loans or borrowings (including debentures, if any, raised, incurred and utilized solely for the activities or operations) of the Demerged Undertakings; and
 - (c) in cases other than those referred to in (a) or (b) above, so much of the amounts of general or multipurpose borrowings, if any, of Transferor Company, as stand in the same proportion which the value of the assets transferred with the Demerged Undertaking bears to the total value of the assets of the Transferor Company immediately prior to the Appointed Date.
- 1.20. "NCLT" means the National Company Law Tribunal at New Delhi and the National Company Law Tribunal at Mumbai having jurisdiction in relation to the Parties as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;



- 1.21. "Parties" mean Transferor Company and the Transferee Company collectively;
- 1.22. "Record Date" shall mean a date to be mutually agreed by the Transferor Company and the Transferee Company, for the purpose of reckoning the TTML Equity Holders or TTML RPS Holders eligible to receive BAL Equity Shares and BAL RPS, as applicable, in accordance with Clause 6.1;
- 1.23. "Residual Undertaking" means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company that are not part of the demerger of the Demerged Undertaking to the Transferee Company in terms of and upon the effectiveness of this Scheme. For the avoidance of doubt, it is hereby clarified that the Residual Undertaking shall also mean and include, without limitation, the following:
- (a) wireline business, wi-fi business, managed services business (such as internet of things, cloud and SaaS services) and wholesale data services business and undertakings of the Transferor Company;
 - (b) the optical fibre and copper fibre network and the indefeasible right to use the optical fibre and copper fibre network of other operators;
 - (c) retail wireline voice and broadband business of the Transferor Company;
 - (d) the Transferor Company's passive infrastructure assets (not including telecom towers owned by the Transferor Company) comprising of the following, unless mutually agreed otherwise between the Parties: all the uninterrupted power supply, rectifier power supplies, electrical panels, air conditioners, battery banks, DG sets and associated power cables, fire alarm and fire suppression systems;
 - (e) infrastructure and allocations including unlicensed band radios network associated with, or related to (a) to (d);
 - (f) the UL and ISP; and
 - (g) the IPV4/IPV6 allocations and SDCA based numbering series, SMS codes (alpha numeric) given to subscribers of the businesses mentioned at (a) to (d) above, toll free services numbering series;
- 1.24. "Scheme" or "the Scheme" or "this Scheme" means this scheme of arrangement in as modified from time to time, as per Clause 8 of the Scheme;
- 1.25. "SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.26. "Spectrum" means the spectrum allotted to the Transferor Company, details of which are set out in Schedule 1;
- 1.27. "Stock Exchange" means BSE Limited and/ or the National Stock Exchange of India Limited and "Stock Exchanges" shall mean both collectively
- 1.28. "Taxes" or "Tax" or "Taxation" means: (a) all forms of direct tax and indirect tax, levy, duty (including stamp duty), charge, impost, withholding or other amount whenever or wherever created or imposed under Applicable Laws; and (b) all charges, interest, penalties and fines (by whatever name called) incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;



- 1.29. "TTML Equity Holders" means a person recorded in the Transferor Company's register of members as the owner of one or more TTML Equity Shares as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;
- 1.30. "TTML Equity Shares" means fully paid up equity shares of TTML of face value INR 10 (Rupees ten only) each in the share capital of TTML;
- 1.31. "TTML RPS" means fully paid-up, redeemable preference shares of TTML of face value INR 100 (Rupees hundred only) each in the share capital of TTML;
- 1.32. "TTML RPS Holders" means a person recorded in the Transferor Company's register of members as the owner of one or more TTML RPS as on the relevant Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person;
- 1.33. "Transferee Company" or "BAL" shall have the meaning set out in Preamble I (a);
- 1.34. "Transferor Company" or "TTML" shall have the meaning set out in Preamble I (a);
- 1.35. "Transferring Contracts" shall have the meaning set out in Clause 1.12(g);
- 1.36. "Transferring Employees" shall have the meaning set out in Clause 1.12(d);
- 1.37. "Transferring Litigations" shall have the meaning set out in Clause 1.12(i);
- 1.38. "TTML Circles" means the telecom service areas of Mumbai and Maharashtra;
- 1.39. "UL" mean Unified License with access service authorization for Maharashtra and Mumbai service area granted by the DoT to TTML.

2. INTERPRETATION

- 2.1.1. References to clauses and schedules, unless otherwise provided, are to clauses and schedules of and to this Scheme.
- 2.1.2. The headings herein shall not affect the construction or interpretation of this Scheme.
- 2.1.3. Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 2.1.4. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.1.5. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 2.1.6. An asset, contract, proceeding, resource or other matter that is mutually agreed in writing by the Parties to be or not to be primarily relatable to or used in a Demerged Undertaking shall



be deemed for the purposes of this Scheme to be or not be (respectively) primarily relatable to or used in a Demerged Undertaking.

3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

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

4. **SHARE CAPITAL**

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

Transferor Company	
Authorized Share Capital	
2,50,00,00,000 equity shares of INR 10 each	2,500
2,35,00,00,000 preference shares of INR 100 each	23,500
50,00,00,000 unclassified shares of INR 100 each	5,000
TOTAL	31,000
Issued and paid-up Share Capital	
1,95,49,27,727 fully paid up equity shares of INR 10 each	1954.93
20,18,00,000 fully paid up preference shares of INR 100 each	2018
TOTAL	3972.93

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

BAL	
Authorized Share Capital	
5500,000,000 equity shares of INR 5 each	2750
TOTAL	2750
Issued and paid-up Share Capital	
3,997,400,102 equity shares of INR 5 each	1998.7
TOTAL	1998.7



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

5. DEMERGER AND VESTING OF DEMERGED UNDERTAKING

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

5.2. Transfer of Assets

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

- (i) all the Assets relating primarily to the Demerged Undertaking and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company and shall become the property of the Transferee Company in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same;
- (ii) in respect of the Assets relating to the Demerged Undertaking other than those specified in Clause 5.2.1(i) above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company and be paid or made good or held on account of the Transferee Company as the person entitled thereto;
- (iii) the Assets relating to the Demerged Undertaking that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. With effect from the Effective Date, the Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof; and
- (iv) for purposes of taking on record the name of the Transferee Company in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or licence (as the case may be) by the Transferor Company in favour of the Transferee Company.



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

5.3. Transfer of Liabilities

- 5.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities relating to the Demerged Undertaking shall be transferred or deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.
- 5.3.2. The provisions of this Clause 5.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

5.4. Legal Proceedings

- 5.4.1. Upon the Scheme becoming effective, all Transferring Litigations, pending on the Effective Date, shall be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company.
- 5.4.2. The Transferee Company: (a) shall be replaced/added as party to Transferring Litigations; and (b) shall prosecute or defend such proceedings at its own cost and subject to any agreement between the Parties, the liability of the Transferor Company shall consequently stand nullified. Each of the Parties shall make relevant applications in that behalf, as may be required.

5.5. Employees

- 5.5.1. Upon the Scheme becoming Effective, all Transferring Employees shall be deemed to have become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are employed by the Transferor Company in the Demerged Undertaking and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking to the Transferee Company.
- 5.5.2. The Transferee Company agrees that for the purpose of payment of any compensation, retrenchment compensation, gratuity and other terminal benefits, the past services of the Transferring Employees with the Transferor Company shall also be taken into account, and pay the same as and when payable.
- 5.5.3. On the Scheme becoming effective, in so far as all employee benefits including the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of Transferor Company are concerned (collectively referred to as the "Employee Benefit Funds"), such proportion of the investments, made in the funds and liabilities which are referable to the Transferring Employees shall be transferred to the similar funds existing or created by the Transferee



Company and shall be held for their benefit pursuant to this Scheme, or maintained as separate funds by Transferee Company.

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

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

5.7. **Permits**

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

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

5.8. **Taxes and Taxation**

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

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

5.8.3. This Scheme complies with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions, of the Income-tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any



amendment or coming into force of any provision of the Income-tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

6. CONSIDERATION FOR DEMERGER

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

(A) 1 (one) BAL Equity Share to TTML Equity Holders on the Record Date for every 2,014 (two thousand fourteen) TTML Equity Shares each held in TTML on the Record Date; and

(B) 10 (Ten) BAL RPS to all (and not each) TTML RPS Holders in proportion to their holding of TTML RPS on the Record Date.

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

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

6.3.1. The BAL Equity Shares to be issued and allotted by Transferee Company to the shareholders of Transferor Company shall rank *pari passu* in all respects with the then existing BAL Equity Shares.

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

6.3.3. The BAL Equity Shares shall be issued in dematerialized form to the shareholders of the Transferor Company into the account in which shares of the Transferor Company are held or such other account as is intimated in writing by the shareholders to Transferor Company and/ or its registrar and transfer agent provided such intimation has been received by the



Transferor Company and/or its registrar before the Effective Date. The BAL RPS issued pursuant to Clause 6.1 shall be issued in dematerialized or physical form as the Transferor Company and Transferee Company may mutually agree.

- 6.3.4. Approval of this Scheme by the equity shareholders of Transferee Company shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the BAL Equity Shares and BAL RPS by Transferee Company as provided in this Scheme.
- 6.3.5. The BAL RPS to be issued by Transferee Company pursuant to Clause 6.1 of this Scheme will not be listed and/ or admitted to trading on the Stock Exchanges.
- 6.3.6. The BAL Equity Shares to be issued by Transferee Company to the TTML Equity Holders of Transferor Company pursuant to Clause 6.1 of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges within 45 (forty five) days of the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for Transferee Company with the formalities of the said Stock Exchange as may be required for listing of the BAL Equity Shares. The BAL Equity Shares of Transferee Company allotted pursuant to the Scheme shall remain frozen in the depository system till listing and trading permission is given by the Stock Exchanges.

7. ACCOUNTING TREATMENT

- 7.1. Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. In case of the Transferee Company, the accounting treatment shall also take into account the provisions of Clause 7.2 below:
- 7.2. Accounting treatment in the books of the Transferee Company
- 7.2.1 On this Scheme becoming effective, with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of Demerged Undertaking in its books in accordance with the requirements of Ind AS 103 'Business Combinations' as notified under Section 133 of the Companies Act, 2013:
- (i) The Transferee Company shall, on this Scheme becoming effective, record all assets (tangible and intangible) and liabilities of the Demerged Undertaking;
 - (ii) For the liabilities of the Demerged Undertaking recognised in (i) above against which indemnification has been provided, corresponding indemnification asset, to the extent allowed under Ind AS, would be accounted;
 - (iii) The Transferee Company shall record the consideration transferred (shares of Transferee Company issued to equity holders of Transferor Company pursuant to this Scheme);
 - (iv) The difference, if any, being excess / deficit arising pursuant to this Scheme shall be accounted as capital reserve / goodwill; and



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



PART D - GENERAL TERMS AND CONDITIONS

8. MODIFICATION OR AMENDMENTS TO THE SCHEME

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

9. CONDITIONS PRECEDENT

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

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

9.1.2. Later of the dates of certified copies of the orders of the respective NCLTs sanctioning the Scheme being filed with the respective Registrars of Companies having jurisdiction over the Parties.

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

10. COSTS AND EXPENSES

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

11. RESIDUAL PROVISIONS

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

12. POWER TO REMOVE DIFFICULTIES

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

(a) give such directions (acting jointly) as may be mutually agreed in writing by the Parties as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those;

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



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

13. SEVERABILITY

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

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

- 14.1. The Residual Undertaking and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company shall have no right, claim or obligation in relation to the Residual Undertaking.
- 14.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking and the Excluded Litigations shall be continued and enforced by or against the Transferor Company. The Transferee Company shall, except as agreed between the Transferor Company and the Transferee Company, not be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.
- 14.3. With effect from and beyond the Effective Date, the Transferor Company:
- (i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf; and
 - (ii) all profits accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company.



Schedule 1

Spectrum (auction acquired) forming part of Demerged Undertaking

800 MHz						
Maharashtra	2.50	Mar15	28-May-15	27-May-35	799	1,999
Mumbai	2.50	Mar15	21-Apr-16	20-Apr-36	727	1,819

1800 MHz						
Mumbai	0.60	Oct16	10-Nov-16	9-Nov-36	489	294
Mumbai	4.40	Oct16	10-Nov-16	29-Sep-37	489	2,152
Maharashtra	4.00	Oct16	10-Nov-16	29-Nov-36	318	1,272
Maharashtra	1.00	Oct16	10-Nov-16	29-Sep-37	318	318

2100 MHz						
Maharashtra	5.00	Jun10	1-Sep-10	31-Aug-30	252	1,258



Schedule 2

Terms of BAL RPS

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



Certified True Copy

Date of Application 05/12-2018

Number of Pages 20

Fee Paid Rs. 100

Applicant called for collection copy on 18/12-2018

Copy prepared on 18/12-2018

Copy Issued on 18/12-2018

Assistant Registrar

National Company Law Tribunal, Mumbai Bench

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT MUMBAI
COMPANY SCHEME PETITION NO. 3596 OF 2018
CONNECTED WITH
COMPANY SCHEME APPLICATION NO. 194 OF
2018**

In the matter of Petition under Sections 230 -232
of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement amongst
Tata Teleservices (Maharashtra) Limited and
Bharti Airtel Limited and their respective
shareholders and creditors;

Tata Teleservices (Maharashtra)
Limited ... Petitioner Company

**CERTIFIED COPY OF THE ORDER DATED 4TH
DECEMBER, 2018 ALONG WITH SANCTIONED
SCHEME**



Cyril Amarchand Mangaldas
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013
Advocates for the Petitioner Company