



June 15, 2022

**National Stock Exchange of India Limited**

Exchange Plaza, C-1 Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400051, India  
**Symbol:** BHARTIARTL/ AIRTELPP

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400001, India  
**Scrip Code:** 532454/ 890157

**Ref:** Composite Scheme of arrangement between Nettle infrastructure Investments Limited and Telesonic Networks Limited and their respective shareholders and Bharti Airtel Limited ('Company') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme')

**Sub:** Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Issuance of notices to Equity Shareholders and Unsecured Creditors of the Company

Dear Sir/ Ma'am,

Pursuant to the Order dated June 02, 2022 of Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT'), the Company has dispatched the notices to its Equity Shareholders and Unsecured Creditors in the manner specified in the said order, seeking their representation, if any, on the Scheme. The aforesaid notices of Equity Shareholders and Unsecured Creditors are enclosed herewith as **Annexure A** and **Annexure B**, respectively and are also available on the Company's website.

It is submitted that the Hon'ble NCLT has dispensed with the requirement to convene the meetings of Equity Shareholders and Creditors of the Company.

Kindly take the same on record.

Thanking you,  
Sincerely Yours,

For **Bharti Airtel Limited**

**Rohit Krishan Puri**  
Dy. Company Secretary & Compliance Officer



**Encl.:** As above

**Bharti Airtel Limited**  
(a Bharti Enterprise)

Regd. Office: Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram – 122015, India  
Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India  
T.: +91-124-4222222, F.: +91-124-4248063, Email id: compliance.officer@bharti.in, [www.airtel.com](http://www.airtel.com)  
CIN: L74899HR1995PLC095967

**BHARTI AIRTEL LIMITED**

CIN: L74899HR1995PLC095967

Registered Office: Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015

Phone: +91-124-4222222 Fax: +91-124-4248063

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

**NOTICE TO THE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED**

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, AT CHANDIGARH  
COMPANY APPLICATION CA (CAA) NO. 10/CHD/HRY/2022  
(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 NETTLE INFRASTRUCTURE INVESTMENTS LIMITED AND TELESONIC NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND BHARTI AIRTEL LIMITED**

**AND**

**IN THE MATTER OF:**

**Nettle Infrastructure Investments Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana – 122015.

...**Transferor Company 1 / Applicant Company 1**

**AND**

**Telesonic Networks Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana – 122015.

...**Transferor Company 2 / Applicant Company 2**

**AND**

**Bharti Airtel Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana – 122015.

...**Transferee Company / Applicant Company 3**

**NOTICE TO THE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED AS ON JUNE 3, 2022**

Notice is hereby given in pursuance of the order dated the 2<sup>nd</sup> day of June, 2022 in Company Application CA (CAA) No. 10/CHD/HRY/2022 (“**Order**”) under Section 230(1) of the Companies Act, 2013 (“**Act**”), that as directed by the Hon’ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh (“**Tribunal**”) by way of the said Order, the meetings of the shareholders, secured creditors and unsecured creditors of Bharti Airtel Limited, i.e. the Transferee Company/Applicant Company 3 (“**Airtel**”) have been dispensed with.

A copy of the statement under Section 230(3) of the Act read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Explanatory Statement**”) and the proposed composite scheme of arrangement (“**Scheme**”) as filed before the Hon’ble Tribunal are enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be submitted to the Hon’ble Tribunal within 30 (Thirty) days from the date of receipt of this notice. Copy of the representations, if any, may simultaneously be sent to Airtel at its corporate office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. In case no representation is received within the stated period of 30 (Thirty) days, it shall be presumed that you have no representations to make on the proposed Scheme.

Copies of the notice, together with the documents accompanying the same, including the Explanatory Statement and the Scheme can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the corporate office of Airtel at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 during business hours. Airtel is required to furnish a copy of the Scheme within one day of any requisition of the Scheme made by any such equity shareholder.

**STATEMENT UNDER SECTIONS 230(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. This statement is being furnished pursuant to Section 230(3) of the Companies Act, 2013 (“**Act**”) read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Rules**”) (the “**Explanatory Statement**”).
2. The Hon’ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh (“**Tribunal**”), by its order dated June 2, 2022 in Company Application CA (CAA) No. 10/CHD/HRY/2022 (“**Order**”), dispensed with the requirement of convening the respective meetings of the shareholders, secured creditors and unsecured creditors of Nettle Infrastructure Investments Limited (i.e. the Transferor Company 1/ Applicant Company 1) (“**Nettle**”), Telesonic Networks Limited (i.e. the Transferor Company 2/ Applicant Company 2) (“**TNL**”) and Bharti Airtel Limited (i.e. the Transferee Company / Applicant Company 3) (“**Airtel**”). The Scheme as filed with the Tribunal is enclosed as **ANNEXURE 1**. Please refer to paragraphs nos. 64 and 67 of this Explanatory Statement for the rationale and salient features of the Scheme, respectively.
3. Nettle, TNL and Airtel are hereafter collectively referred to as the “**Companies**”, whereas, Nettle and TNL are hereafter collectively referred to as the “**Transferor 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. The board of directors’ (“**Board(s)**”) of each of the Companies at their respective meetings, all held on January 4, 2022, approved the Scheme and the filing thereof with the Hon’ble Tribunal pursuant to resolutions dated January 4, 2022.
6. The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961, for the (a) amalgamation of Nettle with Airtel; and (b) amalgamation of TNL with Airtel, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.

**Details of Nettle as per Rule 6(3) of the Rules**

7. Details of Nettle (i.e. Transferor Company 1 / Applicant Company 1):

<b>Nettle Infrastructure Investments Limited</b>	
Corporate Identification No. (CIN)	U93000HR2010PLC094599
Permanent Account No. (PAN)	AADCN4429N
Incorporation Date	October 1, 2010
Type of Company	Public Limited Company
Registered Office Address	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
Email	Nettle.infrastructure@bharti.in
Stock Exchange(s) where securities of Nettle are listed	The securities of Nettle are not listed on any Stock Exchange.

8. Summary of the main objects as per the memorandum of association of Nettle:

The objects for which Nettle 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 of Nettle are as under:

- “1) *To promote, establish & fund associations or partnerships or companies engaged in business for providing telecom networks and/ or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, long distances services, internet, V-sat, paging , video text, voicemail and data systems, private switching networks services, transmission network of all types, computer networks i.e., local area networks, wide area networks, electronic mail, Intelligent network, passive and active infrastructure with regard to telecommunication, Multimedia communication systems or the combinations thereof and for execution of undertaking works, projects or enterprises in the Telecom Industry whether of a private or public character or any joint venture with any government or other authority in India or elsewhere and to acquire and dispose of interest in such companies, funds and such associations or partnerships.*
- 2) *To promote, establish, fund and acquire either on its own or by entering into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance to any person/body/bodies corporate incorporated in India or elsewhere, engaged in the business to manufacture, develop, import, export, buy, sell, distribute, repair or otherwise deal in all kinds of electronic, media, voice, data, content, video, internet transmission, telecom, broadband equipments, computer hardware, software, applications/ programmes, equipments, switches, network, network development and design services, transmission infrastructure on optical fiber or microwaves, switches/routers, antennas, wi-fi access points, small cells, BTS, national long Distance Services, Intra Circle, in-building Solutions and other related Low end/High*

end facilities, as may be required for setting up, providing, operating, running of Information Technology/ Telecom Services, Data Centre, Business Process Outsourcing (BPO) and all other related /ancillary/peripheral/ supplementary activities relating to telecom industry.

3) *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or in alliance by way of strategic alliance or joint venture or any other business arrangement with any other person / body/ bodies corporate incorporated in India or abroad, the business of undertaking, managing and/or administering projects or activities relating to digital transformation like Smart city, Internet of Things (IoT) or similar initiatives by whatever name called, including but not limited to deployment and management of surveillance cameras, all types of sensors, LED lights, electric vehicle charging points, traffic management related activities, weather & environment monitoring, advertising and / or any activity under such project, whether related directly to telecommunications or otherwise.*

4) *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or in alliance by way of strategic alliance or joint venture or any other business arrangement including telecom ventures with any other person / body / bodies corporate incorporated in India or abroad, the business of providing consultancy and/ or management services in relation to any of the above.”*

9. Sub-clause 12 of Clause III.(B) of the memorandum of association of Nettle permits the arrangement envisaged under the Scheme and the same has been extracted below:

*“12) Subject to the provisions of the Companies Act, 2013 and other applicable laws, to amalgamate with any other Company having all or any of its objects similar to the objects of the Company in any manner whatsoever whether with or without liquidation of the Company.”*

10. Main business carried on by Nettle:

Nettle is engaged in the business of promoting, establishing and funding companies engaged in the business of providing telecom services and other companies engaged in the activities ancillary to the telecom industry.

11. Details of change of name of Nettle during the last five years:

Nettle was incorporated on October 1, 2010 under the provisions of the Companies Act, 1956, under the name “Nettle Developers Limited”. Thereafter, on March 14, 2017, its name was changed to its present name i.e., “Nettle Infrastructure Investments Limited”.

12. Details of change in registered office of Nettle during the last five years:

The registered office of Nettle was changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070, India to Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, with effect from April 1, 2021.

13. Details of change in objects of Nettle during the last five years:

Except as stated below, there has been no change in Nettle’s objects during the last five years.

Pursuant to the special resolution dated February 21, 2018 passed in the extra-ordinary general meeting of the shareholders of Nettle, Part A of Clause III of the 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 1 as under:

2. *To promote, establish, fund and acquire either on its own or by entering into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance to any person/body/bodies corporate incorporated in India or elsewhere, engaged in the business to manufacture, develop, import, export, buy, sell, distribute, repair or otherwise deal in all kinds of electronic, media, voice, data, content, video, internet transmission, telecom, broadband equipments, computer hardware, software, applications/programmes, equipments, switches, network, network development and design services, transmission infrastructure on optical fiber or microwaves, switches/routers, antennas, wi-fi access points, small cells, BTS, national long Distance Services, Intra Circle, in-building Solutions and other related Low end/High end facilities, as may be required for setting up, providing, operating, running of Information Technology/ Telecom Services, Data Centre, Business Process Outsourcing (BPO) and all other related /ancillary/peripheral/ supplementary activities relating to telecom industry.*

3. *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or in alliance by way of strategic alliance or joint venture or any other business arrangement with any other person / body / bodies corporate incorporated in India or abroad, the business of undertaking, managing and/or administering projects or activities relating to digital transformation like Smart city, Internet of Things (IoT) or similar initiatives by whatever name called, including but not limited to deployment and management of surveillance cameras, all types of sensors, LED lights, electric vehicle charging points, traffic management related activities, weather & environment monitoring, advertising and /or any activity under such project, whether related directly to telecommunications or otherwise.*

4. *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or*

*in alliance by way of strategic alliance or joint venture or any other business arrangement including telecom ventures with any other person / body / bodies corporate incorporated in India or abroad, the business of providing consultancy and/ or management services in relation to any of the above.”*

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

Particulars	Amount (in Rs.)
<b>Authorized Share Capital as on June 9, 2022</b>	
50,000 equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital as on June 9, 2022</b>	
50,000 fully paid-up equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>

15. Names of the promoters of Nettle along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Airtel Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
2.	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

16. Names of the directors of Nettle as on June 9, 2022 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Devendra Khanna (Chairman)	S-333, First Floor, Panchsheel Park, New Delhi- 110017
2.	Ms. Ajeeta Kahale (Non-Executive Director)	Plot No. 70, P&T Colony, Pratap Nagar, Nagpur- 440022
3.	Mr. Soumen Ray (Non-Executive Director)	A3301, Oberoi Springs, Andheri Link Road, Andheri West, Mumbai-400053
4.	Mr. Pankaj Tewari (Non-Executive Director)	H.No. P2A 106, Princeton Estate, DLF Phase 5, Gurugram-122002

17. The date of the board meeting at which the Scheme was approved by the Board of Nettle 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 Nettle on January 4, 2022. 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. Devendra Khanna	For the resolution
2.	Ms. Neha Sharma	For the resolution
3.	Mr. Pankaj Tewari	For the resolution
4.	Mr. Kamal Dua	For the resolution

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

18. As on May 31, 2022, the amount due to the unsecured creditors of Nettle was Rs. 652,953/- (Rupees Six Hundred Fifty Two Thousand Nine Hundred Fifty Three).

19. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of Nettle:

None of the directors, the “Key Managerial Personnel” (as defined under the Act and rules formed thereunder) of Nettle 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 Nettle and Airtel, if any.

20. Disclosure about the effect of the Scheme on the following persons in relation to Nettle:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	Nettle has only a single class of shareholders being the equity shareholders of Nettle.  Upon the Effective Date, Nettle shall stand dissolved without being wound up. Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle,

		<p>aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of Nettle, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of Nettle appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>
2.	Creditors	In terms of Clause 3.1 of Part II of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of Nettle, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, Nettle 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, Nettle does not have any outstanding debentures and therefore the effect of the Scheme on any debenture holders/ debenture trustee does not arise.
5.	Employees and Key Managerial Personnel (“KMP”)	Upon the Effective Date and with effect from the Appointed Date, all employees of Nettle as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to Nettle, on the Effective Date. The services of such employees with Nettle, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law. Further, upon the Effective Date and with effect from the

		Appointed Date, 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 such employees of Nettle shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.
6.	Directors	Upon the Effective Date, Nettle shall stand dissolved without winding up and accordingly, its board of directors shall cease to exist.

21. In compliance with the provisions of section 232(2)(c) of the Act, the Board of Nettle, 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 Nettle is enclosed as **ANNEXURE 3**.
22. The standalone, limited reviewed special purpose condensed financials for the period ended December 31, 2021 of Nettle is enclosed as **ANNEXURE 4**.
23. No investigation proceedings are pending in relation to Nettle under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
24. Nettle 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 TNL as per Rule 6(3) of the Rules**

25. Details of TNL (i.e. Transferor Company 2 / Applicant Company 2):

<b>Telesonic Networks Limited</b>	
Corporate Identification No. (CIN)	U64200HR2009PLC096372
Permanent Account No. (PAN)	AAHCA8010G
Incorporation Date	June 26, 2009
Type of Company	Public Limited Company
Registered Office Address	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
Email	telesonic.networks@bharti.in
Stock Exchange(s) where securities of TNL are listed	The shares of TNL are not listed on any Stock Exchange. Non-Convertible Debentures of TNL are listed on BSE Limited.

26. Summary of the main objects as per the memorandum of association of TNL:

The objects for which TNL 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 of TNL are as under:

- “1. To acquire, develop, install, manage, maintain, provide, import, export and run all types of services in the telecommunication sector, which are required for the purposes of operation, management and maintenance of all types of telecommunication infrastructure networks inside and outside India and to engage in any activity, which may for technical, industrial or commercial reasons be directly or indirectly appurtenant to the foregoing or contribute in achieving the aforesaid object.
2. To perform all types of services (including but not limiting to technical, mechanical and advisory) for the purposes of operation, expansion, management and maintenance of telecommunication networks (including but not limited to network based upon CDMA, GSM, NGN and other technologies) for telecom operators and/or any other entity/company inside and outside India.
3. To carry on all or any of the business of telecommunication consultants, specialists, advisers and engineers, writers, designers, devisers, organizers, programmers and marketers of telecom network systems and to render consultancy and technical services in areas of telecommunications, electronics, multimedia etc.
4. To develop, promote, purchase, sell, market, distribute, import, export, research, maintain, customize, install, modify, conceptualize, conceive, organize, manage, undertake projects, operate and conduct in India and/or abroad all types of telecommunication networks, its applications, specifications and other related products necessary.
5. To carry on the business of and to engage in general research and development in the field of telecommunication products and equipments and related items, telecommunication networks, data processing, electronical, mechanical, transmission, terminal and equipment, microwave radio wave and satellite products or systems and related software development and to carry development and commercialization of patents, copyrights and other intellectual property, office, industry and domestic automation equipments, development of new product lines and to use the technologies so developed for industrial and commercial purposes in India and abroad.

6. To manufacture, develop, produce, acquire, import, export, distribute, service, buy, sell, assemble, install, modify and deal in any manner in any product and equipment relating to telecommunication, electronics and information technology and also to manufacture, develop, acquire, apply, install all types of programmes and accessories, components, inputs, software whether application or system, assemblies and sub-assemblies, data processing supplies, appliances, micro processors, accessories and components of different capacities, specifications, applications, descriptions and models of every kind and description in India and hardware used in various offices, institutions, industries including electronic telecom multimedia and information technology and to own, work, erect, install, develop, maintain, equip, repair, add to, extend, purchase, sell, exchange or otherwise deal in plants and machinery used for manufacture of all types and kinds of telecommunications equipment which the Company manufactures and all components, equipment and stores used for manufacture of such telecommunications equipment.”

27. Sub-clause 43 of Clause III.(B) of the memorandum of association of TNL permits the arrangement envisaged under the Scheme and the same has been extracted below:

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

28. Main business carried on by TNL:

TNL is engaged in the business of designing, planning, deploying, optimizing and managing broadband and fixed telephone networks across India. TNL also holds a registration certificate for infrastructure provider Category-I (IP-I) and is engaged in the business relating to optical fiber cable (including underground and over ground cables).

29. Details of change of name of TNL during the last five years:

TNL was incorporated on June 26, 2009 under the provisions of the Companies Act, 1956 under the name “VRRM Network Management Services India Limited”. Thereafter, on July 9, 2009, the name of TNL was changed to “Alcatel-Lucent Network Management Services India Limited” and again, on February 25, 2013, the name of TNL was changed to its present name i.e. “Telesonic Networks Limited”. Accordingly, there has been no change in the name of TNL during the last five years.



30. Details of change in registered office of TNL during the last five years:

The registered office of TNL was changed from Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015 to Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 with effect from October 18, 2017.

Thereafter, the registered office of TNL was changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 to Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, with effect from June 25, 2021.

31. Details of change in objects of TNL during the last five years:

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

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

Particulars	Amount (in Rs.)
<b>Authorized Share Capital as on June 9, 2022</b>	
9,50,00,000 equity shares of Rs. 10/- each.	95,00,00,000
<b>Total</b>	<b>95,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital as on June 9, 2022</b>	
9,39,27,154 fully paid-up equity shares of Rs. 10/- each.	93,92,71,540
<b>Total</b>	<b>93,92,71,540</b>

33. Names of the promoters of TNL along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Airtel Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
2.	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

34. Names of the directors of TNL as on June 9, 2022 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Pankaj Tewari (Non-Executive Director)	H.No. P2A 106, Princeton Estate, DLF Phase 5, Gurugram-122002

2.	Ms. Ajeeta Kahale (Non-Executive Director)	Plot No. 70, P&T Colony, Pratap Nagar, Nagpur- 440022
3.	Mr. Soumen Ray (Non-Executive Director)	A3301, Oberoi Springs, Andheri Link Road, Andheri West, Mumbai-400053

35. The date of the board meeting at which the Scheme was approved by the Board of TNL 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 TNL on January 4, 2022. 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.	Ms. Neha Sharma	For the resolution
2.	Mr. Pankaj Tewari	For the resolution
3.	Mr. Rakesh Kumar	For the resolution

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

36. As on May 31, 2022, the amount due to the unsecured creditors of TNL was Rs. 61,577,916,357 (Rupees Sixty One Billion Five Hundred and Seventy Seven Million Nine Hundred and Sixteen Thousand Three Hundred and Fifty Seven only).

37. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of TNL:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of TNL 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 TNL and Airtel, if any.

38. Disclosure about the effect of the Scheme on the following persons in relation to TNL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	TNL has only a single class of shareholders being the equity shareholders of TNL. Upon the Effective Date, TNL shall

		<p>stand dissolved without being wound up. TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of TNL, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of TNL appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>
2.	Creditors	In terms of Clause 3.1 of Part III of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of TNL, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, TNL 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	As on date, with respect to TNL's INR 30,000,000,000 outstanding debentures, it may be noted that in terms of Clause 3.1 of Part III of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of TNL, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.

5.	Employees and Key Managerial Personnel ("KMP")	<p>Upon the Effective Date and with effect from the Appointed Date, all employees of TNL as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to TNL, on the Effective Date. The services of such employees with TNL, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law.</p> <p>Further, upon the Effective Date and with effect from the Appointed Date, 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 such employees of TNL shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.</p>
6.	Directors	Upon the Effective Date, TNL shall stand dissolved without winding up and accordingly, its board of directors shall cease to exist.

39. In compliance with the provisions of section 232(2)(c) of the Act, the Board of TNL, 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 TNL is enclosed as **ANNEXURE 5**.
40. The standalone, limited reviewed special purpose condensed financials for the period ended December 31, 2021 of TNL are enclosed as **ANNEXURE 6**.
41. No investigation proceedings are pending in relation to TNL under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
42. TNL 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 Airtel as per Rule 6(3) of the Rules**

43. Details of Airtel (i.e. Transferee Company / Applicant Company 3):

<b>Bharti Airtel Limited</b>	
Corporate Identification No. (CIN)	L74899HR1995PLC095967
Permanent Account No. (PAN)	AAACB2894G
Incorporation Date	July 7, 1995
Type of Company	Public Limited Company
Registered Office Address	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
Email	compliance.officer@bharti.in
Stock Exchange(s) where securities of Airtel are listed	Airtel's equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

44. Summary of the main objects as per the memorandum of association of Airtel:

The objects for which Airtel 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 of Airtel are as under:

- “1. To promote & establish Companies, Funds, Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network. Multimedia communication systems or the combinations thereof and for execution of undertakings. Works, projects or enterprises in the Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares /securities in such companies, and funds and interest in such associations or partnerships.
2. To provide telecom networks and to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail & data systems, private switching network services. transmission networks of all types, computer networks like local area network, wide area network, Electronic Mail, Intelligent network, Multi media communication systems or the combinations thereof.
3. To carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockists, and to market, hire, lease, rent out, assemble, alter,

*install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments - whether corded, cordless, mobile or of any other kind; tele- terminals, fax machines, telegraphs, recording instruments and devices, telephone message/ answering machines and devices; dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc; telecom switching equipments of all kinds; telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto.*

4. *To buy, sell, manufacture, assemble, repair, design, alter, research and improve, develop, exchange, ware- house, let on hire, import, export, and deal in all sorts of Electronic, non-Electronic, Computerized and Electrical items and equipment including Computer and Data Processing Equipment, Peripherals. Printers. Disc-drives, Intelligent Terminals, Modems, Software, Hardware, Personal Computers, 'CAD'CAM' Computer, Graphic Systems, Office Automation Equipments, Word processors, 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, condensers, coils and circuits.*
5. *To guarantee/ counter guarantee the obligations of any of its subsidiary/ associate/ group companies and/or other companies in which the company has equity interest under any agreements/ contracts/ debentures, bonds, stocks, mortgages, charges and securities.”*

45. Sub-clauses 6 and 13 of Clause III.(B) of the memorandum of association of Airtel permits the arrangement envisaged under the Scheme and the same has been extracted below:

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

“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.”

46. Main business carried on by Airtel:

Airtel is a global communications solutions provider with over 491 million customers in 17 countries across South Asia and Africa. Airtel ranks amongst the top three mobile operators globally and its networks cover over two billion people. Airtel is India’s largest integrated communications solutions provider and the second largest mobile operator in Africa. Airtel’s retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, Airtel offers a gamut of solutions that includes secure connectivity, cloud and data centre services, cyber security, IoT, Ad Tech and cloud based communication.

47. Details of change of name of Airtel during the last five years:

Airtel 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 Airtel during the last five years.

48. Details of change in registered office of Airtel during the last five years:

The registered office of Airtel was changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070, India to Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, with effect from April 1, 2021.

49. Details of change in objects of Airtel during the last five years:

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

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

Particulars	Amount (in Rs.)
<b>Authorised Capital as on June 9, 2022</b>	
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
<b>Total</b>	<b>1,47,78,00,00,000</b>
<b>Issued Capital as on June 9, 2022</b>	
5,884,314,930 Equity Shares of Rs. 5 each	29,421,574,650
<b>Subscribed and Paid up Capital as on June 9, 2022</b>	
5,492,027,268 fully paid-up Equity Shares	27,46,01,36,340
392,287,662 partly paid-up Equity Shares	490,359,577.50
<b>Total Subscribed and Paid up Capital</b>	<b>27,950,495,917.50</b>

51. Details of the capital structure of the Transferee Company post the amalgamation as envisaged under the Scheme:

Upon the Effective Date, the authorized share capital of the Transferor Company 1 and Transferor Company 2, shall be deemed to be added to the authorized share capital of the Transferee Company, as per the provisions of the Scheme. There shall be no change in the issued and paid-up capital of Airtel pursuant to the Scheme since the Scheme does not envisage any issuance of shares. Further, the Transferor Companies shall stand dissolved without being wound up pursuant to the Scheme.

52. Names of the promoter and promoter group of Airtel along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Telecom Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, India.
2.	Pastel Limited (C/o Intercontinental Trust Limited)	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius.
3.	Indian Continent Investment Limited	38, Royal 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 is promoter of Bharti Airtel Limited.*  
(ii) *Pastel Limited is a member of Promoter Group of Bharti Airtel Limited in accordance with Regulation 2(1)(t) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and is neither Promoter nor a person acting in concert with Promoter, Bharti Telecom Limited, under Regulation 2(1)(q) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*  
(iii) *Indian Continent Investment Limited is person acting in concert with Bharti Telecom Limited, Promoter of Bharti Airtel Limited.*  
(iv) *Viridian Limited is person acting in concert with Pastel Limited, member of Promoter Group of Bharti Airtel Limited as mentioned above.*

**53. Names of the directors of Airtel as on June 9, 2022 along with their addresses:**

S. No.	Name of the Director and Designation	Address
1.	Mr. Sunil Bharti Mittal (Chairman)	19, Amrita Shergil New Delhi - 110003, India
2.	Ms. Chua Sock Koong (Non-Executive Director)	15A Oei Tiong Ham Park Singapore - 268302
3.	Mr. Dinesh Kumar Mittal (Independent Director)	B-71, Sector - 44, Noida - 201301, Uttar Pradesh, India
4.	Mr. Gopal Vittal (Managing Director & CEO)	A2/1202, World Spa East, Sector 30 Gurgaon, Haryana - 122001
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 (Independent Director)	Flat no. 3703 - B, 37 <sup>th</sup> & 38 <sup>th</sup> Floor, Vivarea Building, B Wing, Sane Guruji Marg, Jacob Circle, Mumbai - 400011, Maharashtra, India
7.	Ms. Nisaba Godrej (Independent Director)	4501, Strata, Planet Godrej, KK Marg, Mahalaxmi East, Mumbai - 400011, Maharashtra, India
8.	Mr. Pradeep Kumar Sinha (Independent Director)	112-B, Hamilton Court, DLF Phase - 4, Gurugram - 122009, Haryana, India
9.	Mr. Rakesh Bharti Mittal (Non-Executive Director)	4, Pearl Lane, DLF Chhattarpur Farms, New Delhi - 110074, India

10.	Mr. Shishir Priyadarshi (Independent Director)	A-1/6, Panchsheel Enclave, New Delhi - 110017, India
11.	Mr. Shyamal Mukherjee (Independent Director)	A-24, Neeti Bagh, New Delhi - 110049, India
12.	Mr. Tao Yih Arthur Lang (Non-Executive Director)	63 Eng Kong Terrace, Singapore - 599017
13.	Mr. V.K. Viswanathan (Independent Director)	F-01, 1 <sup>st</sup> Floor, Legacy Caldera, 56 SRT Road, Cunningham Cross Road, Bangalore -560052, Karnataka, India

**54. The date of the board meeting at which the Scheme was approved by the Board of Airtel 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 Airtel on January 4, 2022. 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. Rakesh Bharti Mittal	For the resolution
2.	Ms. Chua Sock Koong	For the resolution
3.	Mr. Dinesh Kumar Mittal	For the resolution
4.	Mr. Gopal Vittal	For the resolution
5.	Ms. Kimsuka Narasimhan	For the resolution
6.	Mr. Manish Santoshkumar Kejriwal	For the resolution
7.	Ms. Nisaba Godrej	For the resolution
8.	Mr. Shishir Priyadarshi	For the resolution
9.	Mr. Tao Yih Arhtur Lang	For the resolution
10.	Mr. V.K. Viswanathan	For the resolution

Only Mr. Sunil Bharti Mittal 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.

**55. As on May 31, 2022, the amount due to the unsecured creditors of Airtel was Rs. 358,947,148,006 (Rupees Three Hundred and Fifty Eight Billion Nine Hundred and Forty Seven Million and One Hundred and Forty Eight Thousand and Six Only).**

56. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of Airtel:

None of the directors, the “Key Managerial Personnel” (as defined under the Act and rules formed thereunder) of Airtel 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 Airtel, if any.

57. Disclosure about the effect of the Scheme on the following persons in relation to Airtel:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	<p>Airtel has only a single class of shareholders being the equity shareholders of Airtel.</p> <p>There shall be no change in the shareholding of the Promoter and Non-Promoter shareholders of Airtel pursuant to the Scheme.</p> <p>Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.</p>

2.	Creditors	In terms of Clause 3.1 of Part II and Clause 3.1 of Part III of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of the Transferor Companies, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, Airtel 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, Airtel does not have any outstanding debentures and therefore the effect of the Scheme on any debenture holders/ debenture trustee does not arise.
5.	Employees, Directors and Key Managerial Personnel (“KMP”)	The Scheme will not have any effect on the employees, directors and KMP’s of Airtel since upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Companies as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Companies, on the Effective Date.

58. In compliance with the provisions of section 232(2)(c) of the Act, the Board of Airtel, 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 Airtel is enclosed as **ANNEXURE 7**.

59. The standalone, audited financials for the period ended December 31, 2021 of Airtel is enclosed as **ANNEXURE 8**.

60. No investigation proceedings are pending in relation to Airtel under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.

61. Airtel 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.

**62. Relationship between the Companies that are parties to the Scheme:**

Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.

TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.

**63. Description of the Scheme:**

The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961, for the (a) amalgamation of Nettle with Airtel; and (b) amalgamation of TNL with Airtel, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.

**64. Rationale and benefits of the Scheme:**

*“3.1 The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961, for the (a) amalgamation of Nettle with Airtel; and (b) amalgamation of TNL with Airtel, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.*

*3.2 This Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of the Companies, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable each of the aforesaid Companies to vigorously pursue revenue growth and expansion opportunities.*

*3.3 In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme.”*

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

Appointed Date: commencement of business hours of April 1, 2022.

Effective Date: in relation to the amalgamation of Nettle into Airtel, as set out in Part II of the Scheme, means such date as of which Nettle and Airtel shall have filed the certified copy of the Tribunal's order sanctioning the Scheme with the Registrar of Companies; and in relation to the amalgamation of TNL into Airtel, as set out in Part III of the Scheme, means such date as of which TNL and Airtel shall have filed the certified copy of the Tribunal's order sanctioning the Scheme with the Registrar of Companies.

Record Date: The Scheme does not define or envisage a record date as there no issuance of shares is envisaged under the Scheme.

**66. Share Exchange Ratio/ Consideration:**

Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.

TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.

Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.

In view of the above, no valuation report or fairness opinion have been obtained.

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

The Scheme is divided into the following parts:

PART I - Definitions and Share Capital;

PART II - Amalgamation of Nettle with Airtel;

PART III - Amalgamation of TNL with Airtel;

PART IV - General Terms and Conditions.

Clause 1.1(d) of Part I of the Scheme defines “Appointed Date” as “means the commencement of business hours of April 1, 2022 or such other date as the NCLT may direct;”.

Clause 1.1(i) of Part I of the Scheme defines “Effective Date” as “means

- (i) *in relation to the amalgamation of the Transferor Company 1 into the Transferee Company, as set out in Part II of this Scheme, such date as of which the Transferor Company 1 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC; and*
- (ii) *in relation to the amalgamation of the Transferor Company 2 into the Transferee Company, as set out in Part III of this Scheme, such date as of which the Transferor Company 2 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC.*

*Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall refer to the Effective Date;"*

Clause 1.1(l) of Part I of the Scheme defines "Liability(ies)" as "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 (including 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;"

Part II of the Scheme - Amalgamation of Nettle with Airtel

Upon the Effective Date and with effect from the Appointed Date, Nettle shall stand amalgamated with Airtel and all its Transferor Company 1 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in Airtel, on a going concern basis, without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of Airtel.

In terms of Clause 9.1 of Part II of the Scheme, upon the Effective Date, the entire existing issued and paid-up equity share capital of Nettle, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of Nettle appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.

In terms of Clause 10.1 of Part II of the Scheme, upon the Effective Date, Nettle shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of Nettle shall be struck off the RoC.

Part III of the Scheme - Amalgamation of TNL with Airtel

Upon the Effective Date and with effect from the

Appointed Date, TNL shall stand amalgamated with Airtel and all its Transferor Company 2 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in Airtel on a going concern basis without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of Airtel.

In terms of Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid-up equity share capital of TNL, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of TNL appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.

In terms of Clause 10.1 of Part III of the Scheme, upon the Effective Date, TNL shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of TNL shall be struck off the RoC.

**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.**

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

Please refer to Paragraph 66 above dealing with *Share Exchange Ratio/ Consideration*.

**69. 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.

**70. 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 Airtel are listed on the National Stock Exchange of India Limited and BSE Limited (together, the "Stock Exchanges").
- b) In terms of Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), as extracted below, read with the Circular dated January 3, 2018 bearing No. CFD/DIL3/CIR/2018/2 and the Master Circular dated November 23, 2021 bearing No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, as amended from time to time, both issued by the Securities and Exchange Board of India ("SEBI"),



the requirements of obtaining prior approval or a no objection/ observation letter from the relevant stock exchanges have been relaxed in case of a merger of a wholly owned subsidiary or its division with the parent company.

“37(6) *Nothing contained in this regulation shall apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company:*

*Provided that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures.”*

Accordingly, the Scheme was filed with the Stock Exchanges for disclosure purposes in compliance with applicable law.

- c) The registered office of the Companies are situated in Gurugram, Haryana and accordingly, the first motion application was filed by the Companies with the Tribunal, on March 10, 2022. Consequently, the Tribunal pursuant to its order dated June 2, 2022, has directed, *inter alia*, that the respective meetings of the shareholders, secured creditors and unsecured creditors of the Companies, be dispensed with.
- 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.
71. **Inspection of Documents:** Copies of the following documents will be open for inspection to the equity shareholders of Airtel at its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015 on all days except Saturday, Sunday and public holidays between 11:00 A.M. and 1:00 P.M.:
- a) Order dated June 2, 2022 passed by the Tribunal in Company Application CA (CAA) No. 10/CHD/HRY/2022, dispensing with the requirement of convening the respective meetings of the shareholders, secured creditors and unsecured creditors of the Companies;
- b) Scheme, as filed before the Tribunal;
- c) Certificate of incorporation, the certificate for commencement of business along with the memorandum of association and articles of association of each of the Companies;
- d) Certificate dated January 4, 2022 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of Nettle 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 the accounting standards specified under Section 133 of the Act;
- e) Certificate dated January 4, 2022 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of TNL 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 the accounting standards specified under Section 133 of the Act;
- f) Certificate dated January 4, 2022 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of Airtel 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 the accounting standards specified under Section 133 of the Act;
- g) Annual reports of the Companies for the last three financial years ended March 31, 2021, March 31, 2020 and March 31, 2019;
- h) Standalone, audited financial statements for the financial year ended March 31, 2021 of each of the Companies;
- i) Standalone, audited financial statements for the period ended December 31, 2021 of Airtel;
- j) Standalone, limited reviewed special purpose condensed financials for the period ended December 31, 2021 of Nettle and TNL;
- k) Extracts of the resolutions, all dated January 4, 2022 passed by the board of directors' of the Companies, *inter alia*, approving the Scheme;
- l) Reports adopted by the respective Boards of the Companies pursuant to Section 232(2)(c) of the Act and;
- m) Paper books filed in Company Application CA (CAA) No. 10/CHD/HRY/2022 including the application along with annexures.

Dated this 13th day of June, 2022.

**For Bharti Airtel Limited**

**Sd/-**

**Mr. Rohit Krishan Puri**  
**(Authorized Signatory)**

**Corporate Office:** Bharti Crescent, 1,  
Nelson Mandela Road, Vasant Kunj,  
Phase II, New Delhi – 110070

**Registered Office:** Airtel Centre, Plot No. 16,  
Udyog Vihar, Phase-IV, Gurgaon,  
Haryana – 122015  
**CIN:** L74899HR1995PLC095967

**COMPOSITE SCHEME OF ARRANGEMENT**

**BETWEEN**

**NETTLE INFRASTRUCTURE INVESTMENTS LIMITED**

**(TRANSFEROR COMPANY 1)**

**AND**

**TELESONIC NETWORKS LIMITED**

**(TRANSFEROR COMPANY 2)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**AND**

**BHARTI AIRTEL LIMITED**

**(TRANSFeree COMPANY)**

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

1

For NETTLE INFRASTRUCTURE INVESTMENTS LIMITED  
  
Authorised Signatory

For Bharti Airtel Limited  
  
Authorised Signatory

For TELESONIC NETWORKS LIMITED  
  
Authorised Signatory

**PREAMBLE**

**1. INTRODUCTION**

- 1.1 This Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act read with Section 2(1B) and other applicable provisions of the IT Act, for the: (a) amalgamation of the Transferor Company 1 with the Transferee Company; and (b) amalgamation of the Transferor Company 2 with the Transferee Company.
- 1.2 In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**2. DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THIS SCHEME**

- 2.1 **Nettle Infrastructure Investments Limited**, the Transferor Company 1, is an unlisted public limited company incorporated on October 1, 2010 under the Companies Act, 1956, having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. As on December 20, 2021, the Transferor Company 1 is a wholly owned subsidiary of the Transferee Company. The Transferee Company and Bharti Airtel Services Limited (another wholly owned subsidiary of the Transferee Company), respectively, hold 90% and 10% of the equity share capital of the Transferor Company 1.
- 2.2 The Transferor Company 1 is engaged in the business of promoting, establishing and funding companies engaged in the business of providing telecom services and other companies engaged in the activities ancillary to the telecom industry.
- 2.3 **Telesonic Networks Limited**, the Transferor Company 2, is an unlisted public limited company, incorporated on June 26, 2009, under the Companies Act, 1956, currently having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. As on December 20, 2021, the Transferor Company 2 is a wholly owned subsidiary of the Transferee Company. The Transferee Company and Bharti Airtel Services Limited (another wholly owned subsidiary of the Transferee Company), respectively, hold 95% and 5% of the equity share capital of the Transferor Company 2.
- 2.4 The Transferor Company 2 is engaged in the business of designing, planning, deploying, optimizing and managing broadband and fixed telephone networks across India. The Transferor Company 2 is also engaged in the business relating to optical fiber cable (including underground and over ground cables).
- 2.5 **Bharti Airtel Limited**, the Transferee Company, is a public limited company incorporated on July 7, 1995 under the Companies Act, 1956, having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. The equity shares of the Transferee Company are listed on the Stock Exchanges.
- 2.6 The Transferee Company is a global communications solutions provider with over 480 million customers in 17 countries across South Asia and Africa. The Transferee Company ranks amongst the top three mobile operators globally and its networks cover over two billion people. The Transferee Company is India's largest integrated communications solutions provider and the second largest mobile operator in Africa. The Transferee Company's retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, the Transferee Company offers a gamut of solutions that includes secure



connectivity, cloud and data centre services, cyber security, IoT, Ad Tech and cloud based communication.

### 3. RATIONALE AND BENEFITS OF THIS SCHEME

- 3.1 The amalgamation of the Transferor Companies with the Transferee Company will result in the consolidation of the entire operations of the Transferor Companies into the Transferee Company and will further simplify the group structure by aligning the interest of various stakeholders into the Transferee Company. The amalgamations shall also result in cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Transferee Company and the Transferor Companies, thereby significantly contributing to future growth and maximizing shareholders value. Further, the amalgamation of the Transferor Company 2 into the Transferee Company would consolidate all fibre assets (owned and leased) of the Transferor Company 2 in a single entity and position the Transferee Company to effectively leverage such core infrastructure required across multiple businesses/legal entities thereby delivering greater shareholder value.
- 3.2 This Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of the Companies, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable each of the aforesaid Companies to vigorously pursue revenue growth and expansion opportunities.
- 3.3 In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme.

### 4. PARTS OF THIS SCHEME

- 4.1 This Scheme is divided into the following parts:

- PART I** - Definitions and Share Capital;
- PART II** - Amalgamation of the Transferor Company 1 with the Transferee Company;
- PART III** - Amalgamation of the Transferor Company 2 with the Transferee Company; and
- PART IV** - General Terms and Conditions.

For Bharti Airtel Limited  
  
Authorized Signatory

For TELESONIC NETWORKS LIMITED  
  
Authorized Signatory

For NETLE INFRASTRUCTURE INVESTMENTS LIMITED  
  
Authorized Signatory

## PART I

### 1. DEFINITIONS

- 1.1 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:
- (a) **“Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read 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;
  - (b) **“Applicable Laws”** or **“Laws”** means: (i) 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; (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority; and (iii) international treaties, conventions and protocols, as may be in force from time to time;
  - (c) **“Appropriate Authority(ies)”** 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 RoC, Regional Director, Official Liquidator, Competition Commission of India, Reserve Bank of India, SEBI, Stock Exchanges, NCLT, as applicable and such other sectoral regulators or authorities as may be applicable;
  - (d) **“Appointed Date”** means the commencement of business hours of April 1, 2022 or such other date as the NCLT may direct;
  - (e) **“Board of Directors”** or **“Board”** 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;
  - (f) **“Cash”** means and includes the aggregate amount in respect of the following items, including without limitation: (i) cash and bank balances; (ii) securities held by or on behalf of the Transferor Companies which are readily convertible into cash (i.e. cash equivalents); (iii) fixed deposit receipts and any interest accrued thereon; and (iv) any other cash equivalent;
  - (g) **“Companies”** means collectively, the Transferor Company 1, the Transferor Company 2 and the Transferee Company;
  - (h) **“Companies Act”** means the Companies Act, 2013, together with the rules and regulations, circulars, notifications and clarifications issued thereunder, and as amended from time to time;
  - (i) **“Effective Date”** means:
    - (i) in relation to the amalgamation of the Transferor Company 1 into the Transferee Company, as set out in Part II of this Scheme, such date as of which the Transferor

  
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Company 1 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC; and

- (ii) in relation to the amalgamation of the Transferor Company 2 into the Transferee Company, as set out in Part III of this Scheme, such date as of which the Transferor Company 2 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC.

Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” shall refer to the Effective Date;

- (j) “**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) pertaining to the Transferor Company 2, the details of which are set out in Schedule 1 to this Scheme;
- (k) “**IT Act**” means the Income-tax Act, 1961, as amended from time to time;
- (l) “**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 (including 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;
- (m) “**NCLT**” means the National Company Law Tribunal, Chandigarh Bench and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Companies Act;
- (n) “**RoC**” means the Registrar of Companies, NCT of Delhi & Haryana;
- (o) “**Rs.**” or “**INR**” means Indian Rupees;
- (p) “**Scheme**” means this composite scheme of arrangement between the Transferor Company 1 and the Transferor Company 2 and their respective shareholders and the Transferee Company under Sections 230 to 232 and other applicable provisions of the Companies Act in its present form, or with any modification(s), as may be approved or directed by the NCLT;
- (q) “**SEBI**” means the Securities and Exchange Board of India;
- (r) “**Stock Exchanges**” means collectively BSE Limited and the National Stock Exchange of India Limited;
- (s) “**Taxes**” or “**Tax**” or “**Taxation**” means: (i) 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 (ii) all charges, interest, penalties and fines (by whatever name called) incidental or relating to any Tax falling within (i) 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;
- (t) “**Transferee Company**” means Bharti Airtel Limited, a public limited company incorporated on July 7, 1995 under the Companies Act, 1956, having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. The equity shares of the Transferee Company are listed on the Stock Exchanges;

For NETLE INFRASTRUCTURE INVESTMENTS LIMITED

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For TELESONIC NETWORKS LIMITED



For Bharti Airtel Limited

  
Authorised Signatory



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- (u) **“Transferor Company 1”** means Nettle Infrastructure Investments Limited, an unlisted public limited company incorporated on October 1, 2010, under the Companies Act, 1956, currently having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana - 122015. As on December 20, 2021, the Transferee Company and Bharti Airtel Services Limited (a wholly owned subsidiary of the Transferee Company), respectively, hold 90% and 10% of the equity share capital of the Transferor Company 1;
- (v) **“Transferor Company 2”** means Telesonic Networks Limited, is an unlisted public limited company, incorporated on June 26, 2009, under the Companies Act, 1956, currently having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. As on December 20, 2021, the Transferee Company and Bharti Airtel Services Limited (a wholly owned subsidiary of the Transferee Company), respectively, hold 95% and 5% of the Transferor Company 2;
- (w) **“Transferor Companies”** means collectively, the Transferor Company 1 and the Transferor Company 2;
- (x) **“Transferor Company 1 Asset(s)”** means assets or properties of every kind, nature, character and description, whether immovable, movable, tangible, intangible, whether owned or leased or otherwise acquired by the Transferor Company 1;
- (y) **“Transferor Company 2 Asset(s)”** means assets or properties of every kind, nature, character and description, whether immovable, movable, tangible, intangible, whether owned or leased or otherwise acquired by the Transferor Company 2;
- (z) **“Transferor Company 1 Proceedings”** shall have the meaning ascribed to such term in Clause 6.1 of Part II of this Scheme; and
- (aa) **“Transferor Company 2 Proceedings”** shall have the meaning ascribed to such term in Clause 6.1 of Part III of this Scheme.

## 2. SHARE CAPITAL

2.1 The capital structure of the Transferee Company, as on December 20, 2021, is as under:

Share Capital	Amount (in Rs.)
<b>Authorised Capital</b>	
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
<b>Total</b>	<b>1,47,78,00,00,000</b>
<b>Issued Capital</b>	
5,88,43,14,930 equity shares of Rs. 5 each.	29,42,15,74,650
<b>Total</b>	<b>29,42,15,74,650</b>
<b>Subscribed and Paid-up Capital</b>	
5,49,20,27,268 fully paid-up equity shares of Rs. 5 each.	27,46,01,36,340
39,22,87,662 partly paid-up equity shares of Rs. 1.25 each.	49,03,59,577.50
<b>Total</b>	<b>27,95,04,95,917.50</b>

2.2 The capital structure of the Transferor Company 1, as on December 20, 2021, is as under:

Share Capital	Amount (in Rs.)
<b>Authorised Capital</b>	
50,000 equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>

<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>

2.3 The capital structure of the Transferor Company 2, as on December 20, 2021, is as under:

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

For Bharti Airtel Limited

*[Handwritten Signature]*  
Authorised Signatory

For NETLE INFRASTRUCTURE INVESTMENTS LIMITED

*[Handwritten Signature]*

Authorised Signatory

For TELESONIA NETWORKS LIMITED

*[Handwritten Signature]*

Authorised Signatory



**PART II**

**AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH AND INTO THE  
TRANSFeree COMPANY**

**1. Transfer and vesting of the Transferor Company 1 with and into the Transferee Company**

- 1.1 Upon the Effective Date and with effect from the Appointed Date, the Transferor Company 1 shall stand amalgamated with the Transferee Company and all its Transferor Company 1 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in the Transferee Company, on a going concern basis, without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of the Transferee Company.

**2. Transfer of Transferor Company 1 Assets**

- 2.1 Upon the Effective Date and with effect from the Appointed Date, all Transferor Company 1 Assets, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company (to the extent permissible under Applicable Law). The vesting pursuant to this Clause 2.1 of this Part II 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 the Effective Date and with effect from the Appointed Date, all movable Transferor Company 1 Assets, other than those specified in Clause 2.1 of this Part II above, including Cash, sundry debtors, outstanding loans and advances, if any, recoverable in Cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.
- 2.3 Without prejudice to the generality of the clauses mentioned above, the Transferor Company 1 Assets shall also include all permits, licenses approvals, clearances, authorities, quotas, allocations granted to the Transferor Company 1, all municipal approvals, authorizations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorney (given by, issued to or executed in favour of the Transferor Company 1), the concerned licensor and grantors of such approvals, clearances, permissions, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid clauses, if any, all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, prequalification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Transferor Company 1 on the Appointed Date shall stand transferred to the Transferee Company.

- 2.4 Upon the Effective Date and with effect from Appointed Date, in relation to the Transferor Company 1 Assets (if any), which require separate documents for vesting in the Transferee Company, the Transferor Company 1 and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 2.5 Upon the Effective Date and with effect from Appointed Date, the past track record of the Transferor Company 1 including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 2.6 Upon the Effective Date, the secured creditors of the Transferee Company, if any, shall continue to be entitled to security only over such properties and assets forming part of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company 1 into and with the Transferee Company and the secured creditors of the Transferor Company 1, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Transferor Company 1, as existing immediately prior to the amalgamation of the Transferor Company 1 with and into the Transferee Company. For the avoidance of doubt, it is clarified that all the Transferor Company 1 Assets and the unencumbered assets of the Transferee Company shall, subject to Applicable Laws, remain free and available for the creation of any security thereon in the future in relation to any existing indebtedness or new indebtedness that may be incurred by the Transferee Company, at the discretion of the Board of the Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 2.7 The Transferee Company shall, at any time after the Effective Date and as the successor entity of the Transferor Company 1, if so required under Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and 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, *inter alia*, in its capacity as the successor-in-interest of the Transferor Company 1.
- 2.8 The Transferee Company shall, at any time after the Effective Date, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company 1. For the avoidance of doubt, it is clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 2.8 of this Part II, the said third party or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon the Effective Date. The Transferee Company shall file appropriate applications/ documents with the Appropriate Authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

### 3. Transfer of Liabilities

- 3.1 Upon the Effective Date and with effect from Appointed Date, all Liabilities of the Transferor

  
Authorised Signatory

For Bharti Airtel Limited  
  
Authorised Signatory

For TELESONIC NETWORKS LIMITED  
  
Authorised Signatory

Company 1, shall, without any requirement of further act or deed, be transferred to, or be deemed to be transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.

- 3.2 It is hereby clarified that, unless expressly provided for under the arrangements with respective third parties, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen, in order to give effect to the provisions of Clause 3 of this Part II.
- 3.3 Upon the Effective Date and with effect from Appointed Date, all loans raised and used, if any, and Liabilities incurred, if any, by the Transferor Company 1 after the Appointed Date shall be deemed to be transferred to, and discharged by the Transferee Company without any requirement of a further act or deed.
- 3.4 The vesting of the Transferor Company 1, as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Transferor Company 1, provided, however, any reference in any security documents or arrangements to which the Transferor Company 1 is a party, wherein the Transferor Company 1 Assets have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Transferor Company 1 Assets, as are vested in the Transferee Company as per Part II of this Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other Transferor Company 1 Assets of the Transferor Company 1 or any of the Transferor Company 1 Assets of the Transferee Company. Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the Transferor Company 1 Assets or any part thereof of the Transferee Company shall continue with respect to such Transferor Company 1 Assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages.

#### 4. **Transfer of Contracts, Deeds, Bonds and Other Instruments**

- 4.1 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature in relation to the Transferor Company 1 and 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 as on the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.
- 4.2 Without prejudice to the other provisions of this Scheme, at any time after the Effective Date, 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 Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company 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 the Effective



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Date and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company 1 shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company 1 are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company 1, as if the same had been allotted and/or granted and/ or sanctioned and/ or allowed to the Transferee Company.

- 4.4 The approval and consent of this Scheme by the shareholders of the Transferor Company 1 and the Transferee Company shall be deemed to be the approval of their shareholders under Section 188 of the Companies Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of Applicable Law towards the necessary deeds/ documents/ agreements to be executed between the Transferor Company 1 and the Transferee Company pertaining to this Scheme or in connection with the implementation of this Scheme.

#### 5. Transfer of Employees

- 5.1 Upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Company 1 as on the Effective Date shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Company 1, on the Effective Date. The services of such employees with the Transferor Company 1, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under Applicable Law.
- 5.2 Upon the Effective Date and with effect from the Appointed Date, 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 such employees of the Transferor Company 1 shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.
- 5.3 Subject to Applicable Law, 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 shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/ approval.

#### 6. Continuation of Legal Proceedings

- 6.1 From the Effective Date, legal or other proceedings, if any (including before any court, statutory or quasi-judicial authority or tribunal), by or against the Transferor Company 1, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) and in each case relating to the Transferor Company 1 (“**Transferor Company 1 Proceedings**”) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent permissible under Applicable Laws.

  
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- 6.2 If any Transferor Company 1 Proceeding(s) is/ are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may 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 1, as if this Scheme had not been made.
- 7. Treatment of Taxes and Charges payable**
- 7.1 Upon the Effective Date and with effect from the Appointed Date, all Taxes 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, value added tax/ service tax/ goods and services tax and all other Applicable Laws), accruing and relating to the Transferor Company 1 from the Appointed Date onwards, including but not limited to advance Tax payments, Tax deducted at source, minimum alternate Tax, any refund and claims shall, for all purposes, be treated as advance Tax payments, Tax deducted at source or refunds and claims, as the case may be, of the Transferee Company.
- 7.2 Upon the Effective Date and with effect from the Appointed Date, all unutilized credits and exemptions, the benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to Tax deducted at source, Tax collected at source, advance Tax, minimum alternate Tax credit etc.), CENVAT, customs, value added tax, sales tax, service tax, goods and services tax etc. to which the Transferor Company 1 is entitled to shall be available to and vest in the Transferee Company, without any requirement of a further act or deed.
- 7.3 Upon the Effective Date, the Transferor Company 1 and the Transferee Company are permitted to revise and file their respective Tax returns, including income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, service tax returns, goods and services tax returns and other Tax returns for the period commencing on and before the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 7.4 Upon the Effective Date, any Tax deposited, certificates issued or returns filed by the Transferor Company 1 relating to Transferor Company 1 shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by the Transferee Company.
- 7.5 All the expenses incurred by the Transferor Company 1 and the Transferee Company in relation to the amalgamation of the Transferor Company 1 with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which this Scheme becomes effective.
- 7.6 Any refund, tax credit and adjustment under the Tax laws due to the Transferor Company 1 pertaining to the Transferor Company 1 consequent to the assessments made on the Transferor Company 1 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The Appropriate Authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of this Scheme by the NCLT and upon relevant proof and documents being provided to the Appropriate Authorities.
- 7.7 The Transferor Company 1 may be entitled to various incentive schemes and pursuant to this Scheme, the benefits under all such schemes and policies pertaining to the Transferor Company 1 shall stand transferred to and vested in the Transferee Company and all benefits,

entitlements and incentives of any nature whatsoever including benefits under various Taxes including the income tax, excise, sales tax, service tax, goods and services tax exemptions, concessions, remissions, subsidies and other incentives in relation to the consumer products business, to the extent statutorily available, shall be claimed by the Transferee Company.

7.8 This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the IT Act and are intended to apply accordingly. If any terms or provisions 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 IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, this Scheme may be modified to the extent required with the consent of each of the Companies (acting through their respective Board) to ensure compliance of this Scheme with such provisions.

**8. Combination of the Authorized Share Capital of the Transferor Company 1 with the Transferee Company**

8.1 Upon the Effective Date, the authorized share capital of the Transferor Company 1, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Companies Act, if any, would be required passed, as the case may be, and for this purpose, the stamp duties and fees paid by the Transferor Company 1 shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement of any further payment of stamp duty and/ or fee by the Transferee Company for increase in the authorized share capital to that extent. Provided that, in relation to the foregoing, if applicable, the Transferee Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) of the Companies Act.

**9. Cancellation of existing shares of the Transferor Company 1**

9.1 Upon the Effective Date, the entire existing issued and paid-up equity share capital of the Transferor Company 1, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Company 1 appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.

9.2 The cancellation of the equity share capital held by the shareholders of the Transferor Company 1 and their nominees, in accordance with Clause 9.1 of this Part II above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Company 1 and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.



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**10. Dissolution of the Transferor Company 1**

- 10.1 Upon the Effective Date, the Transferor Company 1 shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of the Transferor Company 1 shall be struck off the RoC.

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

- 11.1 As the Transferor Company 1 shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 10.1 of this Part II of this Scheme and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis. Hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company 1.

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

- 12.1 Upon this Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company 1 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of Ind-AS 103 (Business combinations of entities under common control) as under:
- (a) The acquired assets and liabilities from the Transferor Company 1 would be recorded at their respective carrying amounts as appearing in the respective financial statements (which are equivalent to the carrying amounts as appearing in the consolidated financial statements of the Transferee Company) of the Transferor Company 1 as on the Effective Date;
  - (b) No adjustments will be made to reflect fair values and also no new assets or liabilities will be recognized;
  - (c) In case of any differences in the accounting policies between the Transferee Company and the Transferor Company 1, the impact of the same will be quantified and adjusted in the retained earnings of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies;
  - (d) The identity of the reserves transferred would be preserved and would appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company 1. For example, the general reserve of the Transferor Company 1 would be recognised as a general reserve of the Transferee Company and the capital reserve of the Transferor Company 1 would become the capital reserve of the Transferee Company. Accordingly, the reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend by the Transferee Company after the business combination;
  - (e) The Transferee Company shall cancel the investments pertaining to the Transferor Company 1 as per Clause 9.1 of this Part II of this Scheme, against assets, liabilities and reserves acquired from the entity. The difference, if any, between the carrying values of assets, liabilities and reserve balance under Clause 12.1(a) of this Part II above, transferred to the Transferee Company and cancellation of investments in lieu of the amalgamation shall be recorded as business restructuring reserve (capital reserve) and presented separately;

- (f) To the extent, there are inter-company balances between the Transferee Company and the Transferor Company 1, the rights and obligations in respect thereof shall stand cancelled; and
- (g) The financial information in the financial statements in respect of prior periods would be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Transferee Company.

**13. Conduct of Business**

- 13.1 Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of the Transferor Company 1 and the Transferee Company, and up to and including the Effective Date, the Transferor Company 1 shall carry on the business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 13.2 Further, subject to the effectiveness of this Scheme, with effect from the Appointed Date and up to and including the Effective Date:
  - (i) all of the rights, powers, authorities or privileges exercised by the Transferor Company 1 shall be deemed to have been exercised by the Transferor Company 1 for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company 1 shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
  - (ii) the Transferor Company 1 undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the Transferor Company 1 Assets and Liabilities for and on account of and in trust for the Transferee Company; and
  - (iii) all Cash, income, receipts, profits accruing to the Transferor Company 1 and all Taxes thereon or Liabilities or losses arising or incurred by it shall, for all purposes, be treated as and deemed to be the Cash, income, expenses, payments, profits, Liabilities, Taxes or losses, as the case may be, of the Transferee Company.
- 13.3 The Transferee Company shall also be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under Applicable Law for the time being in force for carrying on business.

**14. Inter se Transactions**

- 14.1 Upon the Effective Date and with effect from the Appointed Date, all *inter se* contracts solely between the Transferor Company 1 and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Transferee Company.

**15. Saving of concluded transactions**

- 15.1 The transfer of Transferor Company 1 Assets and Liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company 1 on or before the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company 1 in respect thereto as done and executed on behalf of itself.

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 For Bharti Airtel Limited  
 For TELESONIC NETWORKS LIMITED  
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**PART III**

**AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH AND INTO THE  
TRANSFeree COMPANY**

**1. Transfer and vesting of the Transferor Company 2 with and into the Transferee Company**

1.1 Upon the Effective Date and with effect from the Appointed Date, the Transferor Company 2 shall stand amalgamated with the Transferee Company and all its Transferor Company 2 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in the Transferee Company on a going concern basis without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of the Transferee Company.

**2. Transfer of Transferor Company 2 Assets**

2.1 Upon the Effective Date and with effect from the Appointed Date, all Transferor Company 2 Assets, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company (to the extent permissible under Applicable Law). The vesting pursuant to this Clause 2.1 of this Part III 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 the Effective Date and with effect from the Appointed Date, all movable Transferor Company 2 Assets, other than those specified in Clause 2.1 of this Part III above, including Cash, sundry debtors, outstanding loans and advances, if any, recoverable in Cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.

2.3 Without prejudice to the generality of the clauses mentioned above, the Transferor Company 2 Assets shall also include all permits, licenses approvals, clearances, authorities, quotas, allocations granted to the Transferor Company 2, all municipal approvals, authorizations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorney (given by, issued to or executed in favour of the Transferor Company 2), the concerned licensor and grantors of such approvals, clearances, permissions, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid clauses, if any, all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, prequalification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Transferor Company 2 on the Appointed Date shall stand transferred to the Transferee Company.

  
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- 2.4 Upon the Effective Date and with effect from Appointed Date, all Intellectual Property of the Transferor Company 2, shall, without any requirement of any further act or deed stand transferred and vested in the Transferee Company. The approval and consent of this Scheme by the shareholders of the Transferee Company and the Transferor Company 2 shall be deemed to be the approval of the shareholders under Section 188 of the Companies Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of Applicable Law towards the necessary deeds/ documents/ agreements to be executed between the Transferee Company and the Transferor Company 2 for the transfer to/ use by the Transferee Company of the Intellectual Property pertaining to the Transferor Company 2.
- 2.5 Upon the Effective Date and with effect from Appointed Date, the Transferor Company 2 agrees to execute and deliver, at the request of the Transferee Company, all papers and instruments required in respect of all Intellectual Property, to vest such rights, title and interest in the name of the Transferee Company and in order to update the records of the respective registries to reflect the name and address of the Transferee Company as the current owner of the Intellectual Property.
- 2.6 Upon the Effective Date and with effect from Appointed Date, in relation to the Transferor Company 2 Assets (if any), which require separate documents for vesting in the Transferee Company, the Transferor Company 2 and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 2.7 Upon the Effective Date and with effect from Appointed Date, the past track record of the Transferor Company 2 including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 2.8 Upon the Effective Date, the secured creditors of the Transferee Company, if any, shall continue to be entitled to security only over such properties and assets forming part of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company 2 into and with the Transferee Company and the secured creditors of the Transferor Company 2, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Transferor Company 2, as existing immediately prior to the amalgamation of the Transferor Company 2 with and into the Transferee Company. For the avoidance of doubt, it is clarified that all the Transferor Company 2 Assets and the unencumbered assets of the Transferee Company shall, subject to Applicable Laws, remain free and available for the creation of any security thereon in the future in relation to any existing indebtedness or new indebtedness that may be incurred by the Transferee Company, at the discretion of the Board of the Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 2.9 The Transferee Company shall, at any time after the Effective Date and as the successor entity of the Transferor Company 2, if so required under Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and 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, *inter alia*, in its capacity as the successor-in-interest of the Transferor Company 2.

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- 2.10 The Transferee Company shall, at any time after the Effective Date, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company 2. For the avoidance of doubt, it is clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 2.10 of this Part III, the said third party or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon the Effective Date. The Transferee Company shall file appropriate applications/ documents with the Appropriate Authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company 2 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

### 3. Transfer of Liabilities

- 3.1 Upon the Effective Date and with effect from Appointed Date, all Liabilities of the Transferor Company 2, shall, without any requirement of further act or deed, be transferred to, or be deemed to be transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.
- 3.2 It is hereby clarified that, unless expressly provided for under the arrangements with respective third parties, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen, in order to give effect to the provisions of Clause 3 of this Part III.
- 3.3 Upon the Effective Date and with effect from Appointed Date, all loans raised and used, if any, and Liabilities incurred, if any, by the Transferor Company 2 after the Appointed Date shall be deemed to be transferred to, and discharged by the Transferee Company without any requirement of a further act or deed.
- 3.4 The vesting of the Transferor Company 2, as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Transferor Company 2, provided, however, any reference in any security documents or arrangements to which the Transferor Company 2 is a party, wherein the Transferor Company 2 Assets have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Transferor Company 2 Assets, as are vested in the Transferee Company as per Part III of this Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other Transferor Company 2 Assets of the Transferor Company 2 or any of the Transferor Company 2 Assets of the Transferee Company. Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the Transferor Company 2 Assets or any part thereof of the Transferee Company shall continue with respect to such Transferor Company 2 Assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages.

### 4. Transfer of Contracts, Deeds, Bonds and Other Instruments

- 4.1 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature in relation to the Transferor Company 2 and 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 as on the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.

- 4.2 Without prejudice to the other provisions of this Scheme, at any time after the Effective Date, 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 Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company 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 the Effective Date and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences/ registrations/ certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company 2 shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company 2 are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company 2, as if the same had been allotted and/or granted and/ or sanctioned and/ or allowed to the Transferee Company.
- 4.4 The approval and consent of this Scheme by the shareholders of the Transferor Company 2 and the Transferee Company shall be deemed to be the approval of their shareholders under Section 188 of the Companies Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of Applicable Law towards the necessary deeds/ documents/ agreements to be executed between the Transferor Company 2 and the Transferee Company pertaining to this Scheme or in connection with the implementation of this Scheme.

## 5. Transfer of Employees

- 5.1 Upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Company 2 as on the Effective Date shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Company 2, on the Effective Date. The services of such employees with the Transferor Company 2, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under Applicable Law.
- 5.2 Upon the Effective Date and with effect from the Appointed Date, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity

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For TELESONIC NETWORKS LIMITED

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fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of the Transferor Company 2 shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.

- 5.3 Subject to Applicable Law, 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 shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/ approval.

## 6. Continuation of Legal Proceedings

- 6.1 From the Effective Date, legal or other proceedings, if any (including before any court, statutory or quasi-judicial authority or tribunal), by or against the Transferor Company 2, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) and in each case relating to the Transferor Company 2 (“**Transferor Company 2 Proceedings**”) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent permissible under Applicable Laws.
- 6.2 If any Transferor Company 2 Proceeding(s) is/ are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may 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 2, as if this Scheme had not been made.

## 7. Treatment of Taxes and Charges payable

- 7.1 Upon the Effective Date and with effect from the Appointed Date, all Taxes 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, value added tax/ service tax/ goods and services tax and all other Applicable Laws), accruing and relating to the Transferor Company 2 from the Appointed Date onwards, including but not limited to advance Tax payments, Tax deducted at source, minimum alternate Tax, any refund and claims shall, for all purposes, be treated as advance Tax payments, Tax deducted at source or refunds and claims, as the case may be, of the Transferee Company.
- 7.2 Upon the Effective Date and with effect from the Appointed Date, all unutilized credits and exemptions, the benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to Tax deducted at source, Tax collected at source, advance Tax, minimum alternate Tax credit etc.), CENVAT, customs, value added tax, sales tax, service tax, goods and services tax etc. to which the Transferor Company 2 is entitled to shall be available to and vest in the Transferee Company, without any requirement of a further act or deed.
- 7.3 Upon the Effective Date, the Transferor Company 2 and the Transferee Company are permitted to revise and file their respective Tax returns, including income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, service tax returns, goods and services tax returns and other Tax returns for the period commencing on and before the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.



- 7.4 Upon the Effective Date, any Tax deposited, certificates issued or returns filed by the Transferor Company 2 relating to Transferor Company 2 shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by the Transferee Company.
- 7.5 All the expenses incurred by the Transferor Company 2 and the Transferee Company in relation to the amalgamation of the Transferor Company 2 with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which this Scheme becomes effective.
- 7.6 Any refund, tax credit and adjustment under the Tax laws due to the Transferor Company 2 pertaining to the Transferor Company 2 consequent to the assessments made on the Transferor Company 2 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The Appropriate Authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of this Scheme by the NCLT and upon relevant proof and documents being provided to the Appropriate Authorities.
- 7.7 The Transferor Company 2 may be entitled to various incentive schemes and pursuant to this Scheme, the benefits under all such schemes and policies pertaining to the Transferor Company 2 shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under various Taxes including the income tax, excise, sales tax, service tax, goods and services tax exemptions, concessions, remissions, subsidies and other incentives in relation to the consumer products business, to the extent statutorily available, shall be claimed by the Transferee Company.
- 7.8 This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the IT Act and are intended to apply accordingly. If any terms or provisions 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 IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, this Scheme may be modified to the extent required with the consent of each of the Companies (acting through their respective Board) to ensure compliance of this Scheme with such provisions.
- 8. Combination of the Authorized Share Capital of the Transferor Company 2 with the Transferee Company**
- 8.1 Upon the Effective Date, the authorized share capital of the Transferor Company 2, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Companies Act, if any, would be required passed, as the case may be, and for this purpose, the stamp duties and fees paid by the Transferor Company 2 shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement of any further payment of stamp duty and/ or fee by the Transferee Company for increase in the authorized share capital to that extent. Provided that, in relation to the foregoing, if applicable, the Transferee Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) of the Companies Act.

**9. Cancellation of existing shares of the Transferor Company 2**

9.1 Upon the Effective Date, the entire existing issued and paid-up equity share capital of the Transferor Company 2, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Company 2 appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.

9.2 The cancellation of the equity share capital held by the shareholders of the Transferor Company 2 and their nominees, in accordance with Clause 9.1 of this Part III above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Company 2 and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

**10. Dissolution of the Transferor Company 2**

10.1 Upon the Effective Date, the Transferor Company 2 shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of the Transferor Company 2 shall be struck off the RoC.

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

11.1 As the Transferor Company 2 shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 10.1 of this Part III of this Scheme and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis. Hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company 2.

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

12.1 Upon this Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of Ind-AS 103 (Business combinations of entities under common control) as under:

- (a) The acquired assets and liabilities from the Transferor Company 2 would be recorded at their respective carrying amounts as appearing in the respective financial statements (which are equivalent to the carrying amounts as appearing in the consolidated financial statements of the Transferee Company) of the Transferor Company 2 as on the Effective Date;
- (b) No adjustments will be made to reflect fair values and also no new assets or liabilities will be recognized;
- (c) In case of any differences in the accounting policies between the Transferee Company and the Transferor Company 2, the impact of the same will be quantified and adjusted in the retained earnings of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies;

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- (d) The identity of the reserves transferred would be preserved and would appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company 2. For example, the general reserve of the Transferor Company 2 would be recognised as a general reserve of the Transferee Company and the capital reserve of the Transferor Company 2 would become the capital reserve of the Transferee Company. Accordingly, the reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend by the Transferee Company after the business combination;
- (e) The Transferee Company shall cancel the investments pertaining to the Transferor Company 2 as per Clause 9.1 of this Part III of this Scheme, against assets, liabilities and reserves acquired from the entity. The difference, if any, between the carrying values of assets, liabilities and reserve balance under Clause 12.1(a) of this Part III above, transferred to the Transferee Company and cancellation of investments in lieu of the amalgamation shall be recorded as business restructuring reserve (capital reserve) and presented separately;
- (f) To the extent, there are inter-company balances between the Transferee Company and the Transferor Company 2, the rights and obligations in respect thereof shall stand cancelled; and
- (g) The financial information in the financial statements in respect of prior periods would be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Transferee Company.

### 13. Conduct of Business

- 13.1 Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of the Transferor Company 2 and the Transferee Company, and up to and including the Effective Date, the Transferor Company 2 shall carry on the business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 13.2 Further, subject to the effectiveness of this Scheme, with effect from the Appointed Date and up to and including the Effective Date:
  - (i) all of the rights, powers, authorities or privileges exercised by the Transferor Company 2 shall be deemed to have been exercised by the Transferor Company 2 for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company 2 shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
  - (ii) the Transferor Company 2 undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the Transferor Company 2 Assets and Liabilities for and on account of and in trust for the Transferee Company; and
  - (iii) all Cash, income, receipts, profits accruing to the Transferor Company 2 and all Taxes thereon or Liabilities or losses arising or incurred by it shall, for all purposes, be treated as and deemed to be the Cash, income, expenses, payments, profits, Liabilities, Taxes or losses, as the case may be, of the Transferee Company.
- 13.3 The Transferee Company shall also be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities, wherever necessary, for such consents, approvals and

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sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under Applicable Law for the time being in force for carrying on business.

**14. Inter se Transactions**

14.1 Upon the Effective Date and with effect from the Appointed Date, all *inter se* contracts solely between the Transferor Company 2 and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Transferee Company.

**15. Saving of concluded transactions**

15.1 The transfer of Transferor Company 2 Assets and Liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company 2 on or before the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company 2 in respect thereto as done and executed on behalf of itself.

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## PART IV

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

#### **1. Application to the NCLT**

- 1.1 Each of the Companies shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 and other applicable provisions of the Companies Act before the NCLT, for sanction of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.

#### **2. Alteration to the Memorandum of Association of the Transferee Company**

- 2.1 Under the accepted principle of 'single window clearance', it is hereby provided that the change in the capital clause of the Transferee Company pursuant to Clause 8 of Part II and Clause 8 of Part III of this Scheme, shall become operative upon the Effective Date by virtue of the fact that the shareholders of each of the Companies, while approving this Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Sections 13, 61 and Section 232 or any other provisions of the Companies Act, and there shall not be a requirement to pass separate resolutions as required under the Companies Act.
- 2.2 The approval and consent of this Scheme by the shareholders of the Companies shall be deemed to be their approval and consent by way of special resolution under Section 13 of the Companies Act for the change in the capital clause of the Transferee Company as contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association, as applicable, of the Transferee Company in relation to the change in the capital clause of the Transferee Company in accordance with Sections 13, 14 and 61 and any other applicable provisions of the Companies Act. The sanction of this Scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be in compliance of Sections 4, 13, 14 and 61 and any other applicable provisions of the Companies Act for the purpose of effecting the change in the capital clause of the Transferee Company.
- 2.3 Clause V of the memorandum of association and articles of association, as applicable, of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme.
- 2.4 The approval and consent of the shareholders of the Companies to this Scheme shall be deemed to be their approval and consent also to the alteration of the memorandum of association and articles of association, as applicable, of the Transferee Company, as required under Sections 13, 14 and 61 and any other applicable provisions of the Companies Act.

#### **3. Revocation, Withdrawal of this Scheme**

- 3.1 Subject to the order of the NCLT, the Board of the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and/or creditors of the Companies, the NCLT or any other authority is not acceptable to the Board of the Transferee Company; or (c) the Board of the Transferee Company is of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up the order with any Appropriate Authority could have an adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in

that event, no rights and Liabilities whatsoever shall accrue to or be incurred *inter se* between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed is 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 the Applicable Law and in such case, the Transferee Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

**4. Effect of Non-Receipt of Approvals**

- 4.1 In case this Scheme is not sanctioned by the NCLT, or in the event, this Scheme cannot be implemented due to any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied with, unless waived by the Board of the Transferee Company (to the extent permitted under Applicable Laws), or for any other reason, then, this Scheme shall become null and void.

**5. Costs, Charges and Expenses**

- 5.1 All costs, charges, fees, Taxes including duties, stamp duties, levies and all other expenses, if any (save as expressly agreed otherwise or if directed by the NCLT) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

**6. Dividends**

- 6.1 Each of the Companies shall be entitled to declare and make a distribution/ pay dividends, whether interim or final and/or issue bonus shares to their respective shareholders prior to the Effective Date, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Companies shall be consistent with the dividend policies and past practices of such Companies.
- 6.2 It is clarified that the aforesaid provisions in respect of the declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Companies, to demand or claim or be entitled to any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Companies, and subject to approval, if required, of the shareholders of the relevant companies.

**7. Compliance with Applicable Laws**

- 7.1 Each of the Companies undertake to comply with all the 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 the Appropriate Authorities or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme or which by Applicable Law may be required in relation to any matters connected with this Scheme.
- 7.2 Since the Transferee Company is a listed company, this Scheme is subject to the compliances of the applicable requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, SEBI Circulars and all other statutory directives of SEBI, as applicable.
- 7.3 In terms of the circular dated January 3, 2018 bearing No. CFD/DIL3/CIR/2018/2 read with the master circular dated December 22, 2020 bearing No.

SEBI/HO/CFD/DIL1/CIR/P/2020/249, as amended from time to time, both issued by SEBI, the requirements of obtaining prior approval or a no objection/ observation letter from the relevant stock exchanges have been relaxed in case of a merger of a wholly owned subsidiary or its division with the parent company. Accordingly, this Scheme shall be filed with the Stock Exchanges for disclosure purposes in compliance with Applicable Law.

## 8. Modification or Amendment to this Scheme

- 8.1 Each of the Companies, through mutual consent and acting through their respective Boards, may jointly and as mutually agreed in writing in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme, in part or in whole, which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in this Scheme due to change in any regulatory or compliance requirements being made applicable to the Companies or to the matters set forth in this Scheme, and do all acts, deed and things as may be necessary, desirable or expedient for the purpose of giving effect to this Scheme.
- 8.2 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.

## 9. Removal of Difficulties

- 9.1 Each of the Companies may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, including but not limited to making any modification to this Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any Appropriate Authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After the dissolution of the Transferor Companies, the Transferee Company through its Board of Directors shall be authorised to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the court(s) or of any directive or order of any other Appropriate Authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

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For TELESONIC NETWORKS LIMITED  
  
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**SCHEDULE I**

**(DETAILS OF INTELLECTUAL PROPERTY OF THE TRANSFEROR COMPANY 2)**

SL. NO.	DOMAIN NAMES	EXPIRATION DATE	REGISTRAR
1.	telesonic.in	06/03/2024	GODADDY
2.	telesonic.co.in	06/03/2024	GODADDY
3.	telesonicnetworks.in	30/07/2031	GODADDY

For Bharti Airtel Limited

  
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For NETTLE INFRASTRUCTURE INVESTMENTS LIMITED

  
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For TELESONIC NETWORKS LIMITED

  
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**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH  
(through web-based video conferencing platform)**

**CA No.94/2022  
and  
CA (CAA) No.10/Chd/Hry/2022  
(First Motion)**

**Under Sections 230-232 of the  
Companies Act, 2013**

**IN THE MATTER OF SCHEME OF ARRANGEMENT OF:**

**1. Nettle Infrastructure Investments Limited**

with its registered office at  
Airtel Center, Plot No.16, Udyog Vihar,  
Phase-IV, Gurugram, Haryana - 122015  
PAN: AADCN4429N  
CIN: U93000HR2010PLC094599

Transferor Company No.1/Applicant Company No.1

**2. Telesonic Networks Limited**

with its registered office at  
Airtel Center, Plot No.16, Udyog Vihar,  
Phase-IV, Gurugram, Haryana - 122015  
PAN: AAHCA8010G  
CIN: U64200HR2009PLC096372

Transferor Company No.2/Applicant Company No.2

WITH

**3. Bharti Airtel Limited**

with its registered office at  
Airtel Center, Plot No.16, Udyog Vihar,  
Phase-IV, Gurugram, Haryana - 122015  
PAN: AAACB2894G  
CIN: L74899HR1995PLC095967

Transferee Company/Applicant Company No.3

**Order delivered on: 02.06.2022**

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

**Present through Video Conferencing :-**

For the Applicant Companies: 1. Mr. Atul V Sood, Advocate  
2. Mr. Bharat Apte, Advocate

**Per: Subrata Kumar Dash, Member (Technical)**

**ORDER**

**CA No.94/2022**

The present application is jointly filed by the Applicant Companies for placing on record the unaudited financial statements of the Applicant Company No.1 and 2 for the period ended 31.12.2021 and audited financial statements of the Applicant Company No.3 for the period ended 31.12.2021 respectively which is attached as Annexure A-41, A-42 and A-43 of the application. The same are taken on record. Accordingly, CA No.94/2022 stands disposed of.

**CA (CAA) No.10/Chd/Hry/2022 (First Motion)**

This is a joint first motion application filed by Applicant Companies namely; **Nettle Infrastructure Investments Limited** (Transferor Company No.1/Applicant Company No.1); **Telesonic Networks Limited** (Transferor Company No.2/Applicant Company No.2); with **Bharti Airtel Limited** (Transferee Company/Applicant Company No.3) under Sections 230-232 of Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Arrangements) Rules, 2016 (the Rules) in

relation to the Scheme of Arrangement between the Applicant Companies. The said Scheme is attached as Annexure A-1 of the Application.

2. The Applicant Companies have prayed for dispensing with the requirement of the convening of the meetings of the Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies.

3. The Applicant Companies are presently engaged in the business to promote, establish & fund associations or partnerships or companies engaged in business for providing telecom networks and/or to run and maintain telecom services like basic/fixed-line services, cellular/mobile services, long distances services, internet, V-sat, paging, video text, voicemail and data systems, private switching networks services, transmission network of all types, computer networks i.e., local area networks, wide area networks, electronic mail, intelligent network, passive and active infrastructure with regard to telecommunication, multimedia communication systems or the combinations thereof and for the execution of undertaking works, projects or enterprises in the Telecom Industry whether of a private or public character or any joint venture with any government or other authority in India or elsewhere and to acquire and dispose of an interest in such companies, funds, and such associations or partnerships etc. and to acquire, develop, install, manage, maintain, provide, import, export and run all types of services in the telecommunication sector, which are required for the purposes of operation, management and maintenance of all types of telecommunication infrastructure networks inside and outside India and to engage in any activity, which may for



technical, industrial or commercial reasons be directly or indirectly appurtenant to the foregoing or contribute in achieving the aforesaid object etc.

4. It is submitted that the registered offices of Applicant Companies are situated in the State of Haryana, therefore, the territorial jurisdiction of the applicant companies fall within this Bench.

5. The rationale of the Scheme is given below:-

- i. The amalgamation of the Transferor Companies with the Transferee Company will result in the consolidation of the entire operations of the Transferor Companies into the Transferee Company and will further simplify the group structure by aligning the interest of various stakeholders into the Transferee Company. The amalgamations shall also result in cost reductions, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Transferee Company and the Transferor Companies, thereby significantly contributing to future growth and maximizing shareholders value. Further, the amalgamation of the Transferor Company 2 into the Transferee Company would consolidate all fibre assets (owned and leased) of the Transferor Company 2 in a single entity and position the Transferee Company to effectively leverage such core infrastructure required across multiple business/legal entities thereby delivering greater shareholder value.
- ii. The Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of the Companies,

as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable each of the aforesaid Companies to vigorously pursue revenue growth and expansion opportunities.

- iii. In view of the above-mentioned reasons and in order to avoid multiplicity of Schemes and the consequent increase in cost and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to complement this Scheme.

6. It is stated that the Board of Directors of the Applicant Companies in their meeting held on 04.01.2022 have considered and unanimously approved the Scheme of Arrangement subject to sanctioning of the same by this Tribunal. The copy of the board resolutions of the Applicant Companies are attached as Annexures A-5, A-16, and A-27 respectively of the application.

7. The appointed date of the Scheme is 01.04.2022 as mentioned in the Part-I Clause 1.1(d) of Scheme of Arrangement which is attached as Annexure A-1 of the application.

8. It is stated that the Applicant Companies have filed the Audited Financial Statements as on 31.03.2021 as Annexures A-3, A-14 and A-25 respectively of the application. The Applicant Company No.1 & 2 have also filed Unaudited Financial Statements as on 30.09.2021 and Applicant Company No.3 has filed Audited Financial Statements as on 30.09.2021 as Annexures A-4, A-15 and A-26 respectively of the application. Further, by CA No.94/2022,

the Applicant Company No.1 and 2 have also filed unaudited financial statements for the period ended 31.12.2021 and Applicant Company No.3 has filed audited financial statements for the period ended 31.12.2021 as Annexure A-41, A-42 and A-43 respectively of Diary No.00716 dated 18.04.2022.

9. It is submitted that in pursuance of the proviso to Sec. 230 (7) and Section 232 (3) of the Act, the Applicant Companies have filed certificates, all dated 04.01.2022 issued by Statutory Auditors of Applicant Companies certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same is attached as Annexure A-11, A-22 and A-36 respectively of the application.

10. It is averred that the present Scheme involves an amalgamation of two Transferor Companies (Wholly owned subsidiaries of Transferee Company) into the Transferee Company (Parent Company). Such amalgamation involves the cancellation of shares held by the parent company in a wholly-owned subsidiary. Consequently, no share will be issued by the Transferee Company to the Shareholders of either the Transferor Company No.1 or Transferor Company No.2.

11. It is submitted that the Scheme [Annexure A-1 of the application] also takes care of the interests of the staff/workers and employees of the Companies by virtue of Part II Clause 5 and Part III Clause 5 of the Scheme.

12. It is deposed by the authorized representative of Applicant Company No.1 and 2 that there are no sectoral regulators governing the applicant companies other than (a) Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b)

concerned Registrar of Companies, (c) Official Liquidator and (d) Income Tax Authorities and the Scheme is exempt from the provisions of Section 5 of the Competition Act on account of the intra-group exemption set out at Item 9 of Schedule 1 (read with Regulation 4) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. Accordingly, there is no requirement to notify the said transaction to the CCI under Section 230(5) of the Act. It is further deposed by authorised representative of Applicant Company No.2 that as per the guidelines for transfer/merger of various categories of telecommunication service/licenses/authorization under unified license on compromises, arrangements, and amalgamation of the Companies dated 20.02.2014 issued by the Department of Telecommunications, Government of India (DoT), there is no transfer of telecom service licenses/authorizations under the unified license envisaged under the Scheme, therefore, no notice is required to be issued to the CCI and the DoT as they are not likely to be affected by way of the Scheme. The aforesaid affidavits duly signed by the authorized representatives of applicant companies have been attached as Annexures A-12 and A-23 of the application.

13. It is deposed by the authorized representative of Applicant Company No.3 that there are no sectoral regulators governing the applicant companies other than (a) Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies, (c) Income Tax Authorities (d) Securities and Exchange Board of India (SEBI) (e) National Stock Exchange Board of India (f)

Bombay Stock Exchange of India (BSE) and the Scheme is exempt from the provisions of Section 5 of the Competition Act on account of the intra-group exemption set out at Item 9 of Schedule 1 (read with Regulation 4) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. Accordingly, there is no requirement to notify the said transaction to the CCI under Section 230(5) of the Act. It is further deposed by authorised representative of Applicant Company No.3 that as per the guidelines for transfer/merger of various categories of telecommunication service/licenses/authorization under unified license on compromises, arrangements, and amalgamation of the Companies dated 20.02.2014 issued by the Department of Telecommunications, Government of India (DoT). There is no transfer of telecom service licenses/authorizations under the unified license envisaged under the Scheme, therefore, no notice is required to be issued to the CCI and the DoT as they are not likely to be affected by way of the Scheme. The aforesaid affidavits duly signed by the authorized representatives of applicant companies have been attached as Annexures A-38 of the application.

14. It is mentioned that the requirements of obtaining prior approval or no objection/ observation letter from the relevant stock exchanges are not applicable in case of a merger of a wholly owned subsidiary or its division with the parent company. It is further submitted that the Applicant Company No.1 & 2 do not have any material litigations pending against them. The list of material litigation against the Applicant Company 3 as on January 27, 2022 is attached as Annexure - A37 of the application.

15. The applicant companies have furnished the following documents:-

- i. Proposed Scheme of Arrangement (Annexure A-1 of the application)
- ii. Certificate of Incorporation along with Memorandum and Articles of Association of the Applicant Companies (Annexure A-2, A-13 and A-24 respectively of the application).
- iii. List of Equity Shareholders of the Applicant Companies as on 11.02.2022 duly certified by the Statutory Auditors (Annexure A-7, A-18 and A-32 respectively of the application).
- iv. Consent Affidavits of Equity Shareholders of the Applicant Company No.1 and 2 (Annexure A-7 and A-8 respectively of the application).
- v. List of Secured Creditors of the Applicant Companies as on 31.12.2021 duly certified by the Statutory Auditors (Annexure A-8, A-19 and A-33 respectively of the application).
- vi. List of Unsecured Creditors of the Applicant Companies as on 30.11.2021 duly certified by the Statutory Auditors (Annexure A-9, A-20 and A-34 respectively of the application).
- vii. Consent Affidavits of Unsecured Creditors of the Applicant Company No.1 (Annexure A-9 of the application).
- viii. Certificates of Statutory Auditors to the effect that Accounting treatment proposed in the Scheme is in conformity with Section 133 of Companies Act, 2013 (Annexure A-11, A-22 and A-36 respectively of the application).
- ix. Audited Financial Statement as on 31.03.2021 of the applicant companies (Annexures A-3, A-14 and A-25 respectively of the application).

- x. Unaudited Financial Statements for the period ended on 30.09.2021 of the Applicant Company No.1 and 2 and Audited financial statements for the period ended 30.09.2021 for the Applicant Company No.3 (Annexures A-4, A-15 and A-26 respectively of the application).
- xi. Unaudited financial statements for the period ended 31.12.2021 for the Applicant Company No.1 and 2 and Audited financial statements for the period ended 31.12.2021 for the Applicant Company No.3 (Annexure A-41, A-42 and A-43 respectively of Diary No.00716 dated 18.04.2022).
- xii. Affidavit with regard to the Sectoral Regulator for the Applicant Companies (Annexures A-12, A-23 and A-38 respectively of the application).

16. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors along with consent on affidavits which is as follow:

Name of the Applicant Companies	Shareholders along with their consent on affidavits				Creditors along with their consent on affidavits			
	Equity Shareholder	Consent submitted on Affidavit	Debenture Holders	Consent submitted on Affidavit	Secured Creditors	Consent submitted on Affidavit	Unsecured Creditors	Consent submitted on affidavit
Applicant Company No.1	7 (Seven)	100% in value	Nil	NA	Nil	NA	2 (Two)	99.99% in value
Applicant Company No.2	7 (Seven)	100% in value	Nil	NA	Nil	NA	1942 (One thousand Nine hundred Forty-Two)	NA

Applicant Company No.3	7,71,513 (Seven lakh Seventy One thousand Five hundred Thirteen)	NA	Nil	NA	Nil	NA	10,101 (Ten thousand One hundred One)	NA
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17. It is noted that in the present case, Applicant Company No.1 and 2 are the wholly-owned subsidiaries of Applicant Company No.3. The Equity share capital of Applicant Company No.1 is being owned by Applicant Company No.3 (90% Equity Share Capital) and by Bharti Airtel Services Limited-Another wholly-owned subsidiary of Applicant Company No.3 (10% Equity Share Capital). The Equity share capital of Applicant Company No. 2 is being owned by Applicant Company No.3 (95% Equity Share Capital) and by Bharti Airtel Services Limited-Another wholly-owned subsidiary of Applicant Company No.3 (5% Equity Share Capital).

18. The shareholding structures of the applicant companies meets the requirement of Section 2(87) of the Act which defines "Subsidiary Company", as the holding company i.e. Applicant Company No.3 exercises or controls more than one-half of the total share capital of the other companies i.e. Applicant Company No.1 and 2 either on its own or together with one or more of its subsidiary companies.

19. The net-worth of the Applicant Company 2 as on September 30, 2021 is Rs. 8,924 Million (Rupees Eight Thousand Nine Hundred Twenty Four Million Only), and the pre-amalgamation and post-amalgamation net-worth of the Applicant Company 3 as on September 30, 2021 is Rs. 733,721 Million (Rupees Seven Hundred Thirty Three Thousand Seven Hundred Twenty One



Million Only) and Rs.745,302/- (Rupees Seven Hundred Forty Five Thousand Three Hundred Two Million Only), respectively. The present Scheme is an arrangement between the Applicant Company No.1 and the Applicant Company No.2 and their respective shareholders and the Applicant Company No.3 as contemplated under Section 230(1)(b) of the Act. It is stated by the applicant companies that there is no compromise or arrangement with any of the creditors of Applicant Company No. 2. The post amalgamation net worth of the Applicant Company No. 3 will be sufficient and positive which will enable the Applicant Company No. 3 to meet its aggregate liabilities and all the creditors will be paid during the ordinary course of business.

20. It is further averred by the Applicant Companies that as a result of the present amalgamation, no shares of the Applicant Company No.3 will be issued to the shareholders of Transferor Company No.1 or Transferor Company No.2. Accordingly, there shall be no impact on the shareholders and creditors of the Transferee Company and the present Scheme is in no manner prejudicial to the interests of the creditors of the Applicant Company No.3 and their liability is not reduced or extinguished.

21. It is also stated that in the present Scheme of Amalgamation, no shares will be issued by the Transferee Company to the shareholders of either of the Transferor Company No.1 or Transferor Company No.2. Accordingly, there shall be no impact on the shareholders and creditors of the Transferee Company. Accordingly, the proposed Scheme will not result in any dilution/change in shareholding of the Applicant Company No.3 and there is no compromise or arrangement with the shareholders of the Applicant Company

No.3. Moreover, the Scheme is in no manner prejudicial to the interests of the said unsecured creditors of the Applicant Company No.3 and that in terms of the Scheme, no liability of any of the creditors of the Applicant Company No.3 is proposed to be reduced or extinguished and post amalgamation net worth of the Applicant Company No.3 will be Rs.7,45,302/- (Rupees Seven Hundred Forty Five Thousand Three Hundred Two Million Only). Reliance is placed on the decision of the Hon'ble NCLAT, Principal bench, New Delhi in ***Ericsson India Private Limited with Ericsson India Global Services Private Limited in Company Appeal (AT) No.148 of 2021 dated 18.01.2022***, Para 5 which is extracted as below for the sake of clarity:-

*"5. Section 230(2) (a) of the Act read with Rule 6(3)(viii) of the Rules shows that the scope and intent is to require Companies to disclose all investigations/proceedings which are 'material' and relating to the Company. We are of the considered view that the wording of Section 230(2)(a) should be interpreted as 'all material facts relating to the Companies, such as, pendency of any investigation of any proceeding against the Company. The Affidavit filed by the Appellant Companies discloses all the duly Audited Financial Statements along with the investigations and enquiries which are material to the implementation of the Scheme. In any event, as per Clause 6 of the Scheme upon this implementation, all proceedings in the name of the Transferor Company' shall be continued and enforced against the Transferee Company' and such proceedings shall not be discontinued or prejudicially affect anyone by reason of the Scheme. Accordingly, the requirements of Section 230(2)(a) of the Act read with Rule 6(3)(viii) of the Rules are met.*

*6. This Tribunal in a catena of Judgements has dispensed with the meeting of the shareholders wherein the case is of a merger of a wholly owned subsidiary and parent company, wherein, the net worth of both companies is positive and 'Unsecured Creditors' are paid off in the ordinary course of business and their liability is not affected as it is neither reduced nor extinguished. Relying on the judgments of this Tribunal in the matter of '**Ambuja Cements Limited' in Company Appeal (AT) No.19 of 2021, 'Mohit Agro Commodities Processing Pvt. Ltd. & Ors.' in Company Appeal (AT) No.59 of 2021 and 'DLF Phase IV, Commercial Developers Limited and Ors.' in Company Appeal (AT) No.180 of 2019**, we are of the considered view that as the*

*merger is of a wholly owned subsidiary company into its holding company, no shares would be allotted as consideration pursuant to the merger; the proposed Scheme will not result in any dilution in the shareholding of the Shareholders of the "Transferee Company", the net worth of the 'Transferee Company' is positive, we are of the considered view that the ratio of this Tribunal in the aforementioned judgements can be squarely made applicable to the facts of this case. We also hold that the material disclosed in the affidavit is in compliance of Section 230(2)(a) of the Act read with Rule 6(3)(viii) of the Rules.*

*7. Hence, the appeal is allowed and the impugned order dated 23.09.2021 is set aside.*

This proposition has been upheld by various High Courts and Benches of the NCLT:

- (a) The The Hon'ble National Company Law Appellate Tribunal vide its order dated January 18, 2022 in the matter concerning the amalgamation between wholly-owned subsidiary namely ***Ericsson India Private Limited and its parent company namely Ericsson India Global Services Private Limited, in Company Appeal (AT) No. 148 of 2021;***
- (b) The Hon'ble National Company Law Appellate Tribunal vide its order dated June 28, 2021 in the matter concerning the amalgamation between wholly-owned subsidiary namely ***Mohit Agro Commodities Processing Private Limited and its parent company namely Gujarat Ambuja Exports Limited, in Company Appeal (AT) No. 59 of 2021;***
- (c) The Mumbai Bench of the NCLT vide its order dated September 4, 2017 in the matter concerning the amalgamation between wholly-owned subsidiary companies, namely, ***Windermere Properties Pvt. Ltd., Haddock Properties Pvt. Ltd., Grandeur***

**Properties Pvt. Ltd., Winchester Properties Pvt. Ltd., Pentagram Properties Pvt. Ltd. and their holding company namely, Housing Development and Finance Corporation Ltd. in Company Scheme Application No. 243 of 2017;**

22. It is also observed in the case of **DLF Phase-IV Commercial Developers Limited with DLF Limited in CA No.741/2019 With CA (CAA) No.39/Chd/Hry/2018**, it has been held that:

*“12. In **Jupiter Alloys & Steel (India) Limited (supra)**, though the main issue was ‘whether the Tribunal has power to grant dispensation of the shareholder’s meeting even if there was required percentage of consent’, but the other issue that ‘whether Tribunal has power to dispense with the meetings of Shareholders/Secured Creditors/Unsecured Creditors when there was no consent’ was also eventually considered. It was observed that ‘it cannot be ignored that almost all the High Courts have exercised this discretion since long and dispensed with the calling of the meetings in appropriate situations. The precedents created by the High Courts to dispense with the requirement of convening the meetings are worth and continuation of such precedents are virtue in the era of ease of doing business as well as future course of corporate actions. A settled issue should not be unsettled without proper reasons. Thus, the notion that calling of meetings is mandatory does not stand’, and ‘when with the conditions mentioned in clauses (a) and (b) of sub-section (1) of Section 232 of the Act are satisfied, the Tribunal is empowered to take appropriate steps in the interest of justice under Rule 11 of National Company Law Tribunal Rules, 2016 read with Rule 24(2) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.’*

*13. In any event, invoking such power is an exception to the Rule and can be done only in a particular case, depending on the facts and circumstances of the case. In the present case it is stated that the transferee company, directly and indirectly has 100% holding in the transferor company No. 4 and the scheme is between the wholly owned subsidiary companies and their holding company and the net worth of the demerged company, post sanction of the scheme will be ₹1.14 crores whereas the net worth of transferee company will be ₹22,777.17 crores and the unsecured creditors of demerged company will become the unsecured creditors of the transferee company.*

*14. We have carefully perused the proposed scheme and in the circumstances and in view of the decisions on which the learned senior*

*counsel placed reliance and in view of the directions given in **Jupiter Alloys & Steels (India) Limited (supra)**, we find that the subject prayer deserved to be allowed subject to the discussion in the succeeding para.”*

23. Keeping in view of the decisions in the aforesaid judgments and the fact that there will be no-issuance of shares by the Transferee Company to the Shareholders of the Transferor Companies and the net worth of the Transferee Company is sufficient to discharge the claims of the Creditors of Applicant Company No.2 and Transferee Company in the normal course of business, the meetings of Unsecured Creditors of Applicant Company No.2 and Applicant Company No.3 and Equity Shareholders of Applicant Company No.3 are dispensed with.

24. Accordingly, the directions of this Bench in the present case are as under:-

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

- a. The meetings of the Equity Shareholders are dispensed with keeping in view the shareholding pattern, financial structure of the company and the fact that the consent of all the Equity Shareholders has been received by way of affidavits.
- b. Since, there are Nil Secured Creditors in the Transferor Company No.1/Applicant Company No.1. Therefore, there is no scope for any meeting.
- c. The meeting of the Unsecured Creditors of the Transferor Company No.1/Applicant Company No.1 is dispensed with as it has 2 (Two)

Unsecured Creditors and the consent of the Unsecured Creditors holding 99.99% in value have been received by way of affidavits.

**II. In relation to the Transferor Company No.2/Applicant Company No.2:**

- a. The meetings of the Equity Shareholders are dispensed with keeping in view the shareholding pattern, financial structure of the company and the fact that the consent of all the Equity Shareholders has been received by way of affidavits.
- b. Since, there are Nil Secured Creditors in the Transferor Company No.2/Applicant Company No.2. Therefore, there is no scope for any meeting.
- c. The meeting of the Unsecured Creditors of the Transferor Company No.2/Applicant Company No.2 is dispensed with as it has 1,942 (One thousand Nine hundred Forty-Two) Unsecured Creditors for the reasons recorded in above Para No. 23.

**III. In relation to the Transferee Company/Applicant Company No.3:**

- a. The meetings of the Equity Shareholders are dispensed with keeping in view the shareholding pattern, financial structure of the company and for the reasons recorded in above Para No. 23.
- b. Since, there are Nil Secured Creditors in the Transferee Company/Applicant Company No.3. Therefore, there is no scope for any meeting.
- c. The meeting of the Unsecured Creditors of the Transferee Company/Applicant Company No.3 is dispensed with as it has 10,101

(Ten thousand One Hundred One) Unsecured Creditors for the reasons recorded in above Para No. 23.

**IV.** The meetings of Unsecured Creditors of Applicant Company No. 2 & 3 and Equity Shareholders of Applicant Company No. 3 are being dispensed with subject to strict compliance of the conditions laid down herein:-

- a. Both the applicant companies No.2 and 3 shall file their respective list of Creditors as on the date of passing of this Order, with the Registry within a fortnight from the date of Order. The Applicant Company No.3 shall also file its list of equity shareholders, as on the date of passing of this order, with the Registry within a fortnight from the date of the order.
- b. Both the Applicant Companies No. 2 and 3 to serve the notices through Speed Post/Courier/Email upon their current creditors as on the date of passing of this Order in the same manner as the notices shall be served to various authorities as per Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings and with a direction that they may submit their representations, if any, to the Tribunal and a copy of the same shall be simultaneously served on the concerned applicant company. If no response is received from such creditors within 30 days of the date of receipt of the notice it shall be presumed that such creditors have no objection to the proposed

Scheme. Similar action shall also be taken in respect of current equity shareholders of the Applicant Company No.3.

- c. The notices to be served under Section 230 (5) of the Companies Act, 2013 as aforesaid shall contain all disclosures as mentioned in Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 irrespective of the fact that meetings have been dispensed with.
- d. Both the Applicant Companies No. 2 and 3 shall furnish a copy of the Scheme free of charge within 1 day of any requisition for the same made by every creditor as mentioned above or member of the concerned Applicant Companies.
- e. Both the Applicant Companies No. 2 and 3 to serve the notice upon the (a) Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies, (c) concerned Income Tax Department, (d) the Official Liquidator (in case of both Applicant Company No. 2 & 3) and (e) BSE (f) NSE and (g) SEBI in case of Transferee Company/Applicant company No. 3, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings. If no response is received by the Tribunal from the above authorities within 30 days of the date of receipt of the notice it will be presumed that such authorities have no objection



to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- f. Both the Applicant Companies No.2 and 3 shall file an affidavit in compliance of all the conditions laid down herein along with original proof of service to all the authorities and creditors.
- g. Liberty is given to file a Joint application by the applicant companies in accordance with Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 15 days after the expiry of period of 30 days as mentioned in Section 230(5) of the Companies Act, 2013.

25. In view of the above, the First Motion Application stands allowed by giving liberty to the Applicant Companies to file Second Motion Petition with a direction that the Applicant Companies shall make specific prayer for sending notices to the (a) Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies, (c) concerned Income Tax Department, (d) the Official Liquidator (in case of all Applicant Companies) and (e) BSE (f) NSE and (g) SEBI (in case of Transferee Company/Applicant company No. 3) in the title of the Second Motion Petition.

Sd/-  
**(Subrata Kumar Dash)**  
**Member (Technical)**

Sd/-  
**(Harnam Singh Thakur)**  
**Member (Judicial)**

June 02, 2022  
AV

# Nettle Infrastructure Investments Limited

## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NETTLE INFRASTRUCTURE INVESTMENTS 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 Nettle Infrastructure Investments Limited ("**Nettle**") and Telesonic Networks Limited ("**TNL**"), which together with Nettle, are collectively referred to as the "**Transferor Companies**") and their respective shareholders and Bharti Airtel Limited ("**Airtel**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of Nettle ("**Board**") *vide* resolution dated January 4, 2022. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for the: (a) amalgamation of Nettle into Airtel; and (b) amalgamation of TNL into Airtel, on a going concern basis. 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 Nettle 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 Scheme, as approved by the Board *vide* resolution dated January 4, 2022, was presented/ shared with the Board.

### 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 (" <b>KMPs</b> ") of Nettle	<p>Upon the Effective Date and with effect from the Appointed Date, all employees of Nettle as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to Nettle, on the Effective Date. The services of such employees with Nettle, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law.</p> <p>Further, upon the Effective Date and with effect from the Appointed Date, all contributions to funds and schemes in respect of provident fund, employee state</p>

# Nettle Infrastructure Investments Limited

S. NO.	EFFECT OF THE SCHEME ON	
		insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of Nettle shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.
2.	Promoter and Non-Promoter Shareholders of Nettle	<p>Nettle has only a single class of shareholders being the equity shareholders of Nettle.</p> <p>Upon the Effective Date, Nettle shall stand dissolved without being wound up.</p> <p>Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of Nettle, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of Nettle appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>

### 3. Valuation

- 3.1 Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.

# Nettle Infrastructure Investments Limited

- 3.2 TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.
- 3.3 Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.
- 3.4 In view of the above, no valuation report or fairness opinion have been obtained.
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 Nettle Infrastructure Investments Limited**

  
**Richa Gupta Rohatgi  
Authorised Signatory**

Date: June 10, 2022  
Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Balance Sheet**  
**(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Annexure - 4

Particulars	Notes	As of December 31, 2021	As of March 31, 2021
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	9	10
Investments	6	138,343	136,586
Other financial assets		0	0
		<b>138,352</b>	<b>136,596</b>
<b>Non-financial assets</b>			
Income tax recoverable		73	73
Other non-financial assets		0	0
		<b>73</b>	<b>73</b>
<b>Total Assets</b>		<b>138,425</b>	<b>136,669</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Debt securities	7	150,000	150,000
Borrowings	8	14,469	5,330
Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises		1	56
Other financial liabilities		0	0
		<b>164,470</b>	<b>155,386</b>
<b>Non-financial liabilities</b>			
Provisions		0	0
Other non-financial liabilities		1	11
		<b>1</b>	<b>11</b>
<b>Equity</b>			
Equity share capital		1	1
Other equity		(26,047)	(18,729)
		<b>(26,046)</b>	<b>(18,728)</b>
<b>Total liabilities and equity</b>		<b>138,425</b>	<b>136,669</b>

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

ICAI Firm Registration No: 117366W / W-100018



**Nilesh H. Lahoti**

**Partner**

Membership No. 130054

Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**

**Director**

DIN - 01996768

Place: New Delhi



**Pankaj Tewari**

**Director**

DIN - 08006533

Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Statement of Profit and Loss**  
**(All amounts are in millions of Indian Rupee; except per share data)**

Particulars	For the nine months ended December 31, 2021	For the year ended March 31, 2021
<b>Revenue from operations</b>		
Dividend income on investments	-	11,336
	-	11,336
<b>Expenses</b>		
Employee benefits expense	5	8
Other expenses	0	101
	5	109
<b>(Loss) / profit before tax</b>	<b>(5)</b>	<b>11,227</b>
<b>Tax expense</b>		
Current tax	-	-
Deferred tax	-	-
	-	-
<b>(Loss) / profit for the period / year</b>	<b>(5)</b>	<b>11,227</b>
<b>Other comprehensive income ('OCI')</b>		
Items not to be reclassified subsequently to profit or loss :		
- Gain / (loss) on investment fair value through OCI ('FVTOCI')	1,662	(3,684)
<b>Other comprehensive income / (loss) for the period / year</b>	<b>1,662</b>	<b>(3,684)</b>
<b>Total comprehensive income for the period / year</b>	<b>1,657</b>	<b>7,543</b>
<b>(Loss) / earnings per share (in Rs.)</b>		
Face Value of Rs. 10 each		
Basic	(100)	224,540
Diluted	(100)	273

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

**ICAI Firm Registration No: 117366W / W-100018**



**Nilesh H. Lahoti**  
**Partner**  
 Membership No. 130054  
 Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**  
**Director**  
 DIN - 01996768  
 Place: New Delhi



**Pankaj Tewari**  
**Director**  
 DIN - 08006533  
 Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Statement of Changes in Equity**  
**(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Particulars	Equity share capital		Other equity		
	No. of shares. (in '000)	Amount	Retained Earnings	FVTOCI reserve	Total
Balance at the beginning of the previous reporting period (As of April 1, 2020)	50	1	3,707	(27,618)	(23,911)
Profit for the year	-	-	11,227	-	11,227
Other comprehensive loss for the year	-	-	-	(3,684)	(3,684)
Total comprehensive income for the year	-	-	11,227	(3,684)	7,543
Dividends	-	-	(2,361)	-	(2,361)
Balance at the end of the previous reporting period (As of March 31, 2021)	50	1	12,573	(31,302)	(18,729)
Balance at the beginning of the current reporting period (As of April 1, 2021)	50	1	12,573	(31,302)	(18,729)
Loss for the period	-	-	(5)	-	(5)
Other comprehensive income for period	-	-	-	1,662	1,662
Total comprehensive (loss) / income for the period	-	-	(5)	1,662	1,657
Dividends	-	-	(8,975)	-	(8,975)
Balance at the end of the current reporting period (As of December 31, 2021)	50	1	3,593	(29,640)	(26,047)

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

**ICAI Firm Registration No: 117366W / W-100018**



**Nilesh H. Lahoti**

**Partner**

Membership No. 130054

Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**

**Director**

DIN - 01996768

Place: New Delhi



**Pankaj Tewari**

**Director**

DIN - 08006533

Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Statement of Cash Flows**  
**(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Particulars	For the nine months ended December 31, 2021	For the year ended March 31, 2021
<b>Cash flows from operating activities:</b>		
(Loss) / profit before tax	(5)	11,227
<b>Adjustments for:</b>		
Loss on sale of investments	-	30
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(5)</b>	<b>11,257</b>
<b>Adjustments for changes in operating assets and liabilities :</b>		
Other financial / non-financial assets	0	0
Other financial / non-financial liabilities	(65)	65
<b>Net cash (used) / generated from operations before tax</b>	<b>(70)</b>	<b>11,322</b>
Income taxes paid - Net	-	(56)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(70)</b>	<b>11,266</b>
<b>Cash flows from investing activities:</b>		
Purchase of investment	(95)	(29,287)
Sale of investment	-	69
<b>Net cash used in investing activities (B)</b>	<b>(95)</b>	<b>(29,218)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(71)	(11,967)
Proceeds from borrowings	9,210	32,287
Dividend paid	(8,975)	(2,361)
<b>Net cash generated from financing activities (C)</b>	<b>164</b>	<b>17,959</b>
<b>Net (decrease) / increase in cash &amp; cash equivalents during the period / year (A+B+C)</b>	<b>(1)</b>	<b>7</b>
Cash and cash equivalents at the beginning of the period / year	10	3
<b>Cash and cash equivalents at the end of the period / year</b>	<b>9</b>	<b>10</b>

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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



**Nilesh H. Lahoti**  
**Partner**  
 Membership No. 130054  
 Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**  
**Director**  
 DIN - 01996768  
 Place: New Delhi



**Pankaj Tewari**  
**Director**  
 DIN - 08006533  
 Place: New Delhi





Telesonic Networks Ltd.  
4th floor, C-Wing, Airtel  
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**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TELESONIC NETWORKS LIMITED  
IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013**

**1. Background**

- 1.1 The proposed composite scheme of arrangement ("**Scheme**") between Nettle Infrastructure Investments Limited ("**Nettle**") and Telesonic Networks Limited ("**TNL**"), which together with Nettle, are collectively referred to as the "**Transferor Companies**") and their respective shareholders and Bharti Airtel Limited ("**Airtel**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of TNL ("**Board**") *vide* resolution dated January 4, 2022. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for the: (a) amalgamation of Nettle into Airtel; and (b) amalgamation of TNL into Airtel, on a going concern basis. 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 TNL 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 Scheme, as approved by the Board *vide* resolution dated January 4, 2022, was presented/ shared with the Board.

**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 (" <b>KMPs</b> ") of TNL	Upon the Effective Date and with effect from the Appointed Date, all employees of TNL as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to TNL, on the Effective Date. The services of such employees with TNL, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law.

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S. NO.	EFFECT OF THE SCHEME ON	
		<p>Further, upon the Effective Date and with effect from the Appointed Date, 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 such employees of TNL shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.</p>
2.	<p>Promoter and Non-Promoter Shareholders of TNL</p>	<p>TNL has only a single class of shareholders being the equity shareholders of TNL.</p> <p>Upon the Effective Date, TNL shall stand dissolved without being wound up.</p> <p>TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of TNL, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of TNL appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>

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Corporate Identity Number: U64200HR2009PLC096372 (New)



### 3. Valuation

- 3.1 Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.
- 3.2 TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.
- 3.3 Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.
- 3.4 In view of the above, no valuation report or fairness opinion have been obtained.

### 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 Telesonic Networks Limited**

  
Richa Gupta Rohatgi  
Authorised Signatory



Date: June 10, 2022  
Place: New Delhi

**Telesonic Networks Limited**

**Unaudited Special Purpose Condensed Financial Statements**

**December 31, 2021**

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed Balance Sheet**  
*(All amounts are in millions of Indian Rupee; unless stated otherwise)*

	Notes	As of	
		December 31, 2021	March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	76,172	61,894
Capital work-in-progress		5,314	6,256
Right of use assets		75	-
<b>Financial assets</b>			
- Other financial assets		8	48
Income tax assets (net)		741	932
Other non-current assets		14	12
		<b>82,324</b>	<b>69,142</b>
<b>Current assets</b>			
Inventories		1,934	1,661
<b>Financial assets</b>			
- Investments		-	751
- Trade receivables		1,355	1,223
- Cash and cash equivalents	6	26	223
- Other bank balances		21	17
- Unbilled revenue		2,181	1,571
- Other financial assets		398	266
Other current assets		5,028	3,878
		<b>10,943</b>	<b>9,590</b>
<b>Total assets</b>		<b>93,267</b>	<b>78,732</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital		939	939
Other equity		8,727	6,933
		<b>9,666</b>	<b>7,872</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	7	29,963	27,500
- Lease liabilities		69	-
Deferred revenue		4,979	5,133
Provisions		315	424
Deferred tax liabilities (net)		2,820	2,135
		<b>38,146</b>	<b>35,192</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	7	16,299	11,223
- Lease liabilities		9	-
- Trade payables			
-total outstanding dues of micro enterprises and small enterprises		677	427
-total outstanding dues of creditors other than micro enterprises and small enterprises		5,012	3,595
- Other financial liabilities		22,427	19,388
Deferred revenue		647	622
Provisions		258	240
Current tax liabilities (net)		11	5
Other current liabilities		115	168
		<b>45,455</b>	<b>35,668</b>
<b>Total liabilities</b>		<b>83,601</b>	<b>70,860</b>
<b>Total equity and liabilities</b>		<b>93,267</b>	<b>78,732</b>

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

For Telesonic Networks Limited

For Deloitte Haskins & Sells LLP

Chartered Accountants

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



**Nilesh H. Lahoti**  
Partner

Membership No: 130054

Place: Gurugram



**Pankaj Tewari**  
Director

DIN: 08006533

Place: New Delhi



**Soumen Ray**  
Director

DIN: 09484511

Place: Gurugram

Date: April 7, 2022

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed Statement of Profit and Loss**  
*(All amounts are in millions of Indian Rupee; except per share data)*

	Notes	For the nine months ended	For the year ended
		December 31, 2021	March 31, 2021
<b>Income</b>			
Revenue from operations	8	19,991	21,030
Other income		12	64
		<b>20,003</b>	<b>21,094</b>
<b>Expenses</b>			
Network operating expenses		6,986	6,443
Employee benefits expense		1,548	2,116
Other expenses		3,176	2,360
		<b>11,710</b>	<b>10,919</b>
<b>Profit before depreciation, finance costs and tax</b>		<b>8,293</b>	<b>10,175</b>
Depreciation expense		3,834	3,880
Finance costs		1,991	2,170
<b>Profit before tax</b>		<b>2,468</b>	<b>4,125</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		683	1,148
		<b>683</b>	<b>1,148</b>
<b>Profit for the period / year</b>		<b>1,785</b>	<b>2,977</b>
<b>Other Comprehensive Income ('OCI')</b>			
Items not to be reclassified to profit or loss:			
Re-measurement gain / (loss) on defined benefit plans		12	(5)
Tax (charge) / credit		(3)	1
<b>Other comprehensive income / (loss) for the period / year</b>		<b>9</b>	<b>(4)</b>
<b>Total comprehensive income for the period / year</b>		<b>1,794</b>	<b>2,973</b>
<b>Earnings per share (Face value : Rs 10 each)</b>			
Basic and diluted earnings per share		19.01	31.69

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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

For Telesonic Networks Limited



**Nilesh H. Lahoti**  
Partner  
Membership No: 130054  
Place: Gurugram



**Pankaj Tewari**  
Director  
DIN: 08006533  
Place: New Delhi



**Soumen Ray**  
Director  
DIN: 09484511  
Place: Gurugram

Date: April 7, 2022

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed 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	Retained earnings	Capital reserve	Total	
As of April 1, 2020	93,927	939	3,907	53	3,960	4,899
Profit for the year	-	-	2,977	-	2,977	2,977
Other comprehensive loss for the year	-	-	(4)	-	(4)	(4)
<b>Total comprehensive income</b>	-	-	<b>2,973</b>	-	<b>2,973</b>	<b>2,973</b>
As of March 31, 2021	93,927	939	6,880	53	6,933	7,872
Profit for the period	-	-	1,785	-	1,785	1,785
Other comprehensive income for the period	-	-	9	-	9	9
<b>Total comprehensive income</b>	-	-	<b>1,794</b>	-	<b>1,794</b>	<b>1,794</b>
As of December 31, 2021	93,927	939	8,674	53	8,727	9,666

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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

**For Telesonic Networks Limited**



**Nilesh H. Lahoti**  
**Partner**  
 Membership No: 130054  
 Place: Gurugram



**Pankaj Tewari**  
**Director**  
 DIN: 08006533  
 Place: New Delhi



**Soumen Ray**  
**Director**  
 DIN: 09484511  
 Place: Gurugram

**Date: April 7, 2022**

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed Statement of Cash Flows**  
*(All amounts are in millions of Indian Rupee; unless stated otherwise)*

	For the nine months ended December 31, 2021	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before tax	2,468	4,125
<b>Adjustments for:</b>		
Depreciation expense	3,834	3,880
Finance costs	1,991	2,170
Interest income	(4)	(59)
Net gain on fair value through profit and loss (FVTPL) instruments	(5)	-
Loss on sale of property, plant and equipment	6	-
Other non - cash items	336	125
<b>Operating cash flow before changes in working capital</b>	<b>8,626</b>	<b>10,241</b>
<b>Changes in working capital</b>		
Trade receivables	(279)	4,211
Trade payables	1,664	1,321
Inventories	(339)	(943)
Provisions	(122)	76
Other financial and non-financial liabilities	(258)	(2,011)
Other financial and non-financial assets	(1,934)	(671)
<b>Net cash generated from operations before tax</b>	<b>7,358</b>	<b>12,224</b>
Income tax refund / (paid) - net	195	(507)
<b>Net cash generated from operating activities (a)</b>	<b>7,553</b>	<b>11,717</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and capital work-in-progress	(14,768)	(47,561)
Proceeds from sale / (purchase) of current investments (net)	755	(751)
Interest received	4	59
<b>Net cash used in investing activities (b)</b>	<b>(14,009)</b>	<b>(48,253)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	34,130	64,000
Repayment of borrowings	(30,560)	(26,350)
Payment of lease liabilities	(3)	-
Proceeds from short-term borrowings (net)	4,005	973
Interest and other finance charges paid	(1,313)	(2,137)
<b>Net cash generated from financing activities (c)</b>	<b>6,259</b>	<b>36,486</b>
<b>Net decrease in cash and cash equivalents during the period / year (a+b+c)</b>	<b>(197)</b>	<b>(50)</b>
Add : Cash and cash equivalents as at the beginning of the period / year	223	273
<b>Cash and cash equivalents as at the end of the period / year (refer note 6)</b>	<b>26</b>	<b>223</b>

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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

**For Telesonic Networks Limited**



**Nilesh H. Lahoti**  
Partner  
Membership No: 130054  
Place: Gurugram



**Pankaj Tewari**  
Director  
DIN: 08006533  
Place: New Delhi



**Soumen Ray**  
Director  
DIN: 09484511  
Place: Gurugram

Date: April 7, 2022



**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 Nettle Infrastructure Investments Limited (“Nettle”) and Telesonic Networks Limited (“TNL”), which together with Nettle, are collectively referred to as the “Transferor Companies”) and their respective shareholders and Bharti Airtel Limited (“Airtel”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) was approved by the board of directors of Airtel (“Board”) *vide* resolution dated January 4, 2022. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for the: (a) amalgamation of Nettle into Airtel; and (b) amalgamation of TNL into Airtel, on a going concern basis. 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 Scheme, as approved by the Board *vide* resolution dated January 4, 2022, was presented/ shared with the Board.

**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 Scheme will not have any effect on the KMP’s of Airtel since upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Companies as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Companies, on the Effective Date.
2.	Promoter and Non-Promoter Shareholders of Airtel	Airtel has only a single class of shareholders being the equity shareholders of Airtel.  There shall be no change in the shareholding of the Promoter and Non-Promoter equity shareholders of Airtel pursuant to the Scheme.  Nettle is a wholly owned subsidiary of

**Bharti Airtel Limited**

(a Bharti Enterprise)

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CIN: L74899HR0003PLC095967

S. NO.	EFFECT OF THE SCHEME ON
	<p>Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.</p>

### 3. Valuation

- 3.1 Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.
- 3.2 TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.
- 3.3 Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.

**Bharti Airtel Limited**

(a Bharti Enterprise)

Regd. Office: Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram – 122015, India

Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India

T.: +91-124-4222222, F.: +91-124-4248063, Email id: compliance.officer@bharti.in, [www.airtel.com](http://www.airtel.com)

CIN: L74899HR0005PLC095967

3.4 In view of the above, no valuation report or fairness opinion have been obtained.

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: June 10, 2022  
Place: New Delhi

**Bharti Airtel Limited**

(a Bharti Enterprise)

Regd. Office: Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram – 122015, India

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CIN: L74899HR2005PLC095967



**Bharti Airtel Limited**  
**Interim Condensed Standalone Financial Statements**  
**December 31, 2021**

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



Assets	Notes	As of	
		December 31, 2021	March 31, 2021
<b>Non-current assets</b>			
Property, plant and equipment	5	564,554	555,676
Capital work-in-progress	5	16,728	12,831
Right-of-use assets	6	360,223	348,369
Goodwill	7	739	739
Other intangible assets	7	792,691	669,100
Intangible assets under development	7	17,145	232
Investments in subsidiaries, associates and joint ventures		335,046	335,133
<b>Financial assets</b>			
- Investments		150,228	150,154
- Other financial assets		16,983	16,905
Income tax assets (net)		15,631	14,206
Deferred tax assets (net)		162,239	158,386
Other non-current assets		55,392	115,021
		<b>2,487,599</b>	<b>2,376,752</b>
<b>Current assets</b>			
Inventories	7		8
<b>Financial assets</b>			
- Investments			37,443
- Derivative instruments		142	28
- Trade receivables		38,517	31,782
- Cash and cash equivalents		2,638	9,928
- Other bank balances		286	437
- Loans		30,585	15,669
- Other financial assets		205,868	196,700
Other current assets		91,253	108,724
		<b>369,296</b>	<b>400,719</b>
<b>Total assets</b>		<b>2,856,895</b>	<b>2,777,471</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital		27,950	27,460
Other equity		786,189	746,141
		<b>814,139</b>	<b>773,601</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		949,603	899,088
- Lease liabilities		317,835	299,986
- Other financial liabilities		44,268	74,291
Deferred revenue		12,902	13,906
Provisions		2,342	2,205
		<b>1,326,950</b>	<b>1,289,476</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		55,213	44,989
- Lease liabilities		57,205	60,011
- Derivative instruments		475	430
- Trade payables			
-total outstanding dues of micro enterprises and small enterprises		935	702
-total outstanding dues of creditors other than micro enterprises and small enterprises		246,182	222,248
- Other financial liabilities		71,860	111,488
Deferred revenue		56,273	42,520
Provisions		214,194	201,566
Current tax liabilities (net)		187	415
Other current liabilities		13,282	30,025
		<b>715,806</b>	<b>714,394</b>
<b>Total liabilities</b>		<b>2,042,756</b>	<b>2,003,870</b>
<b>Total equity and liabilities</b>		<b>2,856,895</b>	<b>2,777,471</b>

The accompanying notes 1 to 16 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)**

*Vijay Agarwal*

**Vijay Agarwal**  
**Partner**  
 Membership No: 094468  
 Place: Gurugram



Date: February 8, 2022

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

*Rakesh Mittal*  
**Rakesh Bharti Mittal**  
**Director**

DIN: 00042494  
 Place: New Delhi

*Soumen Ray*  
**Soumen Ray**  
**Chief Financial Officer**  
 Place: Gurugram

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

*Pankaj Tewari*  
**Pankaj Tewari**  
**Company Secretary**  
 Place: New Delhi



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



Notes	For the three months ended		For the nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Income</b>				
Revenue from operations	179,285	169,358	511,471	479,964
Other income	1,158	809	11,742	10,785
	<b>180,443</b>	<b>170,167</b>	<b>523,213</b>	<b>490,749</b>
<b>Expenses</b>				
Network operating expenses	44,535	37,252	124,154	110,733
Access charges	7,800	25,315	23,254	73,238
License fee / Spectrum charges	20,739	17,092	61,393	48,909
Employee benefits expense	3,589	4,211	11,791	12,730
Sales and marketing expenses	8,473	5,799	22,097	13,957
Other expenses	4,453	5,441	14,910	16,588
	<b>89,589</b>	<b>95,110</b>	<b>257,599</b>	<b>276,155</b>
<b>Profit before depreciation, amortisation, finance costs, exceptional items and tax</b>				
	<b>90,854</b>	<b>75,057</b>	<b>265,614</b>	<b>214,594</b>
Depreciation and amortisation expense	63,227	56,357	182,262	164,376
Finance costs	35,415	29,687	105,979	86,291
<b>Loss before exceptional items and tax</b>	<b>(7,788)</b>	<b>(10,987)</b>	<b>(22,627)</b>	<b>(36,073)</b>
Exceptional items (net)	-	37,463	(7,221)	153,434
<b>Loss before tax</b>	<b>(7,788)</b>	<b>(48,450)</b>	<b>(15,406)</b>	<b>(189,507)</b>
<b>Tax (credit) / expense</b>				
Current tax	-	-	-	(1,312)
Deferred tax	(1,909)	35,011	(3,838)	68,344
	<b>(1,909)</b>	<b>35,011</b>	<b>(3,838)</b>	<b>67,032</b>
<b>Loss for the period</b>	<b>(5,879)</b>	<b>(83,461)</b>	<b>(11,568)</b>	<b>(256,539)</b>
<b>Other comprehensive income</b>				
Items not to be reclassified to profit or loss:				
- Re-measurement gain / (loss) on defined benefit plans	10	(77)	(57)	(35)
- Tax (charge) / credit	(3)	20	14	9
<b>Other comprehensive income / (loss) for the period</b>	<b>7</b>	<b>(57)</b>	<b>(43)</b>	<b>(26)</b>
<b>Total comprehensive loss for the period</b>	<b>(5,872)</b>	<b>(83,518)</b>	<b>(11,611)</b>	<b>(256,565)</b>
<b>Loss per share (Face value: Rs. 5 each)*</b>				
Basic and diluted loss per share	(1.06)	(15.22)	(2.09)	(46.80)

\*Basic and diluted loss per share for all the previous periods have been retrospectively adjusted for the bonus element in respect of the Rights Issue made during the quarter ended December 31, 2021 (refer note 4(iii)).

The accompanying notes 1 to 16 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)**



**Vijay Agarwal**  
**Partner**  
 Membership No: 094468  
 Place: Gurugram

Date: February 8, 2022

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

**Rakesh Bharti Mittal**  
**Director**

DIN: 00042494  
 Place: New Delhi

**Soumen Ray**  
**Chief Financial Officer**  
 Place: Gurugram

**Gopal Mittal**  
**Managing Director & CEO**  
**(India and South Asia)**

DIN: 02291778  
 Place: Gurugram

**Pankaj Tewari**  
**Company Secretary**  
 Place: New Delhi





**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		Reserves and Surplus							Other equity			Total equity
	No. of shares (in '000)	Amount	Retained earnings	General reserve	Business restructuring reserve	Debt redemption reserve	Share-based payment reserve	Capital reserve	Equity component of convertible bond	Total	Total equity		
As of April 1, 2020	6,466,667	27,378	413,866	22,762	16,313	7,600	679	30,430	3,642	587,014	1,014,282		
Losses for the period	-	-	(256,539)	-	-	-	-	-	-	(256,539)	(256,539)		
Other comprehensive loss (net of Tax)	-	-	(26)	-	-	-	-	-	-	(26)	(26)		
Total comprehensive loss	-	-	(256,565)	-	-	-	-	-	-	(256,565)	(256,565)		
Transactions with owners of equity													
Employee share-based payment expense	-	-	-	44	-	-	552	-	-	(339)	552		
Exercise of share options	-	-	(10,011)	-	-	-	(393)	-	-	(10,911)	(10,911)		
Issue of equity shares on preferential basis (refer note 4 (viii))	-	-	10,313	-	(16,313)	-	-	-	-	-	-		
Adjustment on account of Intra-travel merger (refer note 4(x))	-	-	-	-	-	-	-	-	-	-	-		
Common control transaction	-	-	(26)	-	-	-	-	-	-	(26)	(26)		
As of December 31, 2020	6,466,667	27,378	152,667	22,798	-	7,600	748	30,430	3,642	719,726	747,003		
Income for the period	-	-	4,563	-	-	-	-	-	-	4,563	4,563		
Other comprehensive income (net of Tax)	-	-	26	-	-	-	-	-	-	26	26		
Total comprehensive loss	-	-	4,591	-	-	-	-	-	-	4,591	4,591		
Transactions with owners of equity													
Issue of equity shares on preferential basis (refer note 4 (viii))	36,470	182	21,699	-	-	-	-	-	-	21,699	21,881		
Exercise of share options	-	-	-	13	-	-	137	-	-	137	137		
Transfer of debenture redemption reserve to retained earnings	-	-	-	-	-	(7,500)	(4)	-	-	(11)	(11)		
As of March 31, 2021	6,492,027	27,460	174,768	22,809	-	891	30,430	3,642	-	748,141	773,601		
Losses for the period	-	-	(11,569)	-	-	-	-	-	-	(11,569)	(11,569)		
Other comprehensive loss (net of Tax)	-	-	(3)	-	-	-	-	-	-	(3)	(3)		
Total comprehensive loss	-	-	(11,571)	-	-	-	-	-	-	(11,571)	(11,571)		
Transactions with owners of equity													
Issue of equity shares on preferential basis (note 4(iii))	392,288	490	51,764	-	-	-	420	-	-	51,764	52,254		
Employee share-based payment expense	-	-	-	(5)	-	-	(520)	-	-	(525)	(525)		
Exercise of share options	-	-	-	-	-	-	761	-	-	761	761		
As of December 31, 2021	6,884,316	27,950	163,147	22,804	-	-	761	30,430	3,642	789,199	814,139		

The accompanying notes 1 to 16 form an integral part of these Interim Condensed Standalone Financial Statements.

(86)

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



*Vijay Agarwal*  
**Vijay Agarwal**  
**Partner**  
 Membership No: 094468  
 Place: Gurugram

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

*Rakesh Bharti Mittal*  
**Rakesh Bharti Mittal**  
**Director**

DIN: 00042494  
 Place: New Delhi

*Soumen Ray*  
**Soumen Ray**  
**Chief Financial Officer**  
 Place: Gurugram

*Gopal Mittal*  
**Gopal Mittal**  
**Managing Director & CEO**  
**(India and South Asia)**  
 DIN: 02291778  
 Place: Gurugram

*Pankaj Tewari*  
**Pankaj Tewari**  
**Company Secretary**  
 Place: New Delhi



Date: February 8, 2022

## Interim Condensed Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupee)

	For the nine months ended	
	December 31, 2021	December 31, 2020
<b>Cash flows from operating activities</b>		
Loss before tax	(15,406)	(189,507)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	182,262	164,376
Finance costs	105,453	84,842
Interest income	(659)	(2,910)
Dividend income	(8,527)	(5,335)
Net loss on derivative financial instruments	300	2,565
Net gain on fair value through profit and loss (FVTPL) investments	(815)	(2,370)
Exceptional items (net)	(7,221)	153,434
Loss on sale of property, plant and equipment	0	73
Employee share - based payment expense	400	518
Other non - cash items	(533)	2,878
<b>Operating cash flows before changes in working capital</b>	<b>255,254</b>	<b>208,564</b>
<b>Changes in working capital</b>		
Trade receivables	(7,746)	(10,370)
Trade payables	13,472	17,650
Inventories	(10)	119
Provisions	9,394	(70,138)
Other financial and non-financial liabilities	(3,977)	(948)
Other financial and non-financial assets	4,697	124,394
<b>Net cash generated from operations before tax</b>	<b>271,084</b>	<b>269,271</b>
Income tax paid - net	(1,654)	(782)
<b>Net cash generated from operating activities (a)</b>	<b>269,430</b>	<b>268,489</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and capital-work-in-progress	(117,403)	(106,010)
Proceeds from sale of property, plant and equipment	470	790
Purchase of intangible assets and intangible assets under development	(5,475)	(3,081)
Payment towards spectrum (including deferred payment liability)*	(137,324)	-
Proceeds from sale of spectrum (refer note 4 (v))	10,048	-
Proceeds from sale of current investments (net)	38,258	84,470
Purchase of non-current investments	(74)	(84)
Investment in subsidiaries, joint ventures and associates (refer note 4 (viii))	(913)	(2,403)
Loan given to subsidiaries	(67,990)	(51,750)
Loan repayment by subsidiaries and joint ventures	53,140	27,673
Dividend received	8,527	5,335
Interest received	633	2,443
<b>Net cash used in investing activities (b)</b>	<b>(218,103)</b>	<b>(42,617)</b>





**Interim Condensed Standalone Statement of Cash Flows**

*(All amounts are in millions of Indian Rupee)*

	<b>For the nine months ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares (refer note 4 (iii))	52,254	-
Proceeds from borrowings	25,038	72,459
Repayment of borrowings	(93,603)	(221,903)
Payment of lease liabilities	(38,206)	(36,534)
Proceeds from / (repayment of) short-term borrowings (net)	49,942	(8,561)
Interest and other finance charges paid	(54,031)	(46,707)
Proceeds from exercise of share options	6	5
Dividend paid	-	(10,911)
<b>Net cash used in financing activities (c)</b>	<b>(58,600)</b>	<b>(252,152)</b>
<b>Net decrease in cash and cash equivalents during the period (a+b+c)</b>	<b>(7,273)</b>	<b>(26,280)</b>
Add : Cash and cash equivalents as at the beginning of the period	9,911	30,397
<b>Cash and cash equivalents as at the end of the period (refer note 8)</b>	<b>2,638</b>	<b>4,117</b>

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

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 16 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)



**Vijay Agarwal**  
Partner  
Membership No: 094468  
Place: Gurugram



Date: February 8, 2022

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

**Rakesh Bharti Mittal**  
Director

DIN: 00042494  
Place: New Delhi

**Soumen Ray**  
Chief Financial Officer  
Place: Gurugram

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

DIN: 02291778  
Place: Gurugram

**Pankaj Tewari**  
Company Secretary  
Place: New Delhi





## BHARTI AIRTEL LIMITED

CIN: L74899HR1995PLC095967

Registered Office: Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015

Phone: +91-124-4222222 Fax: +91-124-4248063

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

### NOTICE TO THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED

S.No.	Contents	Page Nos.
1.	Notice to the unsecured creditors of Bharti Airtel Limited (“ <b>Airtel</b> ”) as on May 31, 2022 pursuant to the directions contained in the below mentioned Order dated June 2, 2022.	2
2.	Statement under Section 230(3) of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	3-16
3.	Composite Scheme of Arrangement between Nettle Infrastructure Investments Limited (“ <b>Nettle</b> ”) and Telesonic Networks Limited (“ <b>TNL</b> ”) and their respective shareholders and Airtel under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“ <b>Scheme</b> ”) as filed before the Tribunal, enclosed as <b>ANNEXURE 1</b> .	17-44
4.	Order dated June 2, 2022 passed by the Tribunal in Company Application CA (CAA) No. 10/CHD/HRY/2022, enclosed as <b>ANNEXURE 2</b> .	45-64
5.	Report adopted by the board of directors of Nettle pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as <b>ANNEXURE 3</b> .	65-67
6.	Standalone, limited reviewed special purpose condensed financials of Nettle for the period ended December 31, 2021, enclosed as <b>ANNEXURE 4</b> .	68-71
7.	Report adopted by the board of directors of TNL pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as <b>ANNEXURE 5</b> .	72-74
8.	Standalone, limited reviewed special purpose condensed financials of TNL for the period ended December 31, 2021, enclosed as <b>ANNEXURE 6</b> .	75-79
9.	Report adopted by the board of directors of Airtel pursuant to Section 232(2)(c) of the Companies Act, 2013, enclosed as <b>ANNEXURE 7</b> .	80-82
10.	Standalone, audited financials of Airtel for the period ended December 31, 2021, enclosed as <b>ANNEXURE 8</b> .	83-88

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, AT CHANDIGARH  
COMPANY APPLICATION CA (CAA) NO. 10/CHD/HRY/2022  
(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 NETTLE INFRASTRUCTURE INVESTMENTS LIMITED AND TELESONIC NETWORKS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND BHARTI AIRTEL LIMITED**

**AND**

**IN THE MATTER OF:**

**Nettle Infrastructure Investments Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana – 122015.

**...Transferor Company 1 / Applicant Company 1**

**AND**

**Telesonic Networks Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana – 122015.

**...Transferor Company 2 / Applicant Company 2**

**AND**

**Bharti Airtel Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana – 122015.

**...Transferee Company / Applicant Company 3**

**NOTICE TO THE UNSECURED CREDITORS OF BHARTI AIRTEL LIMITED AS ON MAY 31, 2022**

Notice is hereby given in pursuance of the order dated the 2<sup>nd</sup> day of June, 2022 in Company Application CA (CAA) No. 10/CHD/HRY/2022 (“**Order**”) under Section 230(1) of the Companies Act, 2013 (“**Act**”), that as directed by the Hon’ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh (“**Tribunal**”) by way of the said Order, the meetings of the shareholders, secured creditors and unsecured creditors of Bharti Airtel Limited, i.e. the Transferee Company/Applicant Company 3 (“**Airtel**”) have been dispensed with.

A copy of the statement under Section 230(3) of the Act read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Explanatory Statement**”) and the proposed composite scheme of arrangement (“**Scheme**”) as filed before the Hon’ble Tribunal are enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be submitted to the Hon’ble Tribunal within 30 (Thirty) days from the date of receipt of this notice. Copy of the representations, if any, may simultaneously be sent to Airtel at its corporate office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070. In case no representation is received within the stated period of 30 (Thirty) days, it shall be presumed that you have no representations to make on the proposed Scheme.

Copies of the notice, together with the documents accompanying the same, including the Explanatory Statement and the Scheme can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the corporate office of Airtel at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 during business hours. Airtel is required to furnish a copy of the Scheme within one day of any requisition of the Scheme made by any such unsecured creditors.

**STATEMENT UNDER SECTIONS 230(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. This statement is being furnished pursuant to Section 230(3) of the Companies Act, 2013 (“**Act**”) read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Rules**”) (the “**Explanatory Statement**”).
2. The Hon’ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh (“**Tribunal**”), by its order dated June 2, 2022 in Company Application CA (CAA) No. 10/CHD/HRY/2022 (“**Order**”), dispensed with the requirement of convening the respective meetings of the shareholders, secured creditors and unsecured creditors of Nettle Infrastructure Investments Limited (i.e. the Transferor Company 1/ Applicant Company 1) (“**Nettle**”), Telesonic Networks Limited (i.e. the Transferor Company 2/ Applicant Company 2) (“**TNL**”) and Bharti Airtel Limited (i.e. the Transferee Company / Applicant Company 3) (“**Airtel**”). The Scheme as filed with the Tribunal is enclosed as **ANNEXURE 1**. Please refer to paragraphs nos. 64 and 67 of this Explanatory Statement for the rationale and salient features of the Scheme, respectively.
3. Nettle, TNL and Airtel are hereafter collectively referred to as the “**Companies**”, whereas, Nettle and TNL are hereafter collectively referred to as the “**Transferor 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. The board of directors’ (“**Board(s)**”) of each of the Companies at their respective meetings, all held on January 4, 2022, approved the Scheme and the filing thereof with the Hon’ble Tribunal pursuant to resolutions dated January 4, 2022.
6. The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961, for the (a) amalgamation of Nettle with Airtel; and (b) amalgamation of TNL with Airtel, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.

**Details of Nettle as per Rule 6(3) of the Rules**

7. Details of Nettle (i.e. Transferor Company 1 / Applicant Company 1):

<b>Nettle Infrastructure Investments Limited</b>	
Corporate Identification No. (CIN)	U93000HR2010PLC094599
Permanent Account No. (PAN)	AADCN4429N
Incorporation Date	October 1, 2010
Type of Company	Public Limited Company
Registered Office Address	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
Email	Nettle.infrastructure@bharti.in
Stock Exchange(s) where securities of Nettle are listed	The securities of Nettle are not listed on any Stock Exchange.

8. Summary of the main objects as per the memorandum of association of Nettle:

The objects for which Nettle 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 of Nettle are as under:

- “1) To promote, establish & fund associations or partnerships or companies engaged in business for providing telecom networks and/ or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, long distances services, internet, V-sat, paging , video text, voicemail and data systems, private switching networks services, transmission network of all types, computer networks i.e., local area networks, wide area networks, electronic mail, Intelligent network, passive and active infrastructure with regard to telecommunication, Multimedia communication systems or the combinations thereof and for execution of undertaking works, projects or enterprises in the Telecom Industry whether of a private or public character or any joint venture with any government or other authority in India or elsewhere and to acquire and dispose of interest in such companies, funds and such associations or partnerships.
- 2) To promote, establish, fund and acquire either on its own or by entering into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance to any person/body/bodies corporate incorporated in India or elsewhere, engaged in the business to manufacture, develop, import, export, buy, sell, distribute, repair or otherwise deal in all kinds of electronic, media, voice, data, content, video, internet transmission, telecom, broadband equipments, computer hardware, software, applications/ programmes, equipments, switches, network, network development and design services, transmission infrastructure on optical fiber or microwaves, switches/routers, antennas, wi-fi access points, small cells, BTS, national long Distance Services, Intra Circle, in-building Solutions and other related Low end/High

end facilities, as may be required for setting up, providing, operating, running of Information Technology/ Telecom Services, Data Centre, Business Process Outsourcing (BPO) and all other related /ancillary/peripheral/ supplementary activities relating to telecom industry.

3) *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or in alliance by way of strategic alliance or joint venture or any other business arrangement with any other person / body/ bodies corporate incorporated in India or abroad, the business of undertaking, managing and/or administering projects or activities relating to digital transformation like Smart city, Internet of Things (IoT) or similar initiatives by whatever name called, including but not limited to deployment and management of surveillance cameras, all types of sensors, LED lights, electric vehicle charging points, traffic management related activities, weather & environment monitoring, advertising and / or any activity under such project, whether related directly to telecommunications or otherwise.*

4) *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or in alliance by way of strategic alliance or joint venture or any other business arrangement including telecom ventures with any other person / body / bodies corporate incorporated in India or abroad, the business of providing consultancy and/ or management services in relation to any of the above.”*

9. Sub-clause 12 of Clause III.(B) of the memorandum of association of Nettle permits the arrangement envisaged under the Scheme and the same has been extracted below:

*“12) Subject to the provisions of the Companies Act, 2013 and other applicable laws, to amalgamate with any other Company having all or any of its objects similar to the objects of the Company in any manner whatsoever whether with or without liquidation of the Company.”*

10. Main business carried on by Nettle:

Nettle is engaged in the business of promoting, establishing and funding companies engaged in the business of providing telecom services and other companies engaged in the activities ancillary to the telecom industry.

11. Details of change of name of Nettle during the last five years:

Nettle was incorporated on October 1, 2010 under the provisions of the Companies Act, 1956, under the name “Nettle Developers Limited”. Thereafter, on March 14, 2017, its name was changed to its present name i.e., “Nettle Infrastructure Investments Limited”.

12. Details of change in registered office of Nettle during the last five years:

The registered office of Nettle was changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070, India to Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, with effect from April 1, 2021.

13. Details of change in objects of Nettle during the last five years:

Except as stated below, there has been no change in Nettle’s objects during the last five years.

Pursuant to the special resolution dated February 21, 2018 passed in the extra-ordinary general meeting of the shareholders of Nettle, Part A of Clause III of the 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 1 as under:

2. *To promote, establish, fund and acquire either on its own or by entering into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance to any person/body/bodies corporate incorporated in India or elsewhere, engaged in the business to manufacture, develop, import, export, buy, sell, distribute, repair or otherwise deal in all kinds of electronic, media, voice, data, content, video, internet transmission, telecom, broadband equipments, computer hardware, software, applications/programmes, equipments, switches, network, network development and design services, transmission infrastructure on optical fiber or microwaves, switches/routers, antennas, wi-fi access points, small cells, BTS, national long Distance Services, Intra Circle, in-building Solutions and other related Low end/High end facilities, as may be required for setting up, providing, operating, running of Information Technology/ Telecom Services, Data Centre, Business Process Outsourcing (BPO) and all other related /ancillary/peripheral/ supplementary activities relating to telecom industry.*

3. *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or in alliance by way of strategic alliance or joint venture or any other business arrangement with any other person / body / bodies corporate incorporated in India or abroad, the business of undertaking, managing and/or administering projects or activities relating to digital transformation like Smart city, Internet of Things (IoT) or similar initiatives by whatever name called, including but not limited to deployment and management of surveillance cameras, all types of sensors, LED lights, electric vehicle charging points, traffic management related activities, weather & environment monitoring, advertising and /or any activity under such project, whether related directly to telecommunications or otherwise.*

4. *To promote, establish, fund and acquire in India or elsewhere either, directly or indirectly, on its own or*

*in alliance by way of strategic alliance or joint venture or any other business arrangement including telecom ventures with any other person / body / bodies corporate incorporated in India or abroad, the business of providing consultancy and/ or management services in relation to any of the above.”*

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

Particulars	Amount (in Rs.)
<b>Authorized Share Capital as on June 9, 2022</b>	
50,000 equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital as on June 9, 2022</b>	
50,000 fully paid-up equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>

15. Names of the promoters of Nettle along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Airtel Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
2.	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

16. Names of the directors of Nettle as on June 9, 2022 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Devendra Khanna (Chairman)	S-333, First Floor, Panchsheel Park, New Delhi- 110017
2.	Ms. Ajeeta Kahale (Non-Executive Director)	Plot No. 70, P&T Colony, Pratap Nagar, Nagpur- 440022
3.	Mr. Soumen Ray (Non-Executive Director)	A3301, Oberoi Springs, Andheri Link Road, Andheri West, Mumbai-400053
4.	Mr. Pankaj Tewari (Non-Executive Director)	H.No. P2A 106, Princeton Estate, DLF Phase 5, Gurugram-122002

17. The date of the board meeting at which the Scheme was approved by the Board of Nettle 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 Nettle on January 4, 2022. 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. Devendra Khanna	For the resolution
2.	Ms. Neha Sharma	For the resolution
3.	Mr. Pankaj Tewari	For the resolution
4.	Mr. Kamal Dua	For the resolution

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

18. As on May 31, 2022, the amount due to the unsecured creditors of Nettle was Rs. 652,953/- (Rupees Six Hundred Fifty Two Thousand Nine Hundred Fifty Three).

19. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of Nettle:

None of the directors, the “Key Managerial Personnel” (as defined under the Act and rules formed thereunder) of Nettle 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 Nettle and Airtel, if any.

20. Disclosure about the effect of the Scheme on the following persons in relation to Nettle:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	Nettle has only a single class of shareholders being the equity shareholders of Nettle.  Upon the Effective Date, Nettle shall stand dissolved without being wound up. Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle,

		<p>aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of Nettle, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of Nettle appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>
2.	Creditors	In terms of Clause 3.1 of Part II of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of Nettle, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, Nettle 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, Nettle does not have any outstanding debentures and therefore the effect of the Scheme on any debenture holders/ debenture trustee does not arise.
5.	Employees and Key Managerial Personnel (“KMP”)	Upon the Effective Date and with effect from the Appointed Date, all employees of Nettle as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to Nettle, on the Effective Date. The services of such employees with Nettle, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law. Further, upon the Effective Date and with effect from the

		Appointed Date, 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 such employees of Nettle shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.
6.	Directors	Upon the Effective Date, Nettle shall stand dissolved without winding up and accordingly, its board of directors shall cease to exist.

21. In compliance with the provisions of section 232(2)(c) of the Act, the Board of Nettle, 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 Nettle is enclosed as **ANNEXURE 3**.
22. The standalone, limited reviewed special purpose condensed financials for the period ended December 31, 2021 of Nettle is enclosed as **ANNEXURE 4**.
23. No investigation proceedings are pending in relation to Nettle under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
24. Nettle 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 TNL as per Rule 6(3) of the Rules**

25. Details of TNL (i.e. Transferor Company 2 / Applicant Company 2):

<b>Telesonic Networks Limited</b>	
Corporate Identification No. (CIN)	U64200HR2009PLC096372
Permanent Account No. (PAN)	AAHCA8010G
Incorporation Date	June 26, 2009
Type of Company	Public Limited Company
Registered Office Address	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
Email	telesonic.networks@bharti.in
Stock Exchange(s) where securities of TNL are listed	The shares of TNL are not listed on any Stock Exchange. Non-Convertible Debentures of TNL are listed on BSE Limited.

26. Summary of the main objects as per the memorandum of association of TNL:

The objects for which TNL 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 of TNL are as under:

- “1. To acquire, develop, install, manage, maintain, provide, import, export and run all types of services in the telecommunication sector, which are required for the purposes of operation, management and maintenance of all types of telecommunication infrastructure networks inside and outside India and to engage in any activity, which may for technical, industrial or commercial reasons be directly or indirectly appurtenant to the foregoing or contribute in achieving the aforesaid object.
2. To perform all types of services (including but not limiting to technical, mechanical and advisory) for the purposes of operation, expansion, management and maintenance of telecommunication networks (including but not limited to network based upon CDMA, GSM, NGN and other technologies) for telecom operators and/or any other entity/company inside and outside India.
3. To carry on all or any of the business of telecommunication consultants, specialists, advisers and engineers, writers, designers, devisers, organizers, programmers and marketers of telecom network systems and to render consultancy and technical services in areas of telecommunications, electronics, multimedia etc.
4. To develop, promote, purchase, sell, market, distribute, import, export, research, maintain, customize, install, modify, conceptualize, conceive, organize, manage, undertake projects, operate and conduct in India and/or abroad all types of telecommunication networks, its applications, specifications and other related products necessary.
5. To carry on the business of and to engage in general research and development in the field of telecommunication products and equipments and related items, telecommunication networks, data processing, electronical, mechanical, transmission, terminal and equipment, microwave radio wave and satellite products or systems and related software development and to carry development and commercialization of patents, copyrights and other intellectual property, office, industry and domestic automation equipments, development of new product lines and to use the technologies so developed for industrial and commercial purposes in India and abroad.

6. To manufacture, develop, produce, acquire, import, export, distribute, service, buy, sell, assemble, install, modify and deal in any manner in any product and equipment relating to telecommunication, electronics and information technology and also to manufacture, develop, acquire, apply, install all types of programmes and accessories, components, inputs, software whether application or system, assemblies and sub-assemblies, data processing supplies, appliances, micro processors, accessories and components of different capacities, specifications, applications, descriptions and models of every kind and description in India and hardware used in various offices, institutions, industries including electronic telecom multimedia and information technology and to own, work, erect, install, develop, maintain, equip, repair, add to, extend, purchase, sell, exchange or otherwise deal in plants and machinery used for manufacture of all types and kinds of telecommunications equipment which the Company manufactures and all components, equipment and stores used for manufacture of such telecommunications equipment.”

27. Sub-clause 43 of Clause III.(B) of the memorandum of association of TNL permits the arrangement envisaged under the Scheme and the same has been extracted below:

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

28. Main business carried on by TNL:

TNL is engaged in the business of designing, planning, deploying, optimizing and managing broadband and fixed telephone networks across India. TNL also holds a registration certificate for infrastructure provider Category-I (IP-I) and is engaged in the business relating to optical fiber cable (including underground and over ground cables).

29. Details of change of name of TNL during the last five years:

TNL was incorporated on June 26, 2009 under the provisions of the Companies Act, 1956 under the name “VRRM Network Management Services India Limited”. Thereafter, on July 9, 2009, the name of TNL was changed to “Alcatel-Lucent Network Management Services India Limited” and again, on February 25, 2013, the name of TNL was changed to its present name i.e. “Telesonic Networks Limited”. Accordingly, there has been no change in the name of TNL during the last five years.



30. Details of change in registered office of TNL during the last five years:

The registered office of TNL was changed from Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015 to Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 with effect from October 18, 2017.

Thereafter, the registered office of TNL was changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070 to Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, with effect from June 25, 2021.

31. Details of change in objects of TNL during the last five years:

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

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

Particulars	Amount (in Rs.)
<b>Authorized Share Capital as on June 9, 2022</b>	
9,50,00,000 equity shares of Rs. 10/- each.	95,00,00,000
<b>Total</b>	<b>95,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital as on June 9, 2022</b>	
9,39,27,154 fully paid-up equity shares of Rs. 10/- each.	93,92,71,540
<b>Total</b>	<b>93,92,71,540</b>

33. Names of the promoters of TNL along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Airtel Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
2.	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070

34. Names of the directors of TNL as on June 9, 2022 along with their addresses:

S. No.	Name of the Director and Designation	Address
1.	Mr. Pankaj Tewari (Non-Executive Director)	H.No. P2A 106, Princeton Estate, DLF Phase 5, Gurugram-122002

2.	Ms. Ajeeta Kahale (Non-Executive Director)	Plot No. 70, P&T Colony, Pratap Nagar, Nagpur- 440022
3.	Mr. Soumen Ray (Non-Executive Director)	A3301, Oberoi Springs, Andheri Link Road, Andheri West, Mumbai-400053

35. The date of the board meeting at which the Scheme was approved by the Board of TNL 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 TNL on January 4, 2022. 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.	Ms. Neha Sharma	For the resolution
2.	Mr. Pankaj Tewari	For the resolution
3.	Mr. Rakesh Kumar	For the resolution

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

36. As on May 31, 2022, the amount due to the unsecured creditors of TNL was Rs. 61,577,916,357 (Rupees Sixty One Billion Five Hundred and Seventy Seven Million Nine Hundred and Sixteen Thousand Three Hundred and Fifty Seven only).

37. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of TNL:

None of the directors, the "Key Managerial Personnel" (as defined under the Act and rules formed thereunder) of TNL 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 TNL and Airtel, if any.

38. Disclosure about the effect of the Scheme on the following persons in relation to TNL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	TNL has only a single class of shareholders being the equity shareholders of TNL. Upon the Effective Date, TNL shall

		<p>stand dissolved without being wound up. TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of TNL, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of TNL appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>
2.	Creditors	In terms of Clause 3.1 of Part III of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of TNL, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, TNL 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	As on date, with respect to TNL's outstanding debentures, it may be noted that in terms of Clause 3.1 of Part III of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of TNL, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.

5.	Employees and Key Managerial Personnel ("KMP")	<p>Upon the Effective Date and with effect from the Appointed Date, all employees of TNL as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to TNL, on the Effective Date. The services of such employees with TNL, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law.</p> <p>Further, upon the Effective Date and with effect from the Appointed Date, 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 such employees of TNL shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.</p>
6.	Directors	Upon the Effective Date, TNL shall stand dissolved without winding up and accordingly, its board of directors shall cease to exist.

39. In compliance with the provisions of section 232(2)(c) of the Act, the Board of TNL, 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 TNL is enclosed as **ANNEXURE 5**.
40. The standalone, limited reviewed special purpose condensed financials for the period ended December 31, 2021 of TNL is enclosed as **ANNEXURE 6**.
41. No investigation proceedings are pending in relation to TNL under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.
42. TNL 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 Airtel as per Rule 6(3) of the Rules**

43. Details of Airtel (i.e. Transferee Company / Applicant Company 3):

<b>Bharti Airtel Limited</b>	
Corporate Identification No. (CIN)	L74899HR1995PLC095967
Permanent Account No. (PAN)	AAACB2894G
Incorporation Date	July 7, 1995
Type of Company	Public Limited Company
Registered Office Address	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015
Email	compliance.officer@bharti.in
Stock Exchange(s) where securities of Airtel are listed	Airtel's equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

44. Summary of the main objects as per the memorandum of association of Airtel:

The objects for which Airtel 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 of Airtel are as under:

- “1. To promote & establish Companies, Funds, Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network. Multimedia communication systems or the combinations thereof and for execution of undertakings. Works, projects or enterprises in the Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares /securities in such companies, and funds and interest in such associations or partnerships.
2. To provide telecom networks and to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail & data systems, private switching network services. transmission networks of all types, computer networks like local area network, wide area network, Electronic Mail, Intelligent network, Multi media communication systems or the combinations thereof.
3. To carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockists, and to market, hire, lease, rent out, assemble, alter,

*install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments - whether corded, cordless, mobile or of any other kind; tele- terminals, fax machines, telegraphs, recording instruments and devices, telephone message/ answering machines and devices; dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc; telecom switching equipments of all kinds; telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto.*

4. *To buy, sell, manufacture, assemble, repair, design, alter, research and improve, develop, exchange, ware- house, let on hire, import, export, and deal in all sorts of Electronic, non-Electronic, Computerized and Electrical items and equipment including Computer and Data Processing Equipment, Peripherals. Printers. Disc-drives, Intelligent Terminals, Modems, Software, Hardware, Personal Computers, 'CAD'CAM' Computer, Graphic Systems, Office Automation Equipments, Word processors, 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, condensers, coils and circuits.*
5. *To guarantee/ counter guarantee the obligations of any of its subsidiary/ associate/ group companies and/or other companies in which the company has equity interest under any agreements/ contracts/ debentures, bonds, stocks, mortgages, charges and securities.”*

45. Sub-clauses 6 and 13 of Clause III.(B) of the memorandum of association of Airtel permits the arrangement envisaged under the Scheme and the same has been extracted below:

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

“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.”

46. Main business carried on by Airtel:

Airtel is a global communications solutions provider with over 491 million customers in 17 countries across South Asia and Africa. Airtel ranks amongst the top three mobile operators globally and its networks cover over two billion people. Airtel is India’s largest integrated communications solutions provider and the second largest mobile operator in Africa. Airtel’s retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, Airtel offers a gamut of solutions that includes secure connectivity, cloud and data centre services, cyber security, IoT, Ad Tech and cloud based communication.

47. Details of change of name of Airtel during the last five years:

Airtel 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 Airtel during the last five years.

48. Details of change in registered office of Airtel during the last five years:

The registered office of Airtel was changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070, India to Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, with effect from April 1, 2021.

49. Details of change in objects of Airtel during the last five years:

There has been no change in Airtel’s objects during the last five years.

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

Particulars	Amount (in Rs.)
<b>Authorised Capital as on June 9, 2022</b>	
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
<b>Total</b>	<b>1,47,78,00,00,000</b>
<b>Issued Capital as on June 9, 2022</b>	
5,884,314,930 Equity Shares of Rs. 5 each	29,421,574,650
<b>Subscribed and Paid up Capital as on June 9, 2022</b>	
5,492,027,268 fully paid-up Equity Shares	27,46,01,36,340
392,287,662 partly paid-up Equity Shares	490,359,577.50
<b>Total Subscribed and Paid up Capital</b>	<b>27,950,495,917.50</b>

51. Details of the capital structure of the Transferee Company post the amalgamation as envisaged under the Scheme:

Upon the Effective Date, the authorized share capital of the Transferor Company 1 and Transferor Company 2, shall be deemed to be added to the authorized share capital of the Transferee Company, as per the provisions of the Scheme. There shall be no change in the issued and paid-up capital of Airtel pursuant to the Scheme since the Scheme does not envisage any issuance of shares. Further, the Transferor Companies shall stand dissolved without being wound up pursuant to the Scheme.

52. Names of the promoter and promoter group of Airtel along with their addresses:

S. No.	Name of the Promoter	Address
1.	Bharti Telecom Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015, India.
2.	Pastel Limited (C/o Intercontinental Trust Limited)	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius.
3.	Indian Continent Investment Limited	38, Royal 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 is promoter of Bharti Airtel Limited.*  
(ii) *Pastel Limited is a member of Promoter Group of Bharti Airtel Limited in accordance with Regulation 2(1)(t) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and is neither Promoter nor a person acting in concert with Promoter, Bharti Telecom Limited, under Regulation 2(1)(q) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*  
(iii) *Indian Continent Investment Limited is person acting in concert with Bharti Telecom Limited, Promoter of Bharti Airtel Limited.*  
(iv) *Viridian Limited is person acting in concert with Pastel Limited, member of Promoter Group of Bharti Airtel Limited as mentioned above.*

**53. Names of the directors of Airtel as on June 9, 2022 along with their addresses:**

S. No.	Name of the Director and Designation	Address
1.	Mr. Sunil Bharti Mittal (Chairman)	19, Amrita Shergil Marg, New Delhi - 110003, India
2.	Ms. Chua Sock Koong (Non-Executive Director)	15A Oei Tiong Ham Park Singapore - 268302
3.	Mr. Dinesh Kumar Mittal (Independent Director)	B-71, Sector - 44, Noida - 201301, Uttar Pradesh, India
4.	Mr. Gopal Vittal (Managing Director & CEO)	A2/1202, World Spa East, Sector 30 Gurgaon, Haryana - 122001
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 (Independent Director)	Flat no. 3703 - B, 37 <sup>th</sup> & 38 <sup>th</sup> Floor, Vivarea Building, B Wing, Sane Guruji Marg, Jacob Circle, Mumbai - 400011, Maharashtra, India
7.	Ms. Nisaba Godrej (Independent Director)	4501, Strata, Planet Godrej, KK Marg, Mahalaxmi East, Mumbai - 400011, Maharashtra, India
8.	Mr. Pradeep Kumar Sinha (Independent Director)	112-B, Hamilton Court, DLF Phase - 4, Gurugram - 122009, Haryana, India
9.	Mr. Rakesh Bharti Mittal (Non-Executive Director)	4, Pearl Lane, DLF Chhattarpur Farms, New Delhi - 110074, India

10.	Mr. Shishir Priyadarshi (Independent Director)	A-1/6, Panchsheel Enclave, New Delhi - 110017, India
11.	Mr. Shyamal Mukherjee (Independent Director)	A-24, Neeti Bagh, New Delhi - 110049, India
12.	Mr. Tao Yih Arthur Lang (Non-Executive Director)	63 Eng Kong Terrace, Singapore - 599017
13.	Mr. V.K. Viswanathan (Independent Director)	F-01, 1 <sup>st</sup> Floor, Legacy Caldera, 56 SRT Road, Cunningham Cross Road, Bangalore -560052, Karnataka, India

**54. The date of the board meeting at which the Scheme was approved by the Board of Airtel 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 Airtel on January 4, 2022. 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. Rakesh Bharti Mittal	For the resolution
2.	Ms. Chua Sock Koong	For the resolution
3.	Mr. Dinesh Kumar Mittal	For the resolution
4.	Mr. Gopal Vittal	For the resolution
5.	Ms. Kimsuka Narasimhan	For the resolution
6.	Mr. Manish Santoshkumar Kejriwal	For the resolution
7.	Ms. Nisaba Godrej	For the resolution
8.	Mr. Shishir Priyadarshi	For the resolution
9.	Mr. Tao Yih Arhtur Lang	For the resolution
10.	Mr. V.K. Viswanathan	For the resolution

Only Mr. Sunil Bharti Mittal 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.

**55. As on May 31, 2022, the amount due to the unsecured creditors of Airtel was Rs. 358,947,148,006 (Rupees Three Hundred and Fifty Eight Billion Nine Hundred and Forty Seven Million and One Hundred and Forty Eight Thousand and Six Only).**

56. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of Airtel:

None of the directors, the “Key Managerial Personnel” (as defined under the Act and rules formed thereunder) of Airtel 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 Airtel, if any.

57. Disclosure about the effect of the Scheme on the following persons in relation to Airtel:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter & Non-Promoter Shareholders	<p>Airtel has only a single class of shareholders being the equity shareholders of Airtel.</p> <p>There shall be no change in the shareholding of the Promoter and Non-Promoter shareholders of Airtel pursuant to the Scheme.</p> <p>Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.</p>

2.	Creditors	In terms of Clause 3.1 of Part II and Clause 3.1 of Part III of the Scheme, upon the Effective Date and with effect from the Appointed Date, all Liabilities of the Transferor Companies, shall be transferred to, or be deemed to be transferred to Airtel so as to become from the Appointed Date, the Liabilities of Airtel and Airtel undertakes to meet, discharge and satisfy the same.
3.	Depositors/ Deposit Trustee	Not Applicable. As on date, Airtel 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, Airtel does not have any outstanding debentures and therefore the effect of the Scheme on any debenture holders/ debenture trustee does not arise.
5.	Employees, Directors and Key Managerial Personnel (“KMP”)	The Scheme will not have any effect on the employees, directors and KMP’s of Airtel since upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Companies as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Companies, on the Effective Date.

58. In compliance with the provisions of section 232(2)(c) of the Act, the Board of Airtel, 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 Airtel is enclosed as **ANNEXURE 7**.

59. The standalone, audited financials for the period ended December 31, 2021 of Airtel is enclosed as **ANNEXURE 8**.

60. No investigation proceedings are pending in relation to Airtel under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.

61. Airtel 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.

**62. Relationship between the Companies that are parties to the Scheme:**

Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.

TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.

**63. Description of the Scheme:**

The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961, for the (a) amalgamation of Nettle with Airtel; and (b) amalgamation of TNL with Airtel, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.

**64. Rationale and benefits of the Scheme:**

*“3.1 The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961, for the (a) amalgamation of Nettle with Airtel; and (b) amalgamation of TNL with Airtel, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.*

*3.2 This Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of the Companies, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable each of the aforesaid Companies to vigorously pursue revenue growth and expansion opportunities.*

*3.3 In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme.”*

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

Appointed Date: commencement of business hours of April 1, 2022.

Effective Date: in relation to the amalgamation of Nettle into Airtel, as set out in Part II of the Scheme, means such date as of which Nettle and Airtel shall have filed the certified copy of the Tribunal's order sanctioning the Scheme with the Registrar of Companies; and in relation to the amalgamation of TNL into Airtel, as set out in Part III of the Scheme, means such date as of which TNL and Airtel shall have filed the certified copy of the Tribunal's order sanctioning the Scheme with the Registrar of Companies.

Record Date: The Scheme does not define or envisage a record date as there no issuance of shares is envisaged under the Scheme.

**66. Share Exchange Ratio/ Consideration:**

Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.

TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.

Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.

In view of the above, no valuation report or fairness opinion have been obtained.

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

The Scheme is divided into the following parts:

PART I - Definitions and Share Capital;

PART II - Amalgamation of Nettle with Airtel;

PART III - Amalgamation of TNL with Airtel;

PART IV - General Terms and Conditions.

Clause 1.1(d) of Part I of the Scheme defines “Appointed Date” as “means the commencement of business hours of April 1, 2022 or such other date as the NCLT may direct;”.

Clause 1.1(i) of Part I of the Scheme defines “Effective Date” as “means

- (i) *in relation to the amalgamation of the Transferor Company 1 into the Transferee Company, as set out in Part II of this Scheme, such date as of which the Transferor Company 1 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC; and*
- (ii) *in relation to the amalgamation of the Transferor Company 2 into the Transferee Company, as set out in Part III of this Scheme, such date as of which the Transferor Company 2 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC.*

*Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall refer to the Effective Date;"*

Clause 1.1(l) of Part I of the Scheme defines "Liability(ies)" as "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 (including 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;".

Part II of the Scheme - Amalgamation of Nettle with Airtel

Upon the Effective Date and with effect from the Appointed Date, Nettle shall stand amalgamated with Airtel and all its Transferor Company 1 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in Airtel, on a going concern basis, without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of Airtel.

In terms of Clause 9.1 of Part II of the Scheme, upon the Effective Date, the entire existing issued and paid-up equity share capital of Nettle, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of Nettle appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.

In terms of Clause 10.1 of Part II of the Scheme, upon the Effective Date, Nettle shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of Nettle shall be struck off the RoC.

Part III of the Scheme - Amalgamation of TNL with Airtel

Upon the Effective Date and with effect from the

Appointed Date, TNL shall stand amalgamated with Airtel and all its Transferor Company 2 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in Airtel on a going concern basis without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of Airtel.

In terms of Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid-up equity share capital of TNL, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of TNL appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.

In terms of Clause 10.1 of Part III of the Scheme, upon the Effective Date, TNL shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of TNL shall be struck off the RoC.

**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.**

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

Please refer to Paragraph 66 above dealing with *Share Exchange Ratio/ Consideration*.

**69. 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.

**70. 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 Airtel are listed on the National Stock Exchange of India Limited and BSE Limited (together, the "Stock Exchanges").
- b) In terms of Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), as extracted below, read with the Circular dated January 3, 2018 bearing No. CFD/DIL3/CIR/2018/2 and the Master Circular dated November 23, 2021 bearing No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, as amended from time to time, both issued by the Securities and Exchange Board of India ("SEBI"),



the requirements of obtaining prior approval or a no objection/ observation letter from the relevant stock exchanges have been relaxed in case of a merger of a wholly owned subsidiary or its division with the parent company.

“37(6) *Nothing contained in this regulation shall apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company:*

*Provided that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures.”*

Accordingly, the Scheme was filed with the Stock Exchanges for disclosure purposes in compliance with applicable law.

- c) The registered office of the Companies are situated in Gurugram, Haryana and accordingly, the first motion application was filed by the Companies with the Tribunal, on March 10, 2022. Consequently, the Tribunal pursuant to its order dated June 2, 2022, has directed, *inter alia*, that the respective meetings of the shareholders, secured creditors and unsecured creditors of the Companies, be dispensed with.
- 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.
71. **Inspection of Documents:** Copies of the following documents will be open for inspection to the unsecured creditors of Airtel at its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015 on all days except Saturday, Sunday and public holidays between 11:00 A.M. and 1:00 P.M.:
- a) Order dated June 2, 2022 passed by the Tribunal in Company Application CA (CAA) No. 10/CHD/HRY/2022, dispensing with the requirement of convening the respective meetings of the shareholders, secured creditors and unsecured creditors of the Companies;
- b) Scheme, as filed before the Tribunal;
- c) Certificate of incorporation, the certificate for commencement of business along with the memorandum of association and articles of association of each of the Companies;
- d) Certificate dated January 4, 2022 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of Nettle 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 the accounting standards specified under Section 133 of the Act;
- e) Certificate dated January 4, 2022 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of TNL 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 the accounting standards specified under Section 133 of the Act;
- f) Certificate dated January 4, 2022 issued by Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditor of Airtel 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 the accounting standards specified under Section 133 of the Act;
- g) Annual reports of the Companies for the last three financial years ended March 31, 2021, March 31, 2020 and March 31, 2019;
- h) Standalone, audited financial statements for the financial year ended March 31, 2021 of each of the Companies;
- i) Standalone, audited financial statements for the period ended December 31, 2021 of Airtel;
- j) Standalone, limited reviewed special purpose condensed financials for the period ended December 31, 2021 of Nettle and TNL;
- k) Extracts of the resolutions, all dated January 4, 2022 passed by the board of directors' of the Companies, *inter alia*, approving the Scheme;
- l) Reports adopted by the respective Boards of the Companies pursuant to Section 232(2)(c) of the Act and;
- m) Paper books filed in Company Application CA (CAA) No. 10/CHD/HRY/2022 including the application along with annexures.

Dated this 13th day of June, 2022.

**For Bharti Airtel Limited**

**Sd/-**

**Mr. Rohit Krishan Puri  
(Authorized Signatory)**

**Corporate Office:** Bharti Crescent, 1,  
Nelson Mandela Road, Vasant Kunj,  
Phase II, New Delhi – 110070

**Registered Office:** Airtel Centre, Plot No. 16,  
Udyog Vihar, Phase-IV, Gurgaon,  
Haryana – 122015  
**CIN:** L74899HR1995PLC095967

**COMPOSITE SCHEME OF ARRANGEMENT**

**BETWEEN**

**NETTLE INFRASTRUCTURE INVESTMENTS LIMITED**

**(TRANSFEROR COMPANY 1)**

**AND**

**TELESONIC NETWORKS LIMITED**

**(TRANSFEROR COMPANY 2)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**AND**

**BHARTI AIRTEL LIMITED**

**(TRANSFeree COMPANY)**

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

1

For NETTLE INFRASTRUCTURE INVESTMENTS LIMITED  
  
Authorised Signatory

For Bharti Airtel Limited  
  
Authorised Signatory

For TELESONIC NETWORKS LIMITED  
  
Authorised Signatory

**PREAMBLE**

**1. INTRODUCTION**

- 1.1 This Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act read with Section 2(1B) and other applicable provisions of the IT Act, for the: (a) amalgamation of the Transferor Company 1 with the Transferee Company; and (b) amalgamation of the Transferor Company 2 with the Transferee Company.
- 1.2 In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**2. DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THIS SCHEME**

- 2.1 **Nettle Infrastructure Investments Limited**, the Transferor Company 1, is an unlisted public limited company incorporated on October 1, 2010 under the Companies Act, 1956, having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. As on December 20, 2021, the Transferor Company 1 is a wholly owned subsidiary of the Transferee Company. The Transferee Company and Bharti Airtel Services Limited (another wholly owned subsidiary of the Transferee Company), respectively, hold 90% and 10% of the equity share capital of the Transferor Company 1.
- 2.2 The Transferor Company 1 is engaged in the business of promoting, establishing and funding companies engaged in the business of providing telecom services and other companies engaged in the activities ancillary to the telecom industry.
- 2.3 **Telesonic Networks Limited**, the Transferor Company 2, is an unlisted public limited company, incorporated on June 26, 2009, under the Companies Act, 1956, currently having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. As on December 20, 2021, the Transferor Company 2 is a wholly owned subsidiary of the Transferee Company. The Transferee Company and Bharti Airtel Services Limited (another wholly owned subsidiary of the Transferee Company), respectively, hold 95% and 5% of the equity share capital of the Transferor Company 2.
- 2.4 The Transferor Company 2 is engaged in the business of designing, planning, deploying, optimizing and managing broadband and fixed telephone networks across India. The Transferor Company 2 is also engaged in the business relating to optical fiber cable (including underground and over ground cables).
- 2.5 **Bharti Airtel Limited**, the Transferee Company, is a public limited company incorporated on July 7, 1995 under the Companies Act, 1956, having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. The equity shares of the Transferee Company are listed on the Stock Exchanges.
- 2.6 The Transferee Company is a global communications solutions provider with over 480 million customers in 17 countries across South Asia and Africa. The Transferee Company ranks amongst the top three mobile operators globally and its networks cover over two billion people. The Transferee Company is India's largest integrated communications solutions provider and the second largest mobile operator in Africa. The Transferee Company's retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, the Transferee Company offers a gamut of solutions that includes secure

  
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connectivity, cloud and data centre services, cyber security, IoT, Ad Tech and cloud based communication.

### 3. RATIONALE AND BENEFITS OF THIS SCHEME

- 3.1 The amalgamation of the Transferor Companies with the Transferee Company will result in the consolidation of the entire operations of the Transferor Companies into the Transferee Company and will further simplify the group structure by aligning the interest of various stakeholders into the Transferee Company. The amalgamations shall also result in cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Transferee Company and the Transferor Companies, thereby significantly contributing to future growth and maximizing shareholders value. Further, the amalgamation of the Transferor Company 2 into the Transferee Company would consolidate all fibre assets (owned and leased) of the Transferor Company 2 in a single entity and position the Transferee Company to effectively leverage such core infrastructure required across multiple businesses/legal entities thereby delivering greater shareholder value.
- 3.2 This Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of the Companies, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable each of the aforesaid Companies to vigorously pursue revenue growth and expansion opportunities.
- 3.3 In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme.

### 4. PARTS OF THIS SCHEME

- 4.1 This Scheme is divided into the following parts:

- PART I** - Definitions and Share Capital;
- PART II** - Amalgamation of the Transferor Company 1 with the Transferee Company;
- PART III** - Amalgamation of the Transferor Company 2 with the Transferee Company; and
- PART IV** - General Terms and Conditions.

For Bharti Airtel Limited

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For TELESONIC NETWORKS LIMITED

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For NETLE INFRASTRUCTURE INVESTMENTS LIMITED

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## PART I

### 1. DEFINITIONS

- 1.1 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:
- (a) **“Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read 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;
  - (b) **“Applicable Laws”** or **“Laws”** means: (i) 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; (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority; and (iii) international treaties, conventions and protocols, as may be in force from time to time;
  - (c) **“Appropriate Authority(ies)”** 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 RoC, Regional Director, Official Liquidator, Competition Commission of India, Reserve Bank of India, SEBI, Stock Exchanges, NCLT, as applicable and such other sectoral regulators or authorities as may be applicable;
  - (d) **“Appointed Date”** means the commencement of business hours of April 1, 2022 or such other date as the NCLT may direct;
  - (e) **“Board of Directors”** or **“Board”** 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;
  - (f) **“Cash”** means and includes the aggregate amount in respect of the following items, including without limitation: (i) cash and bank balances; (ii) securities held by or on behalf of the Transferor Companies which are readily convertible into cash (i.e. cash equivalents); (iii) fixed deposit receipts and any interest accrued thereon; and (iv) any other cash equivalent;
  - (g) **“Companies”** means collectively, the Transferor Company 1, the Transferor Company 2 and the Transferee Company;
  - (h) **“Companies Act”** means the Companies Act, 2013, together with the rules and regulations, circulars, notifications and clarifications issued thereunder, and as amended from time to time;
  - (i) **“Effective Date”** means:
    - (i) in relation to the amalgamation of the Transferor Company 1 into the Transferee Company, as set out in Part II of this Scheme, such date as of which the Transferor



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Company 1 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC; and

- (ii) in relation to the amalgamation of the Transferor Company 2 into the Transferee Company, as set out in Part III of this Scheme, such date as of which the Transferor Company 2 and the Transferee Company shall have filed the certified copy of the NCLT's order sanctioning this Scheme with the RoC.

Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” shall refer to the Effective Date;

- (j) “**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) pertaining to the Transferor Company 2, the details of which are set out in Schedule 1 to this Scheme;
- (k) “**IT Act**” means the Income-tax Act, 1961, as amended from time to time;
- (l) “**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 (including 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;
- (m) “**NCLT**” means the National Company Law Tribunal, Chandigarh Bench and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Companies Act;
- (n) “**RoC**” means the Registrar of Companies, NCT of Delhi & Haryana;
- (o) “**Rs.**” or “**INR**” means Indian Rupees;
- (p) “**Scheme**” means this composite scheme of arrangement between the Transferor Company 1 and the Transferor Company 2 and their respective shareholders and the Transferee Company under Sections 230 to 232 and other applicable provisions of the Companies Act in its present form, or with any modification(s), as may be approved or directed by the NCLT;
- (q) “**SEBI**” means the Securities and Exchange Board of India;
- (r) “**Stock Exchanges**” means collectively BSE Limited and the National Stock Exchange of India Limited;
- (s) “**Taxes**” or “**Tax**” or “**Taxation**” means: (i) 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 (ii) all charges, interest, penalties and fines (by whatever name called) incidental or relating to any Tax falling within (i) 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;
- (t) “**Transferee Company**” means Bharti Airtel Limited, a public limited company incorporated on July 7, 1995 under the Companies Act, 1956, having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. The equity shares of the Transferee Company are listed on the Stock Exchanges;

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- (u) **“Transferor Company 1”** means Nettle Infrastructure Investments Limited, an unlisted public limited company incorporated on October 1, 2010, under the Companies Act, 1956, currently having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana - 122015. As on December 20, 2021, the Transferee Company and Bharti Airtel Services Limited (a wholly owned subsidiary of the Transferee Company), respectively, hold 90% and 10% of the equity share capital of the Transferor Company 1;
- (v) **“Transferor Company 2”** means Telesonic Networks Limited, is an unlisted public limited company, incorporated on June 26, 2009, under the Companies Act, 1956, currently having its registered office at Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana – 122015. As on December 20, 2021, the Transferee Company and Bharti Airtel Services Limited (a wholly owned subsidiary of the Transferee Company), respectively, hold 95% and 5% of the Transferor Company 2;
- (w) **“Transferor Companies”** means collectively, the Transferor Company 1 and the Transferor Company 2;
- (x) **“Transferor Company 1 Asset(s)”** means assets or properties of every kind, nature, character and description, whether immovable, movable, tangible, intangible, whether owned or leased or otherwise acquired by the Transferor Company 1;
- (y) **“Transferor Company 2 Asset(s)”** means assets or properties of every kind, nature, character and description, whether immovable, movable, tangible, intangible, whether owned or leased or otherwise acquired by the Transferor Company 2;
- (z) **“Transferor Company 1 Proceedings”** shall have the meaning ascribed to such term in Clause 6.1 of Part II of this Scheme; and
- (aa) **“Transferor Company 2 Proceedings”** shall have the meaning ascribed to such term in Clause 6.1 of Part III of this Scheme.

## 2. SHARE CAPITAL

2.1 The capital structure of the Transferee Company, as on December 20, 2021, is as under:

Share Capital	Amount (in Rs.)
<b>Authorised Capital</b>	
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
<b>Total</b>	<b>1,47,78,00,00,000</b>
<b>Issued Capital</b>	
5,88,43,14,930 equity shares of Rs. 5 each.	29,42,15,74,650
<b>Total</b>	<b>29,42,15,74,650</b>
<b>Subscribed and Paid-up Capital</b>	
5,49,20,27,268 fully paid-up equity shares of Rs. 5 each.	27,46,01,36,340
39,22,87,662 partly paid-up equity shares of Rs. 1.25 each.	49,03,59,577.50
<b>Total</b>	<b>27,95,04,95,917.50</b>

2.2 The capital structure of the Transferor Company 1, as on December 20, 2021, is as under:

Share Capital	Amount (in Rs.)
<b>Authorised Capital</b>	
50,000 equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>

<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 equity shares of Rs. 10/- each.	5,00,000
<b>Total</b>	<b>5,00,000</b>

2.3 The capital structure of the Transferor Company 2, as on December 20, 2021, is as under:

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

For Bharti Airtel Limited

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**PART II**

**AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH AND INTO THE  
TRANSFEEE COMPANY**

**1. Transfer and vesting of the Transferor Company 1 with and into the Transferee Company**

1.1 Upon the Effective Date and with effect from the Appointed Date, the Transferor Company 1 shall stand amalgamated with the Transferee Company and all its Transferor Company 1 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in the Transferee Company, on a going concern basis, without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of the Transferee Company.

**2. Transfer of Transferor Company 1 Assets**

2.1 Upon the Effective Date and with effect from the Appointed Date, all Transferor Company 1 Assets, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company (to the extent permissible under Applicable Law). The vesting pursuant to this Clause 2.1 of this Part II 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 the Effective Date and with effect from the Appointed Date, all movable Transferor Company 1 Assets, other than those specified in Clause 2.1 of this Part II above, including Cash, sundry debtors, outstanding loans and advances, if any, recoverable in Cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.

2.3 Without prejudice to the generality of the clauses mentioned above, the Transferor Company 1 Assets shall also include all permits, licenses approvals, clearances, authorities, quotas, allocations granted to the Transferor Company 1, all municipal approvals, authorizations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorney (given by, issued to or executed in favour of the Transferor Company 1), the concerned licensor and grantors of such approvals, clearances, permissions, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid clauses, if any, all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, prequalification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Transferor Company 1 on the Appointed Date shall stand transferred to the Transferee Company.

- 2.4 Upon the Effective Date and with effect from Appointed Date, in relation to the Transferor Company 1 Assets (if any), which require separate documents for vesting in the Transferee Company, the Transferor Company 1 and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 2.5 Upon the Effective Date and with effect from Appointed Date, the past track record of the Transferor Company 1 including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 2.6 Upon the Effective Date, the secured creditors of the Transferee Company, if any, shall continue to be entitled to security only over such properties and assets forming part of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company 1 into and with the Transferee Company and the secured creditors of the Transferor Company 1, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Transferor Company 1, as existing immediately prior to the amalgamation of the Transferor Company 1 with and into the Transferee Company. For the avoidance of doubt, it is clarified that all the Transferor Company 1 Assets and the unencumbered assets of the Transferee Company shall, subject to Applicable Laws, remain free and available for the creation of any security thereon in the future in relation to any existing indebtedness or new indebtedness that may be incurred by the Transferee Company, at the discretion of the Board of the Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 2.7 The Transferee Company shall, at any time after the Effective Date and as the successor entity of the Transferor Company 1, if so required under Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and 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, *inter alia*, in its capacity as the successor-in-interest of the Transferor Company 1.
- 2.8 The Transferee Company shall, at any time after the Effective Date, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company 1. For the avoidance of doubt, it is clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 2.8 of this Part II, the said third party or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon the Effective Date. The Transferee Company shall file appropriate applications/ documents with the Appropriate Authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

### 3. Transfer of Liabilities

- 3.1 Upon the Effective Date and with effect from Appointed Date, all Liabilities of the Transferor

  
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Company 1, shall, without any requirement of further act or deed, be transferred to, or be deemed to be transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.

- 3.2 It is hereby clarified that, unless expressly provided for under the arrangements with respective third parties, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen, in order to give effect to the provisions of Clause 3 of this Part II.
- 3.3 Upon the Effective Date and with effect from Appointed Date, all loans raised and used, if any, and Liabilities incurred, if any, by the Transferor Company 1 after the Appointed Date shall be deemed to be transferred to, and discharged by the Transferee Company without any requirement of a further act or deed.
- 3.4 The vesting of the Transferor Company 1, as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Transferor Company 1, provided, however, any reference in any security documents or arrangements to which the Transferor Company 1 is a party, wherein the Transferor Company 1 Assets have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Transferor Company 1 Assets, as are vested in the Transferee Company as per Part II of this Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other Transferor Company 1 Assets of the Transferor Company 1 or any of the Transferor Company 1 Assets of the Transferee Company. Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the Transferor Company 1 Assets or any part thereof of the Transferee Company shall continue with respect to such Transferor Company 1 Assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages.

#### 4. **Transfer of Contracts, Deeds, Bonds and Other Instruments**

- 4.1 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature in relation to the Transferor Company 1 and 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 as on the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.
- 4.2 Without prejudice to the other provisions of this Scheme, at any time after the Effective Date, 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 Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company 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 the Effective



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Date and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company 1 shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company 1 are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company 1, as if the same had been allotted and/or granted and/ or sanctioned and/ or allowed to the Transferee Company.

- 4.4 The approval and consent of this Scheme by the shareholders of the Transferor Company 1 and the Transferee Company shall be deemed to be the approval of their shareholders under Section 188 of the Companies Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of Applicable Law towards the necessary deeds/ documents/ agreements to be executed between the Transferor Company 1 and the Transferee Company pertaining to this Scheme or in connection with the implementation of this Scheme.

## 5. Transfer of Employees

- 5.1 Upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Company 1 as on the Effective Date shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Company 1, on the Effective Date. The services of such employees with the Transferor Company 1, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under Applicable Law.
- 5.2 Upon the Effective Date and with effect from the Appointed Date, 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 such employees of the Transferor Company 1 shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.
- 5.3 Subject to Applicable Law, 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 shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/ approval.

## 6. Continuation of Legal Proceedings

- 6.1 From the Effective Date, legal or other proceedings, if any (including before any court, statutory or quasi-judicial authority or tribunal), by or against the Transferor Company 1, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) and in each case relating to the Transferor Company 1 (“**Transferor Company 1 Proceedings**”) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent permissible under Applicable Laws.

  
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- 6.2 If any Transferor Company 1 Proceeding(s) is/ are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may 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 1, as if this Scheme had not been made.
- 7. Treatment of Taxes and Charges payable**
- 7.1 Upon the Effective Date and with effect from the Appointed Date, all Taxes 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, value added tax/ service tax/ goods and services tax and all other Applicable Laws), accruing and relating to the Transferor Company 1 from the Appointed Date onwards, including but not limited to advance Tax payments, Tax deducted at source, minimum alternate Tax, any refund and claims shall, for all purposes, be treated as advance Tax payments, Tax deducted at source or refunds and claims, as the case may be, of the Transferee Company.
- 7.2 Upon the Effective Date and with effect from the Appointed Date, all unutilized credits and exemptions, the benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to Tax deducted at source, Tax collected at source, advance Tax, minimum alternate Tax credit etc.), CENVAT, customs, value added tax, sales tax, service tax, goods and services tax etc. to which the Transferor Company 1 is entitled to shall be available to and vest in the Transferee Company, without any requirement of a further act or deed.
- 7.3 Upon the Effective Date, the Transferor Company 1 and the Transferee Company are permitted to revise and file their respective Tax returns, including income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, service tax returns, goods and services tax returns and other Tax returns for the period commencing on and before the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 7.4 Upon the Effective Date, any Tax deposited, certificates issued or returns filed by the Transferor Company 1 relating to Transferor Company 1 shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by the Transferee Company.
- 7.5 All the expenses incurred by the Transferor Company 1 and the Transferee Company in relation to the amalgamation of the Transferor Company 1 with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which this Scheme becomes effective.
- 7.6 Any refund, tax credit and adjustment under the Tax laws due to the Transferor Company 1 pertaining to the Transferor Company 1 consequent to the assessments made on the Transferor Company 1 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The Appropriate Authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of this Scheme by the NCLT and upon relevant proof and documents being provided to the Appropriate Authorities.
- 7.7 The Transferor Company 1 may be entitled to various incentive schemes and pursuant to this Scheme, the benefits under all such schemes and policies pertaining to the Transferor Company 1 shall stand transferred to and vested in the Transferee Company and all benefits,

entitlements and incentives of any nature whatsoever including benefits under various Taxes including the income tax, excise, sales tax, service tax, goods and services tax exemptions, concessions, remissions, subsidies and other incentives in relation to the consumer products business, to the extent statutorily available, shall be claimed by the Transferee Company.

- 7.8 This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the IT Act and are intended to apply accordingly. If any terms or provisions 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 IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, this Scheme may be modified to the extent required with the consent of each of the Companies (acting through their respective Board) to ensure compliance of this Scheme with such provisions.

**8. Combination of the Authorized Share Capital of the Transferor Company 1 with the Transferee Company**

- 8.1 Upon the Effective Date, the authorized share capital of the Transferor Company 1, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Companies Act, if any, would be required passed, as the case may be, and for this purpose, the stamp duties and fees paid by the Transferor Company 1 shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement of any further payment of stamp duty and/ or fee by the Transferee Company for increase in the authorized share capital to that extent. Provided that, in relation to the foregoing, if applicable, the Transferee Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) of the Companies Act.

**9. Cancellation of existing shares of the Transferor Company 1**

- 9.1 Upon the Effective Date, the entire existing issued and paid-up equity share capital of the Transferor Company 1, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Company 1 appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.
- 9.2 The cancellation of the equity share capital held by the shareholders of the Transferor Company 1 and their nominees, in accordance with Clause 9.1 of this Part II above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Company 1 and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

  
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**10. Dissolution of the Transferor Company 1**

- 10.1 Upon the Effective Date, the Transferor Company 1 shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of the Transferor Company 1 shall be struck off the RoC.

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

- 11.1 As the Transferor Company 1 shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 10.1 of this Part II of this Scheme and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis. Hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company 1.

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

- 12.1 Upon this Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company 1 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of Ind-AS 103 (Business combinations of entities under common control) as under:
- (a) The acquired assets and liabilities from the Transferor Company 1 would be recorded at their respective carrying amounts as appearing in the respective financial statements (which are equivalent to the carrying amounts as appearing in the consolidated financial statements of the Transferee Company) of the Transferor Company 1 as on the Effective Date;
  - (b) No adjustments will be made to reflect fair values and also no new assets or liabilities will be recognized;
  - (c) In case of any differences in the accounting policies between the Transferee Company and the Transferor Company 1, the impact of the same will be quantified and adjusted in the retained earnings of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies;
  - (d) The identity of the reserves transferred would be preserved and would appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company 1. For example, the general reserve of the Transferor Company 1 would be recognised as a general reserve of the Transferee Company and the capital reserve of the Transferor Company 1 would become the capital reserve of the Transferee Company. Accordingly, the reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend by the Transferee Company after the business combination;
  - (e) The Transferee Company shall cancel the investments pertaining to the Transferor Company 1 as per Clause 9.1 of this Part II of this Scheme, against assets, liabilities and reserves acquired from the entity. The difference, if any, between the carrying values of assets, liabilities and reserve balance under Clause 12.1(a) of this Part II above, transferred to the Transferee Company and cancellation of investments in lieu of the amalgamation shall be recorded as business restructuring reserve (capital reserve) and presented separately;

- (f) To the extent, there are inter-company balances between the Transferee Company and the Transferor Company 1, the rights and obligations in respect thereof shall stand cancelled; and
- (g) The financial information in the financial statements in respect of prior periods would be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Transferee Company.

**13. Conduct of Business**

- 13.1 Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of the Transferor Company 1 and the Transferee Company, and up to and including the Effective Date, the Transferor Company 1 shall carry on the business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 13.2 Further, subject to the effectiveness of this Scheme, with effect from the Appointed Date and up to and including the Effective Date:
  - (i) all of the rights, powers, authorities or privileges exercised by the Transferor Company 1 shall be deemed to have been exercised by the Transferor Company 1 for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company 1 shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
  - (ii) the Transferor Company 1 undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the Transferor Company 1 Assets and Liabilities for and on account of and in trust for the Transferee Company; and
  - (iii) all Cash, income, receipts, profits accruing to the Transferor Company 1 and all Taxes thereon or Liabilities or losses arising or incurred by it shall, for all purposes, be treated as and deemed to be the Cash, income, expenses, payments, profits, Liabilities, Taxes or losses, as the case may be, of the Transferee Company.
- 13.3 The Transferee Company shall also be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under Applicable Law for the time being in force for carrying on business.

**14. Inter se Transactions**

- 14.1 Upon the Effective Date and with effect from the Appointed Date, all *inter se* contracts solely between the Transferor Company 1 and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Transferee Company.

**15. Saving of concluded transactions**

- 15.1 The transfer of Transferor Company 1 Assets and Liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company 1 on or before the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company 1 in respect thereto as done and executed on behalf of itself.

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**PART III**

**AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH AND INTO THE  
TRANSFEEE COMPANY**

**1. Transfer and vesting of the Transferor Company 2 with and into the Transferee Company**

1.1 Upon the Effective Date and with effect from the Appointed Date, the Transferor Company 2 shall stand amalgamated with the Transferee Company and all its Transferor Company 2 Assets, Liabilities, interests and obligations, as applicable, be transferred and vested in the Transferee Company on a going concern basis without any requirement of a further act or deed so as to become as and from the Appointed Date, the assets, Liabilities, interests and obligations, as applicable, of the Transferee Company.

**2. Transfer of Transferor Company 2 Assets**

2.1 Upon the Effective Date and with effect from the Appointed Date, all Transferor Company 2 Assets, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company (to the extent permissible under Applicable Law). The vesting pursuant to this Clause 2.1 of this Part III 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 the Effective Date and with effect from the Appointed Date, all movable Transferor Company 2 Assets, other than those specified in Clause 2.1 of this Part III above, including Cash, sundry debtors, outstanding loans and advances, if any, recoverable in Cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.

2.3 Without prejudice to the generality of the clauses mentioned above, the Transferor Company 2 Assets shall also include all permits, licenses approvals, clearances, authorities, quotas, allocations granted to the Transferor Company 2, all municipal approvals, authorizations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorney (given by, issued to or executed in favour of the Transferor Company 2), the concerned licensor and grantors of such approvals, clearances, permissions, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid clauses, if any, all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, prequalification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Transferor Company 2 on the Appointed Date shall stand transferred to the Transferee Company.

  
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- 2.4 Upon the Effective Date and with effect from Appointed Date, all Intellectual Property of the Transferor Company 2, shall, without any requirement of any further act or deed stand transferred and vested in the Transferee Company. The approval and consent of this Scheme by the shareholders of the Transferee Company and the Transferor Company 2 shall be deemed to be the approval of the shareholders under Section 188 of the Companies Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of Applicable Law towards the necessary deeds/ documents/ agreements to be executed between the Transferee Company and the Transferor Company 2 for the transfer to/ use by the Transferee Company of the Intellectual Property pertaining to the Transferor Company 2.
- 2.5 Upon the Effective Date and with effect from Appointed Date, the Transferor Company 2 agrees to execute and deliver, at the request of the Transferee Company, all papers and instruments required in respect of all Intellectual Property, to vest such rights, title and interest in the name of the Transferee Company and in order to update the records of the respective registries to reflect the name and address of the Transferee Company as the current owner of the Intellectual Property.
- 2.6 Upon the Effective Date and with effect from Appointed Date, in relation to the Transferor Company 2 Assets (if any), which require separate documents for vesting in the Transferee Company, the Transferor Company 2 and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 2.7 Upon the Effective Date and with effect from Appointed Date, the past track record of the Transferor Company 2 including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- 2.8 Upon the Effective Date, the secured creditors of the Transferee Company, if any, shall continue to be entitled to security only over such properties and assets forming part of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company 2 into and with the Transferee Company and the secured creditors of the Transferor Company 2, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Transferor Company 2, as existing immediately prior to the amalgamation of the Transferor Company 2 with and into the Transferee Company. For the avoidance of doubt, it is clarified that all the Transferor Company 2 Assets and the unencumbered assets of the Transferee Company shall, subject to Applicable Laws, remain free and available for the creation of any security thereon in the future in relation to any existing indebtedness or new indebtedness that may be incurred by the Transferee Company, at the discretion of the Board of the Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 2.9 The Transferee Company shall, at any time after the Effective Date and as the successor entity of the Transferor Company 2, if so required under Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and 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, *inter alia*, in its capacity as the successor-in-interest of the Transferor Company 2.

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- 2.10 The Transferee Company shall, at any time after the Effective Date, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company 2. For the avoidance of doubt, it is clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 2.10 of this Part III, the said third party or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon the Effective Date. The Transferee Company shall file appropriate applications/ documents with the Appropriate Authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company 2 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

### 3. Transfer of Liabilities

- 3.1 Upon the Effective Date and with effect from Appointed Date, all Liabilities of the Transferor Company 2, shall, without any requirement of further act or deed, be transferred to, or be deemed to be transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.
- 3.2 It is hereby clarified that, unless expressly provided for under the arrangements with respective third parties, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen, in order to give effect to the provisions of Clause 3 of this Part III.
- 3.3 Upon the Effective Date and with effect from Appointed Date, all loans raised and used, if any, and Liabilities incurred, if any, by the Transferor Company 2 after the Appointed Date shall be deemed to be transferred to, and discharged by the Transferee Company without any requirement of a further act or deed.
- 3.4 The vesting of the Transferor Company 2, as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Transferor Company 2, provided, however, any reference in any security documents or arrangements to which the Transferor Company 2 is a party, wherein the Transferor Company 2 Assets have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Transferor Company 2 Assets, as are vested in the Transferee Company as per Part III of this Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other Transferor Company 2 Assets of the Transferor Company 2 or any of the Transferor Company 2 Assets of the Transferee Company. Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the Transferor Company 2 Assets or any part thereof of the Transferee Company shall continue with respect to such Transferor Company 2 Assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages.

### 4. Transfer of Contracts, Deeds, Bonds and Other Instruments

- 4.1 Upon the Effective Date and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons, arrangements and other instruments of whatsoever nature in relation to the Transferor Company 2 and 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 as on the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.

- 4.2 Without prejudice to the other provisions of this Scheme, at any time after the Effective Date, 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 Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company 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 the Effective Date and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences/ registrations/ certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company 2 shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company 2 are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company 2, as if the same had been allotted and/or granted and/ or sanctioned and/ or allowed to the Transferee Company.
- 4.4 The approval and consent of this Scheme by the shareholders of the Transferor Company 2 and the Transferee Company shall be deemed to be the approval of their shareholders under Section 188 of the Companies Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of Applicable Law towards the necessary deeds/ documents/ agreements to be executed between the Transferor Company 2 and the Transferee Company pertaining to this Scheme or in connection with the implementation of this Scheme.

## 5. Transfer of Employees

- 5.1 Upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Company 2 as on the Effective Date shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Company 2, on the Effective Date. The services of such employees with the Transferor Company 2, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under Applicable Law.
- 5.2 Upon the Effective Date and with effect from the Appointed Date, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity

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fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of the Transferor Company 2 shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.

- 5.3 Subject to Applicable Law, 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 shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/ approval.

## 6. Continuation of Legal Proceedings

- 6.1 From the Effective Date, legal or other proceedings, if any (including before any court, statutory or quasi-judicial authority or tribunal), by or against the Transferor Company 2, whether pending on the Appointed Date, or which may be instituted any time in the future (irrespective of whether they relate to periods on or prior to the Appointed Date) and in each case relating to the Transferor Company 2 (“**Transferor Company 2 Proceedings**”) shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent permissible under Applicable Laws.
- 6.2 If any Transferor Company 2 Proceeding(s) is/ are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may 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 2, as if this Scheme had not been made.

## 7. Treatment of Taxes and Charges payable

- 7.1 Upon the Effective Date and with effect from the Appointed Date, all Taxes 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, value added tax/ service tax/ goods and services tax and all other Applicable Laws), accruing and relating to the Transferor Company 2 from the Appointed Date onwards, including but not limited to advance Tax payments, Tax deducted at source, minimum alternate Tax, any refund and claims shall, for all purposes, be treated as advance Tax payments, Tax deducted at source or refunds and claims, as the case may be, of the Transferee Company.
- 7.2 Upon the Effective Date and with effect from the Appointed Date, all unutilized credits and exemptions, the benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to Tax deducted at source, Tax collected at source, advance Tax, minimum alternate Tax credit etc.), CENVAT, customs, value added tax, sales tax, service tax, goods and services tax etc. to which the Transferor Company 2 is entitled to shall be available to and vest in the Transferee Company, without any requirement of a further act or deed.
- 7.3 Upon the Effective Date, the Transferor Company 2 and the Transferee Company are permitted to revise and file their respective Tax returns, including income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, service tax returns, goods and services tax returns and other Tax returns for the period commencing on and before the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.



- 7.4 Upon the Effective Date, any Tax deposited, certificates issued or returns filed by the Transferor Company 2 relating to Transferor Company 2 shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by the Transferee Company.
- 7.5 All the expenses incurred by the Transferor Company 2 and the Transferee Company in relation to the amalgamation of the Transferor Company 2 with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which this Scheme becomes effective.
- 7.6 Any refund, tax credit and adjustment under the Tax laws due to the Transferor Company 2 pertaining to the Transferor Company 2 consequent to the assessments made on the Transferor Company 2 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The Appropriate Authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the sanction of this Scheme by the NCLT and upon relevant proof and documents being provided to the Appropriate Authorities.
- 7.7 The Transferor Company 2 may be entitled to various incentive schemes and pursuant to this Scheme, the benefits under all such schemes and policies pertaining to the Transferor Company 2 shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under various Taxes including the income tax, excise, sales tax, service tax, goods and services tax exemptions, concessions, remissions, subsidies and other incentives in relation to the consumer products business, to the extent statutorily available, shall be claimed by the Transferee Company.
- 7.8 This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the IT Act and are intended to apply accordingly. If any terms or provisions 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 IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, this Scheme may be modified to the extent required with the consent of each of the Companies (acting through their respective Board) to ensure compliance of this Scheme with such provisions.
- 8. Combination of the Authorized Share Capital of the Transferor Company 2 with the Transferee Company**
- 8.1 Upon the Effective Date, the authorized share capital of the Transferor Company 2, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Companies Act, if any, would be required passed, as the case may be, and for this purpose, the stamp duties and fees paid by the Transferor Company 2 shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement of any further payment of stamp duty and/ or fee by the Transferee Company for increase in the authorized share capital to that extent. Provided that, in relation to the foregoing, if applicable, the Transferee Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) of the Companies Act.

**9. Cancellation of existing shares of the Transferor Company 2**

- 9.1 Upon the Effective Date, the entire existing issued and paid-up equity share capital of the Transferor Company 2, as held by its shareholders and their nominees, shall, without any further application, act, instrument or deed, be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Company 2 appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.
- 9.2 The cancellation of the equity share capital held by the shareholders of the Transferor Company 2 and their nominees, in accordance with Clause 9.1 of this Part III above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Transferor Company 2 and the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

**10. Dissolution of the Transferor Company 2**

- 10.1 Upon the Effective Date, the Transferor Company 2 shall, without any requirement of a further act or deed, stand dissolved without being wound up without any requirement for any further act by the parties, in accordance with the Companies Act and the name of the Transferor Company 2 shall be struck off the RoC.

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

- 11.1 As the Transferor Company 2 shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 10.1 of this Part III of this Scheme and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis. Hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company 2.

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

- 12.1 Upon this Scheme becoming effective, the Transferee Company shall account for the merger of the Transferor Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of Ind-AS 103 (Business combinations of entities under common control) as under:
- (a) The acquired assets and liabilities from the Transferor Company 2 would be recorded at their respective carrying amounts as appearing in the respective financial statements (which are equivalent to the carrying amounts as appearing in the consolidated financial statements of the Transferee Company) of the Transferor Company 2 as on the Effective Date;
  - (b) No adjustments will be made to reflect fair values and also no new assets or liabilities will be recognized;
  - (c) In case of any differences in the accounting policies between the Transferee Company and the Transferor Company 2, the impact of the same will be quantified and adjusted in the retained earnings of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies;

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- (d) The identity of the reserves transferred would be preserved and would appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company 2. For example, the general reserve of the Transferor Company 2 would be recognised as a general reserve of the Transferee Company and the capital reserve of the Transferor Company 2 would become the capital reserve of the Transferee Company. Accordingly, the reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend by the Transferee Company after the business combination;
- (e) The Transferee Company shall cancel the investments pertaining to the Transferor Company 2 as per Clause 9.1 of this Part III of this Scheme, against assets, liabilities and reserves acquired from the entity. The difference, if any, between the carrying values of assets, liabilities and reserve balance under Clause 12.1(a) of this Part III above, transferred to the Transferee Company and cancellation of investments in lieu of the amalgamation shall be recorded as business restructuring reserve (capital reserve) and presented separately;
- (f) To the extent, there are inter-company balances between the Transferee Company and the Transferor Company 2, the rights and obligations in respect thereof shall stand cancelled; and
- (g) The financial information in the financial statements in respect of prior periods would be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Transferee Company.

### 13. Conduct of Business

- 13.1 Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of the Transferor Company 2 and the Transferee Company, and up to and including the Effective Date, the Transferor Company 2 shall carry on the business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 13.2 Further, subject to the effectiveness of this Scheme, with effect from the Appointed Date and up to and including the Effective Date:
  - (i) all of the rights, powers, authorities or privileges exercised by the Transferor Company 2 shall be deemed to have been exercised by the Transferor Company 2 for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company 2 shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
  - (ii) the Transferor Company 2 undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the Transferor Company 2 Assets and Liabilities for and on account of and in trust for the Transferee Company; and
  - (iii) all Cash, income, receipts, profits accruing to the Transferor Company 2 and all Taxes thereon or Liabilities or losses arising or incurred by it shall, for all purposes, be treated as and deemed to be the Cash, income, expenses, payments, profits, Liabilities, Taxes or losses, as the case may be, of the Transferee Company.
- 13.3 The Transferee Company shall also be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities, wherever necessary, for such consents, approvals and

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sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under Applicable Law for the time being in force for carrying on business.

**14. Inter se Transactions**

14.1 Upon the Effective Date and with effect from the Appointed Date, all *inter se* contracts solely between the Transferor Company 2 and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Transferee Company.

**15. Saving of concluded transactions**

15.1 The transfer of Transferor Company 2 Assets and Liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company 2 on or before the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company 2 in respect thereto as done and executed on behalf of itself.

For Bharti Airtel Limited



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For TELESONIC NETWORKS LIMITED



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For NETTLE INFRASTRUCTURE INVESTMENTS LIMITED



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## PART IV

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

#### **1. Application to the NCLT**

- 1.1 Each of the Companies shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 and other applicable provisions of the Companies Act before the NCLT, for sanction of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.

#### **2. Alteration to the Memorandum of Association of the Transferee Company**

- 2.1 Under the accepted principle of 'single window clearance', it is hereby provided that the change in the capital clause of the Transferee Company pursuant to Clause 8 of Part II and Clause 8 of Part III of this Scheme, shall become operative upon the Effective Date by virtue of the fact that the shareholders of each of the Companies, while approving this Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Sections 13, 61 and Section 232 or any other provisions of the Companies Act, and there shall not be a requirement to pass separate resolutions as required under the Companies Act.
- 2.2 The approval and consent of this Scheme by the shareholders of the Companies shall be deemed to be their approval and consent by way of special resolution under Section 13 of the Companies Act for the change in the capital clause of the Transferee Company as contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association, as applicable, of the Transferee Company in relation to the change in the capital clause of the Transferee Company in accordance with Sections 13, 14 and 61 and any other applicable provisions of the Companies Act. The sanction of this Scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be in compliance of Sections 4, 13, 14 and 61 and any other applicable provisions of the Companies Act for the purpose of effecting the change in the capital clause of the Transferee Company.
- 2.3 Clause V of the memorandum of association and articles of association, as applicable, of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme.
- 2.4 The approval and consent of the shareholders of the Companies to this Scheme shall be deemed to be their approval and consent also to the alteration of the memorandum of association and articles of association, as applicable, of the Transferee Company, as required under Sections 13, 14 and 61 and any other applicable provisions of the Companies Act.

#### **3. Revocation, Withdrawal of this Scheme**

- 3.1 Subject to the order of the NCLT, the Board of the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and/or creditors of the Companies, the NCLT or any other authority is not acceptable to the Board of the Transferee Company; or (c) the Board of the Transferee Company is of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up the order with any Appropriate Authority could have an adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in

that event, no rights and Liabilities whatsoever shall accrue to or be incurred *inter se* between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed is 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 the Applicable Law and in such case, the Transferee Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

**4. Effect of Non-Receipt of Approvals**

- 4.1 In case this Scheme is not sanctioned by the NCLT, or in the event, this Scheme cannot be implemented due to any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied with, unless waived by the Board of the Transferee Company (to the extent permitted under Applicable Laws), or for any other reason, then, this Scheme shall become null and void.

**5. Costs, Charges and Expenses**

- 5.1 All costs, charges, fees, Taxes including duties, stamp duties, levies and all other expenses, if any (save as expressly agreed otherwise or if directed by the NCLT) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

**6. Dividends**

- 6.1 Each of the Companies shall be entitled to declare and make a distribution/ pay dividends, whether interim or final and/or issue bonus shares to their respective shareholders prior to the Effective Date, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Companies shall be consistent with the dividend policies and past practices of such Companies.
- 6.2 It is clarified that the aforesaid provisions in respect of the declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Companies, to demand or claim or be entitled to any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Companies, and subject to approval, if required, of the shareholders of the relevant companies.

**7. Compliance with Applicable Laws**

- 7.1 Each of the Companies undertake to comply with all the 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 the Appropriate Authorities or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme or which by Applicable Law may be required in relation to any matters connected with this Scheme.
- 7.2 Since the Transferee Company is a listed company, this Scheme is subject to the compliances of the applicable requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, SEBI Circulars and all other statutory directives of SEBI, as applicable.
- 7.3 In terms of the circular dated January 3, 2018 bearing No. CFD/DIL3/CIR/2018/2 read with the master circular dated December 22, 2020 bearing No.

SEBI/HO/CFD/DIL1/CIR/P/2020/249, as amended from time to time, both issued by SEBI, the requirements of obtaining prior approval or a no objection/ observation letter from the relevant stock exchanges have been relaxed in case of a merger of a wholly owned subsidiary or its division with the parent company. Accordingly, this Scheme shall be filed with the Stock Exchanges for disclosure purposes in compliance with Applicable Law.

## 8. Modification or Amendment to this Scheme

- 8.1 Each of the Companies, through mutual consent and acting through their respective Boards, may jointly and as mutually agreed in writing in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme, in part or in whole, which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in this Scheme due to change in any regulatory or compliance requirements being made applicable to the Companies or to the matters set forth in this Scheme, and do all acts, deed and things as may be necessary, desirable or expedient for the purpose of giving effect to this Scheme.
- 8.2 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.

## 9. Removal of Difficulties

- 9.1 Each of the Companies may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, including but not limited to making any modification to this Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any Appropriate Authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After the dissolution of the Transferor Companies, the Transferee Company through its Board of Directors shall be authorised to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the court(s) or of any directive or order of any other Appropriate Authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

For NETLE INFRASTRUCTURE INVESTMENTS LIMITED  
  
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For Bharti Airtel Limited  
  
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For TELESONIC NETWORKS LIMITED  
  
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**SCHEDULE I**

**(DETAILS OF INTELLECTUAL PROPERTY OF THE TRANSFEROR COMPANY 2)**

SL. NO.	DOMAIN NAMES	EXPIRATION DATE	REGISTRAR
1.	telesonic.in	06/03/2024	GODADDY
2.	telesonic.co.in	06/03/2024	GODADDY
3.	telesonicnetworks.in	30/07/2031	GODADDY

For Bharti Airtel Limited

  
Authorized Signatory

For NETTLE INFRASTRUCTURE INVESTMENTS LIMITED

  
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For TELESONIC NETWORKS LIMITED

  
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**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH  
(through web-based video conferencing platform)**

**CA No.94/2022  
and  
CA (CAA) No.10/Chd/Hry/2022  
(First Motion)**

**Under Sections 230-232 of the  
Companies Act, 2013**

**IN THE MATTER OF SCHEME OF ARRANGEMENT OF:**

**1. Nettle Infrastructure Investments Limited**

with its registered office at  
Airtel Center, Plot No.16, Udyog Vihar,  
Phase-IV, Gurugram, Haryana - 122015  
PAN: AADCN4429N  
CIN: U93000HR2010PLC094599

Transferor Company No.1/Applicant Company No.1

**2. Telesonic Networks Limited**

with its registered office at  
Airtel Center, Plot No.16, Udyog Vihar,  
Phase-IV, Gurugram, Haryana - 122015  
PAN: AAHCA8010G  
CIN: U64200HR2009PLC096372

Transferor Company No.2/Applicant Company No.2

WITH

**3. Bharti Airtel Limited**

with its registered office at  
Airtel Center, Plot No.16, Udyog Vihar,  
Phase-IV, Gurugram, Haryana - 122015  
PAN: AAACB2894G  
CIN: L74899HR1995PLC095967

Transferee Company/Applicant Company No.3

**Order delivered on: 02.06.2022**

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

**Present through Video Conferencing :-**

For the Applicant Companies: 1. Mr. Atul V Sood, Advocate  
2. Mr. Bharat Apte, Advocate

**Per: Subrata Kumar Dash, Member (Technical)**

**ORDER**

**CA No.94/2022**

The present application is jointly filed by the Applicant Companies for placing on record the unaudited financial statements of the Applicant Company No.1 and 2 for the period ended 31.12.2021 and audited financial statements of the Applicant Company No.3 for the period ended 31.12.2021 respectively which is attached as Annexure A-41, A-42 and A-43 of the application. The same are taken on record. Accordingly, CA No.94/2022 stands disposed of.

**CA (CAA) No.10/Chd/Hry/2022 (First Motion)**

This is a joint first motion application filed by Applicant Companies namely; **Nettle Infrastructure Investments Limited** (Transferor Company No.1/Applicant Company No.1); **Telesonic Networks Limited** (Transferor Company No.2/Applicant Company No.2); with **Bharti Airtel Limited** (Transferee Company/Applicant Company No.3) under Sections 230-232 of Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Arrangements) Rules, 2016 (the Rules) in

relation to the Scheme of Arrangement between the Applicant Companies. The said Scheme is attached as Annexure A-1 of the Application.

2. The Applicant Companies have prayed for dispensing with the requirement of the convening of the meetings of the Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies.

3. The Applicant Companies are presently engaged in the business to promote, establish & fund associations or partnerships or companies engaged in business for providing telecom networks and/or to run and maintain telecom services like basic/fixed-line services, cellular/mobile services, long distances services, internet, V-sat, paging, video text, voicemail and data systems, private switching networks services, transmission network of all types, computer networks i.e., local area networks, wide area networks, electronic mail, intelligent network, passive and active infrastructure with regard to telecommunication, multimedia communication systems or the combinations thereof and for the execution of undertaking works, projects or enterprises in the Telecom Industry whether of a private or public character or any joint venture with any government or other authority in India or elsewhere and to acquire and dispose of an interest in such companies, funds, and such associations or partnerships etc. and to acquire, develop, install, manage, maintain, provide, import, export and run all types of services in the telecommunication sector, which are required for the purposes of operation, management and maintenance of all types of telecommunication infrastructure networks inside and outside India and to engage in any activity, which may for



technical, industrial or commercial reasons be directly or indirectly appurtenant to the foregoing or contribute in achieving the aforesaid object etc.

4. It is submitted that the registered offices of Applicant Companies are situated in the State of Haryana, therefore, the territorial jurisdiction of the applicant companies fall within this Bench.

5. The rationale of the Scheme is given below:-

- i. The amalgamation of the Transferor Companies with the Transferee Company will result in the consolidation of the entire operations of the Transferor Companies into the Transferee Company and will further simplify the group structure by aligning the interest of various stakeholders into the Transferee Company. The amalgamations shall also result in cost reductions, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Transferee Company and the Transferor Companies, thereby significantly contributing to future growth and maximizing shareholders value. Further, the amalgamation of the Transferor Company 2 into the Transferee Company would consolidate all fibre assets (owned and leased) of the Transferor Company 2 in a single entity and position the Transferee Company to effectively leverage such core infrastructure required across multiple business/legal entities thereby delivering greater shareholder value.
- ii. The Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of the Companies,

as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable each of the aforesaid Companies to vigorously pursue revenue growth and expansion opportunities.

- iii. In view of the above-mentioned reasons and in order to avoid multiplicity of Schemes and the consequent increase in cost and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to complement this Scheme.

6. It is stated that the Board of Directors of the Applicant Companies in their meeting held on 04.01.2022 have considered and unanimously approved the Scheme of Arrangement subject to sanctioning of the same by this Tribunal. The copy of the board resolutions of the Applicant Companies are attached as Annexures A-5, A-16, and A-27 respectively of the application.

7. The appointed date of the Scheme is 01.04.2022 as mentioned in the Part-I Clause 1.1(d) of Scheme of Arrangement which is attached as Annexure A-1 of the application.

8. It is stated that the Applicant Companies have filed the Audited Financial Statements as on 31.03.2021 as Annexures A-3, A-14 and A-25 respectively of the application. The Applicant Company No.1 & 2 have also filed Unaudited Financial Statements as on 30.09.2021 and Applicant Company No.3 has filed Audited Financial Statements as on 30.09.2021 as Annexures A-4, A-15 and A-26 respectively of the application. Further, by CA No.94/2022,

the Applicant Company No.1 and 2 have also filed unaudited financial statements for the period ended 31.12.2021 and Applicant Company No.3 has filed audited financial statements for the period ended 31.12.2021 as Annexure A-41, A-42 and A-43 respectively of Diary No.00716 dated 18.04.2022.

9. It is submitted that in pursuance of the proviso to Sec. 230 (7) and Section 232 (3) of the Act, the Applicant Companies have filed certificates, all dated 04.01.2022 issued by Statutory Auditors of Applicant Companies certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same is attached as Annexure A-11, A-22 and A-36 respectively of the application.

10. It is averred that the present Scheme involves an amalgamation of two Transferor Companies (Wholly owned subsidiaries of Transferee Company) into the Transferee Company (Parent Company). Such amalgamation involves the cancellation of shares held by the parent company in a wholly-owned subsidiary. Consequently, no share will be issued by the Transferee Company to the Shareholders of either the Transferor Company No.1 or Transferor Company No.2.

11. It is submitted that the Scheme [Annexure A-1 of the application] also takes care of the interests of the staff/workers and employees of the Companies by virtue of Part II Clause 5 and Part III Clause 5 of the Scheme.

12. It is deposed by the authorized representative of Applicant Company No.1 and 2 that there are no sectoral regulators governing the applicant companies other than (a) Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b)

concerned Registrar of Companies, (c) Official Liquidator and (d) Income Tax Authorities and the Scheme is exempt from the provisions of Section 5 of the Competition Act on account of the intra-group exemption set out at Item 9 of Schedule 1 (read with Regulation 4) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. Accordingly, there is no requirement to notify the said transaction to the CCI under Section 230(5) of the Act. It is further deposed by authorised representative of Applicant Company No.2 that as per the guidelines for transfer/merger of various categories of telecommunication service/licenses/authorization under unified license on compromises, arrangements, and amalgamation of the Companies dated 20.02.2014 issued by the Department of Telecommunications, Government of India (DoT), there is no transfer of telecom service licenses/authorizations under the unified license envisaged under the Scheme, therefore, no notice is required to be issued to the CCI and the DoT as they are not likely to be affected by way of the Scheme. The aforesaid affidavits duly signed by the authorized representatives of applicant companies have been attached as Annexures A-12 and A-23 of the application.

13. It is deposed by the authorized representative of Applicant Company No.3 that there are no sectoral regulators governing the applicant companies other than (a) Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies, (c) Income Tax Authorities (d) Securities and Exchange Board of India (SEBI) (e) National Stock Exchange Board of India (f)

Bombay Stock Exchange of India (BSE) and the Scheme is exempt from the provisions of Section 5 of the Competition Act on account of the intra-group exemption set out at Item 9 of Schedule 1 (read with Regulation 4) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. Accordingly, there is no requirement to notify the said transaction to the CCI under Section 230(5) of the Act. It is further deposed by authorised representative of Applicant Company No.3 that as per the guidelines for transfer/merger of various categories of telecommunication service/licenses/authorization under unified license on compromises, arrangements, and amalgamation of the Companies dated 20.02.2014 issued by the Department of Telecommunications, Government of India (DoT). There is no transfer of telecom service licenses/authorizations under the unified license envisaged under the Scheme, therefore, no notice is required to be issued to the CCI and the DoT as they are not likely to be affected by way of the Scheme. The aforesaid affidavits duly signed by the authorized representatives of applicant companies have been attached as Annexures A-38 of the application.

14. It is mentioned that the requirements of obtaining prior approval or no objection/ observation letter from the relevant stock exchanges are not applicable in case of a merger of a wholly owned subsidiary or its division with the parent company. It is further submitted that the Applicant Company No.1 & 2 do not have any material litigations pending against them. The list of material litigation against the Applicant Company 3 as on January 27, 2022 is attached as Annexure - A37 of the application.

15. The applicant companies have furnished the following documents:-

- i. Proposed Scheme of Arrangement (Annexure A-1 of the application)
- ii. Certificate of Incorporation along with Memorandum and Articles of Association of the Applicant Companies (Annexure A-2, A-13 and A-24 respectively of the application).
- iii. List of Equity Shareholders of the Applicant Companies as on 11.02.2022 duly certified by the Statutory Auditors (Annexure A-7, A-18 and A-32 respectively of the application).
- iv. Consent Affidavits of Equity Shareholders of the Applicant Company No.1 and 2 (Annexure A-7 and A-8 respectively of the application).
- v. List of Secured Creditors of the Applicant Companies as on 31.12.2021 duly certified by the Statutory Auditors (Annexure A-8, A-19 and A-33 respectively of the application).
- vi. List of Unsecured Creditors of the Applicant Companies as on 30.11.2021 duly certified by the Statutory Auditors (Annexure A-9, A-20 and A-34 respectively of the application).
- vii. Consent Affidavits of Unsecured Creditors of the Applicant Company No.1 (Annexure A-9 of the application).
- viii. Certificates of Statutory Auditors to the effect that Accounting treatment proposed in the Scheme is in conformity with Section 133 of Companies Act, 2013 (Annexure A-11, A-22 and A-36 respectively of the application).
- ix. Audited Financial Statement as on 31.03.2021 of the applicant companies (Annexures A-3, A-14 and A-25 respectively of the application).

- x. Unaudited Financial Statements for the period ended on 30.09.2021 of the Applicant Company No.1 and 2 and Audited financial statements for the period ended 30.09.2021 for the Applicant Company No.3 (Annexures A-4, A-15 and A-26 respectively of the application).
- xi. Unaudited financial statements for the period ended 31.12.2021 for the Applicant Company No.1 and 2 and Audited financial statements for the period ended 31.12.2021 for the Applicant Company No.3 (Annexure A-41, A-42 and A-43 respectively of Diary No.00716 dated 18.04.2022).
- xii. Affidavit with regard to the Sectoral Regulator for the Applicant Companies (Annexures A-12, A-23 and A-38 respectively of the application).

16. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors along with consent on affidavits which is as follow:

Name of the Applicant Companies	Shareholders along with their consent on affidavits				Creditors along with their consent on affidavits			
	Equity Shareholder	Consent submitted on Affidavit	Debenture Holders	Consent submitted on Affidavit	Secured Creditors	Consent submitted on Affidavit	Unsecured Creditors	Consent submitted on affidavit
Applicant Company No.1	7 (Seven)	100% in value	Nil	NA	Nil	NA	2 (Two)	99.99% in value
Applicant Company No.2	7 (Seven)	100% in value	Nil	NA	Nil	NA	1942 (One thousand Nine hundred Forty-Two)	NA

Applicant Company No.3	7,71,513 (Seven lakh Seventy One thousand Five hundred Thirteen)	NA	Nil	NA	Nil	NA	10,101 (Ten thousand One hundred One)	NA
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17. It is noted that in the present case, Applicant Company No.1 and 2 are the wholly-owned subsidiaries of Applicant Company No.3. The Equity share capital of Applicant Company No.1 is being owned by Applicant Company No.3 (90% Equity Share Capital) and by Bharti Airtel Services Limited-Another wholly-owned subsidiary of Applicant Company No.3 (10% Equity Share Capital). The Equity share capital of Applicant Company No. 2 is being owned by Applicant Company No.3 (95% Equity Share Capital) and by Bharti Airtel Services Limited-Another wholly-owned subsidiary of Applicant Company No.3 (5% Equity Share Capital).

18. The shareholding structures of the applicant companies meets the requirement of Section 2(87) of the Act which defines "Subsidiary Company", as the holding company i.e. Applicant Company No.3 exercises or controls more than one-half of the total share capital of the other companies i.e. Applicant Company No.1 and 2 either on its own or together with one or more of its subsidiary companies.

19. The net-worth of the Applicant Company 2 as on September 30, 2021 is Rs. 8,924 Million (Rupees Eight Thousand Nine Hundred Twenty Four Million Only), and the pre-amalgamation and post-amalgamation net-worth of the Applicant Company 3 as on September 30, 2021 is Rs. 733,721 Million (Rupees Seven Hundred Thirty Three Thousand Seven Hundred Twenty One



Million Only) and Rs.745,302/- (Rupees Seven Hundred Forty Five Thousand Three Hundred Two Million Only), respectively. The present Scheme is an arrangement between the Applicant Company No.1 and the Applicant Company No.2 and their respective shareholders and the Applicant Company No.3 as contemplated under Section 230(1)(b) of the Act. It is stated by the applicant companies that there is no compromise or arrangement with any of the creditors of Applicant Company No. 2. The post amalgamation net worth of the Applicant Company No. 3 will be sufficient and positive which will enable the Applicant Company No. 3 to meet its aggregate liabilities and all the creditors will be paid during the ordinary course of business.

20. It is further averred by the Applicant Companies that as a result of the present amalgamation, no shares of the Applicant Company No.3 will be issued to the shareholders of Transferor Company No.1 or Transferor Company No.2. Accordingly, there shall be no impact on the shareholders and creditors of the Transferee Company and the present Scheme is in no manner prejudicial to the interests of the creditors of the Applicant Company No.3 and their liability is not reduced or extinguished.

21. It is also stated that in the present Scheme of Amalgamation, no shares will be issued by the Transferee Company to the shareholders of either of the Transferor Company No.1 or Transferor Company No.2. Accordingly, there shall be no impact on the shareholders and creditors of the Transferee Company. Accordingly, the proposed Scheme will not result in any dilution/change in shareholding of the Applicant Company No.3 and there is no compromise or arrangement with the shareholders of the Applicant Company

No.3. Moreover, the Scheme is in no manner prejudicial to the interests of the said unsecured creditors of the Applicant Company No.3 and that in terms of the Scheme, no liability of any of the creditors of the Applicant Company No.3 is proposed to be reduced or extinguished and post amalgamation net worth of the Applicant Company No.3 will be Rs.7,45,302/- (Rupees Seven Hundred Forty Five Thousand Three Hundred Two Million Only). Reliance is placed on the decision of the Hon'ble NCLAT, Principal bench, New Delhi in ***Ericsson India Private Limited with Ericsson India Global Services Private Limited in Company Appeal (AT) No.148 of 2021 dated 18.01.2022***, Para 5 which is extracted as below for the sake of clarity:-

*“5. Section 230(2) (a) of the Act read with Rule 6(3)(viii) of the Rules shows that the scope and intent is to require Companies to disclose all investigations/proceedings which are 'material' and relating to the Company. We are of the considered view that the wording of Section 230(2)(a) should be interpreted as 'all material facts relating to the Companies, such as, pendency of any investigation of any proceeding against the Company. The Affidavit filed by the Appellant Companies discloses all the duly Audited Financial Statements along with the investigations and enquiries which are material to the implementation of the Scheme. In any event, as per Clause 6 of the Scheme upon this implementation, all proceedings in the name of the Transferor Company' shall be continued and enforced against the Transferee Company' and such proceedings shall not be discontinued or prejudicially affect anyone by reason of the Scheme. Accordingly, the requirements of Section 230(2)(a) of the Act read with Rule 6(3)(viii) of the Rules are met.*

*6. This Tribunal in a catena of Judgements has dispensed with the meeting of the shareholders wherein the case is of a merger of a wholly owned subsidiary and parent company, wherein, the net worth of both companies is positive and 'Unsecured Creditors' are paid off in the ordinary course of business and their liability is not affected as it is neither reduced nor extinguished. Relying on the judgments of this Tribunal in the matter of '**Ambuja Cements Limited' in Company Appeal (AT) No.19 of 2021, 'Mohit Agro Commodities Processing Pvt. Ltd. & Ors.' in Company Appeal (AT) No.59 of 2021 and 'DLF Phase IV, Commercial Developers Limited and Ors.' in Company Appeal (AT) No.180 of 2019**, we are of the considered view that as the*

*merger is of a wholly owned subsidiary company into its holding company, no shares would be allotted as consideration pursuant to the merger; the proposed Scheme will not result in any dilution in the shareholding of the Shareholders of the "Transferee Company", the net worth of the 'Transferee Company' is positive, we are of the considered view that the ratio of this Tribunal in the aforementioned judgements can be squarely made applicable to the facts of this case. We also hold that the material disclosed in the affidavit is in compliance of Section 230(2)(a) of the Act read with Rule 6(3)(viii) of the Rules.*

*7. Hence, the appeal is allowed and the impugned order dated 23.09.2021 is set aside.*

This proposition has been upheld by various High Courts and Benches of the NCLT:

- (a) The Hon'ble National Company Law Appellate Tribunal vide its order dated January 18, 2022 in the matter concerning the amalgamation between wholly-owned subsidiary namely ***Ericsson India Private Limited and its parent company namely Ericsson India Global Services Private Limited, in Company Appeal (AT) No. 148 of 2021;***
- (b) The Hon'ble National Company Law Appellate Tribunal vide its order dated June 28, 2021 in the matter concerning the amalgamation between wholly-owned subsidiary namely ***Mohit Agro Commodities Processing Private Limited and its parent company namely Gujarat Ambuja Exports Limited, in Company Appeal (AT) No. 59 of 2021;***
- (c) The Mumbai Bench of the NCLT vide its order dated September 4, 2017 in the matter concerning the amalgamation between wholly-owned subsidiary companies, namely, ***Windermere Properties Pvt. Ltd., Haddock Properties Pvt. Ltd., Grandeur***

**Properties Pvt. Ltd., Winchester Properties Pvt. Ltd.,  
Pentagram Properties Pvt. Ltd. and their holding company  
namely, Housing Development and Finance Corporation Ltd.  
in Company Scheme Application No. 243 of 2017;**

22. It is also observed in the case of **DLF Phase-IV Commercial Developers Limited with DLF Limited in CA No.741/2019 With CA (CAA) No.39/Chd/Hry/2018**, it has been held that:

*“12. In **Jupiter Alloys & Steel (India) Limited (supra)**, though the main issue was ‘whether the Tribunal has power to grant dispensation of the shareholder’s meeting even if there was required percentage of consent’, but the other issue that ‘whether Tribunal has power to dispense with the meetings of Shareholders/Secured Creditors/Unsecured Creditors when there was no consent’ was also eventually considered. It was observed that ‘it cannot be ignored that almost all the High Courts have exercised this discretion since long and dispensed with the calling of the meetings in appropriate situations. The precedents created by the High Courts to dispense with the requirement of convening the meetings are worth and continuation of such precedents are virtue in the era of ease of doing business as well as future course of corporate actions. A settled issue should not be unsettled without proper reasons. Thus, the notion that calling of meetings is mandatory does not stand’, and ‘when with the conditions mentioned in clauses (a) and (b) of sub-section (1) of Section 232 of the Act are satisfied, the Tribunal is empowered to take appropriate steps in the interest of justice under Rule 11 of National Company Law Tribunal Rules, 2016 read with Rule 24(2) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.’*

*13. In any event, invoking such power is an exception to the Rule and can be done only in a particular case, depending on the facts and circumstances of the case. In the present case it is stated that the transferee company, directly and indirectly has 100% holding in the transferor company No. 4 and the scheme is between the wholly owned subsidiary companies and their holding company and the net worth of the demerged company, post sanction of the scheme will be ₹1.14 crores whereas the net worth of transferee company will be ₹22,777.17 crores and the unsecured creditors of demerged company will become the unsecured creditors of the transferee company.*

*14. We have carefully perused the proposed scheme and in the circumstances and in view of the decisions on which the learned senior*

*counsel placed reliance and in view of the directions given in **Jupiter Alloys & Steels (India) Limited (supra)**, we find that the subject prayer deserved to be allowed subject to the discussion in the succeeding para.”*

23. Keeping in view of the decisions in the aforesaid judgments and the fact that there will be no-issuance of shares by the Transferee Company to the Shareholders of the Transferor Companies and the net worth of the Transferee Company is sufficient to discharge the claims of the Creditors of Applicant Company No.2 and Transferee Company in the normal course of business, the meetings of Unsecured Creditors of Applicant Company No.2 and Applicant Company No.3 and Equity Shareholders of Applicant Company No.3 are dispensed with.

24. Accordingly, the directions of this Bench in the present case are as under:-

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

- a. The meetings of the Equity Shareholders are dispensed with keeping in view the shareholding pattern, financial structure of the company and the fact that the consent of all the Equity Shareholders has been received by way of affidavits.
- b. Since, there are Nil Secured Creditors in the Transferor Company No.1/Applicant Company No.1. Therefore, there is no scope for any meeting.
- c. The meeting of the Unsecured Creditors of the Transferor Company No.1/Applicant Company No.1 is dispensed with as it has 2 (Two)

Unsecured Creditors and the consent of the Unsecured Creditors holding 99.99% in value have been received by way of affidavits.

**II. In relation to the Transferor Company No.2/Applicant Company No.2:**

- a. The meetings of the Equity Shareholders are dispensed with keeping in view the shareholding pattern, financial structure of the company and the fact that the consent of all the Equity Shareholders has been received by way of affidavits.
- b. Since, there are Nil Secured Creditors in the Transferor Company No.2/Applicant Company No.2. Therefore, there is no scope for any meeting.
- c. The meeting of the Unsecured Creditors of the Transferor Company No.2/Applicant Company No.2 is dispensed with as it has 1,942 (One thousand Nine hundred Forty-Two) Unsecured Creditors for the reasons recorded in above Para No. 23.

**III. In relation to the Transferee Company/Applicant Company No.3:**

- a. The meetings of the Equity Shareholders are dispensed with keeping in view the shareholding pattern, financial structure of the company and for the reasons recorded in above Para No. 23.
- b. Since, there are Nil Secured Creditors in the Transferee Company/Applicant Company No.3. Therefore, there is no scope for any meeting.
- c. The meeting of the Unsecured Creditors of the Transferee Company/Applicant Company No.3 is dispensed with as it has 10,101

(Ten thousand One Hundred One) Unsecured Creditors for the reasons recorded in above Para No. 23.

**IV.** The meetings of Unsecured Creditors of Applicant Company No. 2 & 3 and Equity Shareholders of Applicant Company No. 3 are being dispensed with subject to strict compliance of the conditions laid down herein:-

- a. Both the applicant companies No.2 and 3 shall file their respective list of Creditors as on the date of passing of this Order, with the Registry within a fortnight from the date of Order. The Applicant Company No.3 shall also file its list of equity shareholders, as on the date of passing of this order, with the Registry within a fortnight from the date of the order.
- b. Both the Applicant Companies No. 2 and 3 to serve the notices through Speed Post/Courier/Email upon their current creditors as on the date of passing of this Order in the same manner as the notices shall be served to various authorities as per Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings and with a direction that they may submit their representations, if any, to the Tribunal and a copy of the same shall be simultaneously served on the concerned applicant company. If no response is received from such creditors within 30 days of the date of receipt of the notice it shall be presumed that such creditors have no objection to the proposed

Scheme. Similar action shall also be taken in respect of current equity shareholders of the Applicant Company No.3.

- c. The notices to be served under Section 230 (5) of the Companies Act, 2013 as aforesaid shall contain all disclosures as mentioned in Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 irrespective of the fact that meetings have been dispensed with.
- d. Both the Applicant Companies No. 2 and 3 shall furnish a copy of the Scheme free of charge within 1 day of any requisition for the same made by every creditor as mentioned above or member of the concerned Applicant Companies.
- e. Both the Applicant Companies No. 2 and 3 to serve the notice upon the (a) Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies, (c) concerned Income Tax Department, (d) the Official Liquidator (in case of both Applicant Company No. 2 & 3) and (e) BSE (f) NSE and (g) SEBI in case of Transferee Company/Applicant company No. 3, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings. If no response is received by the Tribunal from the above authorities within 30 days of the date of receipt of the notice it will be presumed that such authorities have no objection



to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- f. Both the Applicant Companies No.2 and 3 shall file an affidavit in compliance of all the conditions laid down herein along with original proof of service to all the authorities and creditors.
- g. Liberty is given to file a Joint application by the applicant companies in accordance with Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 15 days after the expiry of period of 30 days as mentioned in Section 230(5) of the Companies Act, 2013.

25. In view of the above, the First Motion Application stands allowed by giving liberty to the Applicant Companies to file Second Motion Petition with a direction that the Applicant Companies shall make specific prayer for sending notices to the (a) Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies, (c) concerned Income Tax Department, (d) the Official Liquidator (in case of all Applicant Companies) and (e) BSE (f) NSE and (g) SEBI (in case of Transferee Company/Applicant company No. 3) in the title of the Second Motion Petition.

Sd/-  
**(Subrata Kumar Dash)**  
**Member (Technical)**

Sd/-  
**(Harnam Singh Thakur)**  
**Member (Judicial)**

June 02, 2022  
AV

# Nettle Infrastructure Investments Limited

## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NETTLE INFRASTRUCTURE INVESTMENTS 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 Nettle Infrastructure Investments Limited ("**Nettle**") and Telesonic Networks Limited ("**TNL**"), which together with Nettle, are collectively referred to as the "**Transferor Companies**") and their respective shareholders and Bharti Airtel Limited ("**Airtel**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of Nettle ("**Board**") *vide* resolution dated January 4, 2022. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for the: (a) amalgamation of Nettle into Airtel; and (b) amalgamation of TNL into Airtel, on a going concern basis. 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 Nettle 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 Scheme, as approved by the Board *vide* resolution dated January 4, 2022, was presented/ shared with the Board.

### 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 (" <b>KMPs</b> ") of Nettle	<p>Upon the Effective Date and with effect from the Appointed Date, all employees of Nettle as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to Nettle, on the Effective Date. The services of such employees with Nettle, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law.</p> <p>Further, upon the Effective Date and with effect from the Appointed Date, all contributions to funds and schemes in respect of provident fund, employee state</p>

# Nettle Infrastructure Investments Limited

S. NO.	EFFECT OF THE SCHEME ON	
		insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of Nettle shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.
2.	Promoter and Non-Promoter Shareholders of Nettle	<p>Nettle has only a single class of shareholders being the equity shareholders of Nettle.</p> <p>Upon the Effective Date, Nettle shall stand dissolved without being wound up.</p> <p>Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of Nettle, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of Nettle appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>

### 3. Valuation

- 3.1 Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.

# Nettle Infrastructure Investments Limited

- 3.2 TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.
- 3.3 Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.
- 3.4 In view of the above, no valuation report or fairness opinion have been obtained.
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 Nettle Infrastructure Investments Limited**

  
**Richa Gupta Rohatgi  
Authorised Signatory**

Date: June 10, 2022  
Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Balance Sheet**  
**(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Annexure - 4

Particulars	Notes	As of December 31, 2021	As of March 31, 2021
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	9	10
Investments	6	138,343	136,586
Other financial assets		0	0
		<b>138,352</b>	<b>136,596</b>
<b>Non-financial assets</b>			
Income tax recoverable		73	73
Other non-financial assets		0	0
		<b>73</b>	<b>73</b>
<b>Total Assets</b>		<b>138,425</b>	<b>136,669</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Debt securities	7	150,000	150,000
Borrowings	8	14,469	5,330
Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises		1	56
Other financial liabilities		0	0
		<b>164,470</b>	<b>155,386</b>
<b>Non-financial liabilities</b>			
Provisions		0	0
Other non-financial liabilities		1	11
		<b>1</b>	<b>11</b>
<b>Equity</b>			
Equity share capital		1	1
Other equity		(26,047)	(18,729)
		<b>(26,046)</b>	<b>(18,728)</b>
<b>Total liabilities and equity</b>		<b>138,425</b>	<b>136,669</b>

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date


**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No: 117366W / W-100018**



**Nitesh H. Lahoti**  
**Partner**  
 Membership No. 130054  
 Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**  
**Director**  
 DIN - 01996768  
 Place: New Delhi



**Pankaj Tewari**  
**Director**  
 DIN - 08006533  
 Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Statement of Profit and Loss**  
**(All amounts are in millions of Indian Rupee; except per share data)**

Particulars	For the nine months ended December 31, 2021	For the year ended March 31, 2021
<b>Revenue from operations</b>		
Dividend income on investments	-	11,336
	-	11,336
<b>Expenses</b>		
Employee benefits expense	5	8
Other expenses	0	101
	5	109
<b>(Loss) / profit before tax</b>	<b>(5)</b>	<b>11,227</b>
<b>Tax expense</b>		
Current tax	-	-
Deferred tax	-	-
	-	-
<b>(Loss) / profit for the period / year</b>	<b>(5)</b>	<b>11,227</b>
<b>Other comprehensive income ('OCI')</b>		
Items not to be reclassified subsequently to profit or loss :		
- Gain / (loss) on investment fair value through OCI ('FVTOCI')	1,662	(3,684)
<b>Other comprehensive income / (loss) for the period / year</b>	<b>1,662</b>	<b>(3,684)</b>
<b>Total comprehensive income for the period / year</b>	<b>1,657</b>	<b>7,543</b>
<b>(Loss) / earnings per share (in Rs.)</b>		
Face Value of Rs. 10 each		
Basic	(100)	224,540
Diluted	(100)	273

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

**ICAI Firm Registration No: 117366W / W-100018**



**Nilesh H. Lahoti**  
**Partner**  
 Membership No. 130054  
 Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**  
**Director**  
 DIN - 01996768  
 Place: New Delhi



**Pankaj Tewari**  
**Director**  
 DIN - 08006533  
 Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Statement of Changes in Equity**  
**(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Particulars	Equity share capital		Other equity		
	No. of shares. (in '000)	Amount	Retained Earnings	FVTOCI reserve	Total
Balance at the beginning of the previous reporting period (As of April 1, 2020)	50	1	3,707	(27,618)	(23,911)
Profit for the year	-	-	11,227	-	11,227
Other comprehensive loss for the year	-	-	-	(3,684)	(3,684)
Total comprehensive income for the year	-	-	11,227	(3,684)	7,543
Dividends	-	-	(2,361)	-	(2,361)
Balance at the end of the previous reporting period (As of March 31, 2021)	50	1	12,573	(31,302)	(18,729)
Balance at the beginning of the current reporting period (As of April 1, 2021)	50	1	12,573	(31,302)	(18,729)
Loss for the period	-	-	(5)	-	(5)
Other comprehensive income for period	-	-	-	1,662	1,662
Total comprehensive (loss) / income for the period	-	-	(5)	1,662	1,657
Dividends	-	-	(8,975)	-	(8,975)
Balance at the end of the current reporting period (As of December 31, 2021)	50	1	3,593	(29,640)	(26,047)

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

**ICAI Firm Registration No: 117366W / W-100018**



**Nilesh H. Lahoti**

**Partner**

Membership No. 130054

Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**

**Director**

DIN - 01996768

Place: New Delhi



**Pankaj Tewari**

**Director**

DIN - 08006533

Place: New Delhi



**Nettle Infrastructure Investments Limited**  
**Unaudited Special Purpose Condensed Statement of Cash Flows**  
**(All amounts are in millions of Indian Rupee; unless stated otherwise)**

Particulars	For the nine months ended December 31, 2021	For the year ended March 31, 2021
<b>Cash flows from operating activities:</b>		
(Loss) / profit before tax	(5)	11,227
<b>Adjustments for:</b>		
Loss on sale of investments	-	30
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(5)</b>	<b>11,257</b>
<b>Adjustments for changes in operating assets and liabilities :</b>		
Other financial / non-financial assets	0	0
Other financial / non-financial liabilities	(65)	65
<b>Net cash (used) / generated from operations before tax</b>	<b>(70)</b>	<b>11,322</b>
Income taxes paid - Net	-	(56)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(70)</b>	<b>11,266</b>
<b>Cash flows from investing activities:</b>		
Purchase of investment	(95)	(29,287)
Sale of investment	-	69
<b>Net cash used in investing activities (B)</b>	<b>(95)</b>	<b>(29,218)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(71)	(11,967)
Proceeds from borrowings	9,210	32,287
Dividend paid	(8,975)	(2,361)
<b>Net cash generated from financing activities (C)</b>	<b>164</b>	<b>17,959</b>
<b>Net (decrease) / increase in cash &amp; cash equivalents during the period / year (A+B+C)</b>	<b>(1)</b>	<b>7</b>
Cash and cash equivalents at the beginning of the period / year	10	3
<b>Cash and cash equivalents at the end of the period / year</b>	<b>9</b>	<b>10</b>

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 10 forms an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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



**Nilesh H. Lahoti**  
**Partner**  
 Membership No. 130054  
 Place : Gurugram

Date : April 7, 2022

**For Nettle Infrastructure Investments Limited**



**Devendra Khanna**  
**Director**  
 DIN - 01996768  
 Place: New Delhi



**Pankaj Tewari**  
**Director**  
 DIN - 08006533  
 Place: New Delhi





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

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

**1. Background**

- 1.1 The proposed composite scheme of arrangement ("**Scheme**") between Nettle Infrastructure Investments Limited ("**Nettle**") and Telesonic Networks Limited ("**TNL**"), which together with Nettle, are collectively referred to as the "**Transferor Companies**") and their respective shareholders and Bharti Airtel Limited ("**Airtel**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was approved by the board of directors of TNL ("**Board**") *vide* resolution dated January 4, 2022. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for the: (a) amalgamation of Nettle into Airtel; and (b) amalgamation of TNL into Airtel, on a going concern basis. 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 TNL 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 Scheme, as approved by the Board *vide* resolution dated January 4, 2022, was presented/ shared with the Board.

**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 (" <b>KMPs</b> ") of TNL	Upon the Effective Date and with effect from the Appointed Date, all employees of TNL as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to TNL, on the Effective Date. The services of such employees with TNL, up to the Effective Date, shall be taken into account for the purposes of all benefits to which the employees may be eligible under applicable law.

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S. NO.	EFFECT OF THE SCHEME ON	
		<p>Further, upon the Effective Date and with effect from the Appointed Date, 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 such employees of TNL shall be made by Airtel in accordance with the provisions of such schemes or funds and applicable law.</p>
2.	Promoter and Non-Promoter Shareholders of TNL	<p>TNL has only a single class of shareholders being the equity shareholders of TNL.</p> <p>Upon the Effective Date, TNL shall stand dissolved without being wound up.</p> <p>TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of TNL, as held by its shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of TNL appearing in the books of accounts of its shareholders and their nominees shall stand cancelled.</p>

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Corporate Identity Number: U64200HR2009PLC096372 (New)



### 3. Valuation

- 3.1 Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.
- 3.2 TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.
- 3.3 Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.
- 3.4 In view of the above, no valuation report or fairness opinion have been obtained.

### 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 Telesonic Networks Limited**

  
Richa Gupta Rohatgi  
Authorised Signatory



Date: June 10, 2022  
Place: New Delhi

**Telesonic Networks Limited**

**Unaudited Special Purpose Condensed Financial Statements**

**December 31, 2021**

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed Balance Sheet**  
*(All amounts are in millions of Indian Rupee; unless stated otherwise)*

	Notes	As of	
		December 31, 2021	March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	76,172	61,894
Capital work-in-progress		5,314	6,256
Right of use assets		75	-
<b>Financial assets</b>			
- Other financial assets		8	48
Income tax assets (net)		741	932
Other non-current assets		14	12
		<b>82,324</b>	<b>69,142</b>
<b>Current assets</b>			
Inventories		1,934	1,661
<b>Financial assets</b>			
- Investments		-	751
- Trade receivables		1,355	1,223
- Cash and cash equivalents	6	26	223
- Other bank balances		21	17
- Unbilled revenue		2,181	1,571
- Other financial assets		398	266
Other current assets		5,028	3,878
		<b>10,943</b>	<b>9,590</b>
<b>Total assets</b>		<b>93,267</b>	<b>78,732</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital		939	939
Other equity		8,727	6,933
		<b>9,666</b>	<b>7,872</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	7	29,963	27,500
- Lease liabilities		69	-
Deferred revenue		4,979	5,133
Provisions		315	424
Deferred tax liabilities (net)		2,820	2,135
		<b>38,146</b>	<b>35,192</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	7	16,299	11,223
- Lease liabilities		9	-
- Trade payables			
-total outstanding dues of micro enterprises and small enterprises		677	427
-total outstanding dues of creditors other than micro enterprises and small enterprises		5,012	3,595
- Other financial liabilities		22,427	19,388
Deferred revenue		647	622
Provisions		258	240
Current tax liabilities (net)		11	5
Other current liabilities		115	168
		<b>45,455</b>	<b>35,668</b>
<b>Total liabilities</b>		<b>83,601</b>	<b>70,860</b>
<b>Total equity and liabilities</b>		<b>93,267</b>	<b>78,732</b>

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

As per our report of even date

For Telesonic Networks Limited

For Deloitte Haskins & Sells LLP

Chartered Accountants

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



**Nilesh H. Lahoti**  
Partner

Membership No: 130054

Place: Gurugram



**Pankaj Tewari**  
Director

DIN: 08006533

Place: New Delhi



**Soumen Ray**  
Director

DIN: 09484511

Place: Gurugram

Date: April 7, 2022

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed Statement of Profit and Loss**  
*(All amounts are in millions of Indian Rupee; except per share data)*

	Notes	For the nine months ended	For the year ended
		December 31, 2021	March 31, 2021
<b>Income</b>			
Revenue from operations	8	19,991	21,030
Other income		12	64
		<b>20,003</b>	<b>21,094</b>
<b>Expenses</b>			
Network operating expenses		6,986	6,443
Employee benefits expense		1,548	2,116
Other expenses		3,176	2,360
		<b>11,710</b>	<b>10,919</b>
<b>Profit before depreciation, finance costs and tax</b>		<b>8,293</b>	<b>10,175</b>
Depreciation expense		3,834	3,880
Finance costs		1,991	2,170
<b>Profit before tax</b>		<b>2,468</b>	<b>4,125</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		683	1,148
		<b>683</b>	<b>1,148</b>
<b>Profit for the period / year</b>		<b>1,785</b>	<b>2,977</b>
<b>Other Comprehensive Income ('OCI')</b>			
Items not to be reclassified to profit or loss:			
Re-measurement gain / (loss) on defined benefit plans		12	(5)
Tax (charge) / credit		(3)	1
<b>Other comprehensive income / (loss) for the period / year</b>		<b>9</b>	<b>(4)</b>
<b>Total comprehensive income for the period / year</b>		<b>1,794</b>	<b>2,973</b>
<b>Earnings per share (Face value : Rs 10 each)</b>			
Basic and diluted earnings per share		19.01	31.69

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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

For Telesonic Networks Limited



**Nilesh H. Lahoti**  
Partner  
Membership No: 130054  
Place: Gurugram



**Pankaj Tewari**  
Director  
DIN: 08006533  
Place: New Delhi



**Soumen Ray**  
Director  
DIN: 09484511  
Place: Gurugram

Date: April 7, 2022

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed 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	Retained earnings	Capital reserve	Total	
As of April 1, 2020	93,927	939	3,907	53	3,960	4,899
Profit for the year	-	-	2,977	-	2,977	2,977
Other comprehensive loss for the year	-	-	(4)	-	(4)	(4)
<b>Total comprehensive income</b>	-	-	<b>2,973</b>	-	<b>2,973</b>	<b>2,973</b>
As of March 31, 2021	93,927	939	6,880	53	6,933	7,872
Profit for the period	-	-	1,785	-	1,785	1,785
Other comprehensive income for the period	-	-	9	-	9	9
<b>Total comprehensive income</b>	-	-	<b>1,794</b>	-	<b>1,794</b>	<b>1,794</b>
As of December 31, 2021	93,927	939	8,674	53	8,727	9,666

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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

**For Telesonic Networks Limited**



**Nilesh H. Lahoti**  
**Partner**  
 Membership No: 130054  
 Place: Gurugram



**Pankaj Tewari**  
**Director**  
 DIN: 08006533  
 Place: New Delhi



**Soumen Ray**  
**Director**  
 DIN: 09484511  
 Place: Gurugram

**Date: April 7, 2022**

**Telesonic Networks Limited**  
**Unaudited Special Purpose Condensed Statement of Cash Flows**  
*(All amounts are in millions of Indian Rupee; unless stated otherwise)*

	For the nine months ended December 31, 2021	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before tax	2,468	4,125
<b>Adjustments for:</b>		
Depreciation expense	3,834	3,880
Finance costs	1,991	2,170
Interest income	(4)	(59)
Net gain on fair value through profit and loss (FVTPL) instruments	(5)	-
Loss on sale of property, plant and equipment	6	-
Other non - cash items	336	125
<b>Operating cash flow before changes in working capital</b>	<b>8,626</b>	<b>10,241</b>
<b>Changes in working capital</b>		
Trade receivables	(279)	4,211
Trade payables	1,664	1,321
Inventories	(339)	(943)
Provisions	(122)	76
Other financial and non-financial liabilities	(258)	(2,011)
Other financial and non-financial assets	(1,934)	(671)
<b>Net cash generated from operations before tax</b>	<b>7,358</b>	<b>12,224</b>
Income tax refund / (paid) - net	195	(507)
<b>Net cash generated from operating activities (a)</b>	<b>7,553</b>	<b>11,717</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and capital work-in-progress	(14,768)	(47,561)
Proceeds from sale / (purchase) of current investments (net)	755	(751)
Interest received	4	59
<b>Net cash used in investing activities (b)</b>	<b>(14,009)</b>	<b>(48,253)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	34,130	64,000
Repayment of borrowings	(30,560)	(26,350)
Payment of lease liabilities	(3)	-
Proceeds from short-term borrowings (net)	4,005	973
Interest and other finance charges paid	(1,313)	(2,137)
<b>Net cash generated from financing activities (c)</b>	<b>6,259</b>	<b>36,486</b>
<b>Net decrease in cash and cash equivalents during the period / year (a+b+c)</b>	<b>(197)</b>	<b>(50)</b>
Add : Cash and cash equivalents as at the beginning of the period / year	223	273
<b>Cash and cash equivalents as at the end of the period / year (refer note 6)</b>	<b>26</b>	<b>223</b>

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 8 form an integral part of these Unaudited Special Purpose Condensed Financial Statements.

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

**For Telesonic Networks Limited**



**Nilesh H. Lahoti**  
Partner  
Membership No: 130054  
Place: Gurugram



**Pankaj Tewari**  
Director  
DIN: 08006533  
Place: New Delhi



**Soumen Ray**  
Director  
DIN: 09484511  
Place: Gurugram

Date: April 7, 2022



**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 Nettle Infrastructure Investments Limited (“Nettle”) and Telesonic Networks Limited (“TNL”), which together with Nettle, are collectively referred to as the “Transferor Companies”) and their respective shareholders and Bharti Airtel Limited (“Airtel”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) was approved by the board of directors of Airtel (“Board”) vide resolution dated January 4, 2022. All terms not defined herein shall have the meaning ascribed under the Scheme.
- 1.2 The Scheme provides for the: (a) amalgamation of Nettle into Airtel; and (b) amalgamation of TNL into Airtel, on a going concern basis. 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 Scheme, as approved by the Board vide resolution dated January 4, 2022, was presented/ shared with the Board.

**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 Scheme will not have any effect on the KMP’s of Airtel since upon the Effective Date and with effect from the Appointed Date, all employees of the Transferor Companies as on the Effective Date shall be deemed to have become employees of Airtel, without any interruption of service and on the basis of continuity of service and terms and conditions no less favourable than those applicable to them with reference to the Transferor Companies, on the Effective Date.
2.	Promoter and Non-Promoter Shareholders of Airtel	Airtel has only a single class of shareholders being the equity shareholders of Airtel.  There shall be no change in the shareholding of the Promoter and Non-Promoter equity shareholders of Airtel pursuant to the Scheme.  Nettle is a wholly owned subsidiary of

**Bharti Airtel Limited**

(a Bharti Enterprise)

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CIN: L74899HR0003PLC095967

S. NO.	EFFECT OF THE SCHEME ON
	<p>Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 equity shares having a face value of Rs. 10/- each.</p> <p>TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.</p> <p>Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.</p>

### 3. Valuation

- 3.1 Nettle is a wholly owned subsidiary of Airtel, with Airtel (along with its five individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 90% and 10% of the equity share capital of Nettle, aggregating 50,000 (Fifty Thousand) equity shares having a face value of Rs. 10/- each.
- 3.2 TNL is a wholly owned subsidiary of Airtel, with Airtel (along with its 5 individual nominee shareholders) and Bharti Airtel Services Limited (another wholly owned subsidiary of Airtel), respectively, holding 95% and 5% of the equity share capital of TNL, aggregating 9,39,27,154 equity shares having a face value of Rs. 10/- each.
- 3.3 Accordingly, the Scheme does not envisage any issue of shares and in terms of Clause 9.1 of Part II and Clause 9.1 of Part III of the Scheme, upon the Effective Date, the entire existing issued and paid up equity share capital of the Transferor Companies, as held by their shareholders and their nominees, shall be automatically cancelled. Consequently, upon the Effective Date, the investments in the equity share capital of the Transferor Companies appearing in the books of accounts of their shareholders and their nominees shall stand cancelled.

**Bharti Airtel Limited**

(a Bharti Enterprise)

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CIN: L74899HR0005PLC095967

3.4 In view of the above, no valuation report or fairness opinion have been obtained.

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: June 10, 2022  
Place: New Delhi

**Bharti Airtel Limited**

(a Bharti Enterprise)

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**Corporate Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India

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CIN: L74899HR325PLC095967



**Bharti Airtel Limited**  
**Interim Condensed Standalone Financial Statements**  
**December 31, 2021**

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



Assets	Notes	As of	
		December 31, 2021	March 31, 2021
<b>Non-current assets</b>			
Property, plant and equipment	5	564,554	555,676
Capital work-in-progress	5	16,728	12,831
Right-of-use assets	6	360,223	348,369
Goodwill	7	739	739
Other intangible assets	7	792,691	669,100
Intangible assets under development	7	17,145	232
Investments in subsidiaries, associates and joint ventures		335,046	335,133
<b>Financial assets</b>			
- Investments		150,228	150,154
- Other financial assets		16,983	16,905
Income tax assets (net)		15,631	14,206
Deferred tax assets (net)		162,239	158,386
Other non-current assets		55,392	115,021
		<b>2,487,599</b>	<b>2,376,752</b>
<b>Current assets</b>			
Inventories	7		8
<b>Financial assets</b>			
- Investments			37,443
- Derivative instruments		142	28
- Trade receivables		38,517	31,782
- Cash and cash equivalents		2,638	9,928
- Other bank balances		286	437
- Loans		30,585	15,669
- Other financial assets		205,868	196,700
Other current assets		91,253	108,724
		<b>369,296</b>	<b>400,719</b>
<b>Total assets</b>		<b>2,856,895</b>	<b>2,777,471</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital		27,950	27,460
Other equity		786,189	746,141
		<b>814,139</b>	<b>773,601</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		949,603	899,088
- Lease liabilities		317,835	299,986
- Other financial liabilities		44,268	74,291
Deferred revenue		12,902	13,906
Provisions		2,342	2,205
		<b>1,326,950</b>	<b>1,289,476</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		55,213	44,989
- Lease liabilities		57,205	60,011
- Derivative instruments		475	430
- Trade payables			
-total outstanding dues of micro enterprises and small enterprises		935	702
-total outstanding dues of creditors other than micro enterprises and small enterprises		246,182	222,248
- Other financial liabilities		71,860	111,488
Deferred revenue		56,273	42,520
Provisions		214,194	201,566
Current tax liabilities (net)		187	415
Other current liabilities		13,282	30,025
		<b>715,806</b>	<b>714,394</b>
<b>Total liabilities</b>		<b>2,042,756</b>	<b>2,003,870</b>
<b>Total equity and liabilities</b>		<b>2,856,895</b>	<b>2,777,471</b>

The accompanying notes 1 to 16 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)**

*Vijay Agarwal*

**Vijay Agarwal**  
**Partner**  
 Membership No: 094468  
 Place: Gurugram



Date: February 8, 2022

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

*Rakesh Mittal*  
**Rakesh Bharti Mittal**  
**Director**

DIN: 00042494  
 Place: New Delhi

*Soumen Ray*  
**Soumen Ray**  
**Chief Financial Officer**  
 Place: Gurugram

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

*Pankaj Tewari*  
**Pankaj Tewari**  
**Company Secretary**  
 Place: New Delhi



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



Notes	For the three months ended		For the nine months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Income</b>				
Revenue from operations	179,285	169,358	511,471	479,964
Other income	1,158	809	11,742	10,785
	<b>180,443</b>	<b>170,167</b>	<b>523,213</b>	<b>490,749</b>
<b>Expenses</b>				
Network operating expenses	44,535	37,252	124,154	110,733
Access charges	7,800	25,315	23,254	73,238
License fee / Spectrum charges	20,739	17,092	61,393	48,909
Employee benefits expense	3,589	4,211	11,791	12,730
Sales and marketing expenses	8,473	5,799	22,097	13,957
Other expenses	4,453	5,441	14,910	16,588
	<b>89,589</b>	<b>95,110</b>	<b>257,599</b>	<b>276,155</b>
<b>Profit before depreciation, amortisation, finance costs, exceptional items and tax</b>	<b>90,854</b>	<b>75,057</b>	<b>265,614</b>	<b>214,594</b>
Depreciation and amortisation expense	63,227	56,357	182,262	164,376
Finance costs	35,415	29,687	105,979	86,291
<b>Loss before exceptional items and tax</b>	<b>(7,788)</b>	<b>(10,987)</b>	<b>(22,627)</b>	<b>(36,073)</b>
Exceptional items (net)	-	37,463	(7,221)	153,434
<b>Loss before tax</b>	<b>(7,788)</b>	<b>(48,450)</b>	<b>(15,406)</b>	<b>(189,507)</b>
<b>Tax (credit) / expense</b>				
Current tax	-	-	-	(1,312)
Deferred tax	(1,909)	35,011	(3,838)	68,344
	<b>(1,909)</b>	<b>35,011</b>	<b>(3,838)</b>	<b>67,032</b>
<b>Loss for the period</b>	<b>(5,879)</b>	<b>(83,461)</b>	<b>(11,568)</b>	<b>(256,539)</b>
<b>Other comprehensive income</b>				
Items not to be reclassified to profit or loss:				
- Re-measurement gain / (loss) on defined benefit plans	10	(77)	(57)	(35)
- Tax (charge) / credit	(3)	20	14	9
<b>Other comprehensive income / (loss) for the period</b>	<b>7</b>	<b>(57)</b>	<b>(43)</b>	<b>(26)</b>
<b>Total comprehensive loss for the period</b>	<b>(5,872)</b>	<b>(83,518)</b>	<b>(11,611)</b>	<b>(256,565)</b>
<b>Loss per share (Face value: Rs. 5 each)*</b>				
Basic and diluted loss per share	(1.06)	(15.22)	(2.09)	(46.80)

\*Basic and diluted loss per share for all the previous periods have been retrospectively adjusted for the bonus element in respect of the Rights Issue made during the quarter ended December 31, 2021 (refer note 4(iii)).

The accompanying notes 1 to 16 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)**



**Vijay Agarwal**  
**Partner**  
 Membership No: 094468  
 Place: Gurugram

Date: February 8, 2022

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

**Rakesh Bharti Mittal**  
**Director**

DIN: 00042494  
 Place: New Delhi

**Soumen Ray**  
**Chief Financial Officer**  
 Place: Gurugram

**Gopal Mittal**  
**Managing Director & CEO**  
**(India and South Asia)**

DIN: 02291778  
 Place: Gurugram

**Pankaj Tewari**  
**Company Secretary**  
 Place: New Delhi





**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		Reserves and Surplus							Other equity			Total equity
	No. of shares (in '000)	Amount	Retained earnings	General reserve	Business restructuring reserve	Debt redemption reserve	Share-based payment reserve	Capital reserve	Equity component of money convertible bond	Total	Total equity		
												Securities premium	
As of April 1, 2020	6,466,667	27,378	413,866	22,762	16,313	7,600	679	30,430	3,642	587,014	1,014,282		
Losses for the period	-	-	(256,539)	-	-	-	-	-	-	(256,539)	(256,539)		
Other comprehensive loss (net of Tax)	-	-	(26)	-	-	-	-	-	-	(26)	(26)		
Total comprehensive loss	-	-	(256,565)	-	-	-	-	-	-	(256,565)	(256,565)		
Transactions with owners of equity													
Employee share-based payment expense	-	-	-	44	-	-	552	-	-	(339)	552		
Exercise of share options	-	-	(10,011)	-	-	-	(393)	-	-	(10,911)	(10,911)		
Issue of equity shares on preferential basis (refer note 4 (viii))	-	-	10,313	-	(16,313)	-	-	-	-	-	-		
Adjustment on account of Intra-travel merger (refer note 4(x))	-	-	-	-	-	-	-	-	-	-	-		
Common control transaction	-	-	(26)	-	-	-	-	-	-	(26)	(26)		
As of December 31, 2020	6,466,667	27,378	152,667	22,798	-	7,600	748	30,430	3,642	719,726	747,003		
Income for the period	-	-	4,563	-	-	-	-	-	-	4,563	4,563		
Other comprehensive income (net of Tax)	-	-	26	-	-	-	-	-	-	26	26		
Total comprehensive income	-	-	4,591	-	-	-	-	-	-	4,591	4,591		
Transactions with owners of equity													
Issue of equity shares on preferential basis (refer note 4 (viii))	36,470	182	21,699	-	-	-	-	-	-	21,699	21,699		
Exercise of share options	-	-	-	13	-	-	137	-	-	137	137		
Transfer of debt redemption reserve to retained earnings	-	-	-	-	-	(7,500)	(4)	-	-	(11)	(11)		
As of March 31, 2021	6,492,027	27,480	174,768	22,809	-	691	891	30,430	3,642	748,141	773,601		
Losses for the period	-	-	(11,569)	-	-	-	-	-	-	(11,569)	(11,569)		
Other comprehensive loss (net of Tax)	-	-	(3)	-	-	-	-	-	-	(3)	(3)		
Total comprehensive loss	-	-	(11,571)	-	-	-	-	-	-	(11,571)	(11,571)		
Transactions with owners of equity													
Issue of equity shares on preferential basis (note 4(iii))	392,288	490	51,764	-	-	-	420	-	-	51,764	52,254		
Employee share-based payment expense	-	-	-	(5)	-	-	(520)	-	-	(525)	(525)		
Exercise of share options	-	-	-	-	-	-	761	-	-	761	761		
As of December 31, 2021	6,884,316	27,980	163,147	22,804	-	-	761	30,430	3,642	785,193	814,133		

The accompanying notes 1 to 16 form an integral part of these Interim Condensed Standalone Financial Statements.

(86)

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



*Vijay Agarwal*  
**Vijay Agarwal**  
**Partner**  
 Membership No: 094468  
 Place: Gurugram

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

*Rakesh Bharti Mittal*  
**Rakesh Bharti Mittal**  
**Director**

DIN: 00042494  
 Place: New Delhi

*Soumen Ray*  
**Soumen Ray**  
**Chief Financial Officer**  
 Place: Gurugram

*Gopal Mittal*  
**Gopal Mittal**  
**Managing Director & CEO**  
**(India and South Asia)**  
 DIN: 02291778  
 Place: Gurugram

*Pankaj Tewari*  
**Pankaj Tewari**  
**Company Secretary**  
 Place: New Delhi



Date: February 8, 2022

## Interim Condensed Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupee)

	For the nine months ended	
	December 31, 2021	December 31, 2020
<b>Cash flows from operating activities</b>		
Loss before tax	(15,406)	(189,507)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	182,262	164,376
Finance costs	105,453	84,842
Interest income	(659)	(2,910)
Dividend income	(8,527)	(5,335)
Net loss on derivative financial instruments	300	2,565
Net gain on fair value through profit and loss (FVTPL) investments	(815)	(2,370)
Exceptional items (net)	(7,221)	153,434
Loss on sale of property, plant and equipment	0	73
Employee share - based payment expense	400	518
Other non - cash items	(533)	2,878
<b>Operating cash flows before changes in working capital</b>	<b>255,254</b>	<b>208,564</b>
<b>Changes in working capital</b>		
Trade receivables	(7,746)	(10,370)
Trade payables	13,472	17,650
Inventories	(10)	119
Provisions	9,394	(70,138)
Other financial and non-financial liabilities	(3,977)	(948)
Other financial and non-financial assets	4,697	124,394
<b>Net cash generated from operations before tax</b>	<b>271,084</b>	<b>269,271</b>
Income tax paid - net	(1,654)	(782)
<b>Net cash generated from operating activities (a)</b>	<b>269,430</b>	<b>268,489</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and capital-work-in-progress	(117,403)	(106,010)
Proceeds from sale of property, plant and equipment	470	790
Purchase of intangible assets and intangible assets under development	(5,475)	(3,081)
Payment towards spectrum (including deferred payment liability)*	(137,324)	-
Proceeds from sale of spectrum (refer note 4 (v))	10,048	-
Proceeds from sale of current investments (net)	38,258	84,470
Purchase of non-current investments	(74)	(84)
Investment in subsidiaries, joint ventures and associates (refer note 4 (viii))	(913)	(2,403)
Loan given to subsidiaries	(67,990)	(51,750)
Loan repayment by subsidiaries and joint ventures	53,140	27,673
Dividend received	8,527	5,335
Interest received	633	2,443
<b>Net cash used in investing activities (b)</b>	<b>(218,103)</b>	<b>(42,617)</b>





**Interim Condensed Standalone Statement of Cash Flows**

*(All amounts are in millions of Indian Rupee)*

	<b>For the nine months ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares (refer note 4 (iii))	52,254	-
Proceeds from borrowings	25,038	72,459
Repayment of borrowings	(93,603)	(221,903)
Payment of lease liabilities	(38,206)	(36,534)
Proceeds from / (repayment of) short-term borrowings (net)	49,942	(8,561)
Interest and other finance charges paid	(54,031)	(46,707)
Proceeds from exercise of share options	6	5
Dividend paid	-	(10,911)
<b>Net cash used in financing activities (c)</b>	<b>(58,600)</b>	<b>(252,152)</b>
<b>Net decrease in cash and cash equivalents during the period (a+b+c)</b>	<b>(7,273)</b>	<b>(26,280)</b>
Add : Cash and cash equivalents as at the beginning of the period	9,911	30,397
<b>Cash and cash equivalents as at the end of the period (refer note 8)</b>	<b>2,638</b>	<b>4,117</b>

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

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying notes 1 to 16 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)



**Vijay Agarwal**  
Partner  
Membership No: 094468  
Place: Gurugram



Date: February 8, 2022

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

**Rakesh Bharti Mittal**  
Director

DIN: 00042494  
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Chief Financial Officer  
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