

## **Report of the Audit & Risk Management Committee of the Bharti Airtel Limited**

### **Members:**

V. K Viswanathan	- Chairman
Craig Ehrlich	- Member
Shishir Priyadarshi	- Member
Tan Yong Choo	- Member

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### **Background:**

Bharti Airtel Limited (Airtel / Transferee Company / Company) is a public limited company incorporated under the Companies Act, 1956 with its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070. The Company is engaged in the business of providing telecommunications services. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

Augere Wireless Broadband Private Limited, a Company incorporated under the Companies Act, 1956 with its registered office at A-201, RG City Centre, Desh Bandhu Gupta Road, Paharganj, New Delhi 110055. (Augere / Transferor Company). The Transferor Company is primarily engaged in the business of operating, supplying, managing, dealing, or using communication, telecommunication service, telecommunication system and/or system of all kinds for the conveyance, transmittal, reception, broadcast, communication, storage, retrieval and processing by any means of data, sounds, visual images and signals of all kinds and to act as contractors, sub-contractors, franchisors, distributors, wholesalers, dealers, agent, buyer, seller, importer, exporters of all or any of the products or services referred above.

The Board of Directors of the Transferee Company on October 27, 2015 had approved the Scheme of Amalgamation (Scheme) for Amalgamation of the Transferor Company and the Transferee Company.

In terms of the SEBI circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (the Circular) the Audit Committee is required to recommend the Scheme taking into consideration the valuation report. The report of the Audit Committee is made in order to comply with requirements of the said circular.

The Audit Committee considered the following documents:

- (a) The Scheme of Amalgamation;
- (b) Certificate by Independent Chartered Accountant for non-applicability of the Valuation Report in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015;
- (c) Fairness opinion by the merchant banker on valuation of assets and shares; and
- (d) Certificate under para (5) of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, confirming that the scheme is in compliance with the applicable accounting treatment notified under Companies Act, 2013 and other generally accepted principles.

The Transferee Company owns 100% of the paid up share capital of the Transferor Company and as a result of the amalgamation, the shares of Transferee Company held by the Company will stand cancelled, with no issuance of shares or payment of other consideration of the Transferor Company. There will be no change in the shareholding pattern of the Transferee company and no Valuation Report from an Independent Chartered Accountant' is required in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

**Proposed Scheme of Amalgamation:**

The Committee noted that the salient features of the Scheme are as under:

- The Scheme provides for merger of Augere with the Company;
- "Appointed Date" is Effective Date, or any other date as may be decided by the Board of Directors of each of Augere and Airtel.
- "Nil Consideration" (Augere will be merged into Airtel and all assets and liabilities of Augere will get transferred to Airtel. No new shares shall be issued or payment made in cash whatsoever by the Company in lieu of the cancellation of such shares of the Augere;
- Upon the proposed merger becoming effective, all assets, liabilities, contracts, rights, obligations etc. of Augere shall stand transferred to Airtel;
- Upon Scheme coming into effect, Augere shall stand dissolved without any further act or deed.

**Recommendation of the Audit & Risk Management Committee:**

The Audit & Risk Management Committee recommends the Scheme, which has also been considered and approved by the Board of Directors of the Company on October 27, 2015 for favorable consideration by the Stock Exchanges and the Securities and Exchange Board of India.

**Date: January 20, 2016**  
**Place: New Delhi**



**V K Viswanathan**  
**Chairman,**  
**Audit & Risk Management**  
**Committee**