

Report of the Audit Committee of the Bharti Airtel Limited

Members:

Ajay Lal	- Chairman
Craig Ehrlich	- Member
Obiageli Ezekwesili	- Member
Tan Yong Choo	- Member

Background:

Bharti Airtel Limited (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.

Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) ("ABSPL"), a Company incorporated under the Companies Act, 1956 with its registered office at Unit No. 1102, Platina Building, G Block 11th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra East, Mumbai 400051 (Transferor Company / ABSPL). The Transferor Company is primarily engaged in the business of providing internet and broadband services.

The Board of Directors of the Transferee Company on October 21, 2013 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/DIL/5/2013 dated February 4, 2013 (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:

- The Scheme of Amalgamation;
- Declaration by the Company Secretary and the CFO regarding non applicability of the Valuation Report from an Independent Chartered Accountant' in terms of SEBI Circular No. CIR/CFD/DIL/8/2013 date May 21, 2013;
- Fairness opinion from the Company Secretary and the CFO of the Company; and



- (d) Certificate under clause 24(i) of the Listing Agreement from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, confirming that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 211(3C) of the Companies Act, 1956.

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 "ABSPL" 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/DIL/8/2013 dated May 21, 2013.

Proposed Scheme of Amalgamation:


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

- The Scheme provides for merger of "ABSPL" with the Company;
- "Appointed Date" is Effective Date, or any other date as may be decided by the Board of Directors of each of ABSPL and Airtel.
- "Nil Consideration" (ABSPL will be merged into Airtel and all assets and liabilities of ABSPL 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 "ABSPL";
- Upon the proposed merger becoming effective, all assets, liabilities, contracts, rights, obligations etc. of ABSPL shall stand transferred to Airtel;
- Upon Scheme coming into effect, "ABSPL" shall stand dissolved without any further act or deed.

Recommendation of the Audit Committee:

The Audit Committee recommends the Scheme, which has also been considered and approved by the Board of Directors of the Company on October 21, 2013 for favorable consideration by the Stock Exchanges and the Securities and Exchange Board of India.

Date: October 23, 2013
Place: New Delhi


Ajay Lal
Chairman, Audit Committee

