

Recommendation of share entitlement report for the proposed demerger of the CMB of TTSL into BAL and BHL.

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Dated: 19 December 2017

To

**The Board of Directors**

Tata Teleservices Limited  
2A Old Ishwar Nagar,  
Main Mathura Road,  
New Delhi – 110 065

**The Board of Directors**

Bharti Airtel Limited and Bharti Hexacom Limited  
Bharti Crescent,  
1, Nelson Mandela Road, Vasant Kunj Phase II  
New Delhi – 110070

**Sub: Recommendation of share entitlement ratios for the proposed demerger of the consumer mobile business of Tata Teleservices Limited into Bharti Airtel Limited and Bharti Hexacom Limited**

Dear Sir,

We refer to the engagement letters wherein

- Bharti Airtel Limited (hereinafter referred to as "BAL") and Bharti Hexacom Limited (hereinafter referred to as "BHL") have appointed Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or "Valuer 1") and
- Tata Teleservices Limited (hereinafter referred to as "TTSL") has appointed Ernst & Young Merchant Banking Services Private Limited (hereinafter referred to as "EYMBSP" or "EY" or "Valuer 2")

respectively to recommend share entitlement ratios for

1. the proposed demerger of the consumer mobile business of TTSL in Rajasthan circle (hereinafter referred to as "Rajasthan CMB of TTSL") into BHL
2. the proposed demerger of the consumer mobile business of TTSL in 16 circles (all circles of TTSL excluding Rajasthan circle – hereinafter referred to as the "Residual CMB of TTSL") into BAL.

TTSL, BAL and BHL are together hereinafter referred to as the "Companies".

Rajasthan CMB of TTSL and Residual CMB of TTSL are hereinafter referred to as "Demerged Undertakings"



## SCOPE AND PURPOSE OF THIS REPORT

TTSL is a telecom company headquartered in New Delhi, India. TTSL provides basic and cellular telecommunication services to retail, large corporate and small and medium enterprises in 17 out of 22 circles in India. It offers wireline services, code division multiple access services, global system for mobile communications services and 3G services; and voice, data and other enterprise services, such as connectivity and managed services, verticals based mobile applications and cloud services. The company also provides high speed Internet access services. Consumer Mobile Business of TTSL (hereinafter referred to as 'CMB of TTSL') refers to the wireless business providing CDMA/2G/3G services and excludes the enterprise business and the wireline/broadband business.

BAL, together with its subsidiaries, operates as a telecommunications company. The company operates within various segments such as Mobile business segment, Airtel Business segment, Tower Infrastructure Services segment, Home Services segment and Digital TV Services segment. BAL also offers fixed line, DSL broadband, mobile commerce and infrastructure sharing service. It was founded in 1995 and is headquartered in New Delhi, India. For the year ended 31 March 2017, BAL reported a consolidated revenue (including other income) of INR 955,889 million and profit after tax of INR 42,414 million.

BHL, a subsidiary of BAL, provides cellular services in Rajasthan and Northeast circles. It offers cellular mobile, broadband, and telephone services.

We understand that the management of the Companies (hereinafter referred to as "Management") are contemplating

1. transfer by way of a demerger of the Residual CMB of TTSL into BAL ("Proposed Transaction 1");
2. transfer by way of a demerger of the Rajasthan CMB of TTSL into BHL ("Proposed Transaction 2") through a Scheme of Arrangement under the provisions of Section 230-232 of the Companies Act, 2013 ("Scheme").

Proposed Transaction 1 and Proposed Transaction 2 are hereinafter referred to as "Proposed Transactions".

The consideration for equity shareholders of TTSL would be in the form of Redeemable Preference Shares ("RPS"). Under the Proposed Transaction 1, BAL would issue RPS (hereinafter referred to as "Share Entitlement Ratio 1") and under the Proposed Transaction 2, BHL would issue RPS (hereinafter referred to as "Share Entitlement Ratio 2").

Share Entitlement Ratios 1 and 2 are hereinafter referred to as "Share Entitlement Ratios". However, the management of TTSL has informed us that they expect funding into TTSL to repay part of the external debt and spectrum liability before the closure of the above mentioned transactions but the quantum and structure is not yet finalized. This is expected to change the number of shares in TTSL and it is difficult for them to provide us an estimated number of shares on diluted basis. Hence they have requested us to provide them an absolute value of the demerged undertaking and/or absolute number of shares of BAL and BHL to be issued to shareholders of TTSL, rather than a distribution ratio.



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For the aforesaid purpose, BAL and BHL have appointed WCC and TTSL has appointed EY to prepare a report (the "Report") on the Share Entitlement Ratios to be placed before the Board of Directors of the Companies.

The Valuers have been appointed separately and have worked independently in their analysis. WCC owns responsibility only to BAL and BHL, and EY owns responsibility only to TTSL.

The Valuers have received same information and clarifications from the Companies. For recommending the Share Entitlement Ratios, the Valuers have independently arrived at different values. However, to arrive at the consensus on the Share Entitlement Ratios, appropriate discussions, averaging and rounding off in the values arrived at by the Valuers have been done.

We have considered facts made known (past or future) to us till the date of our Report.

This Report is our deliverable in respect of our recommendation of Share Entitlement Ratios for the purpose of the Proposed Transactions.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



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## SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and / or gathered from public domain:

With respect to TTSL/CMB business

- o Annual report of TTSL for the year ended 31 March 2017
- o Carved out unaudited balance sheet of CMB of TTSL as at 30 September 2017
- o Details of assets/liabilities proposed to be transferred
- o The amount of debt proposed to be transferred to BAL and BHL, which is INR 19,650 million and INR 350 million, respectively.
- o Carved out unaudited profit and loss statements (upto EBITDA) of CMB for FY 2016-17 and six months ended 30 September 2017
- o Carved out revenue of Residual CMB of TTSL and Rajasthan CMB of TTSL for FY 2016-17 and six months ended 30 September 2017
- o Expected revenue and EBITDA of CMB of TTSL (separately for Residual CMB of TTSL and Rajasthan CMB of TTSL) for the year ended 31 March 2018
- o Historical circle-wise key operational parameters of the CMB of TTSL for FY 2016-17 and for six months ended 30 September 2017

With respect to BAL and BHL

- o Audited financial statements for the year ended 31 March 2017.
- o Terms of the RPS to be issued such as the face value, coupon rate and the redemption terms.

Others

- o Draft Composite Scheme of Amalgamation

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Management has been provided with the opportunity to review the draft Report as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.



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### PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Discussions (physical / over call) to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about business plans, future performance estimates, or budgets.
- Requested and received financial and qualitative information on the CMB of TTSL
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - Valuers' internal transactions database
    - Proprietary databases subscribed by the Valuers'
  - Other publically available information.
- Analysis of information
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations

Further, at the request of the Management, WCC has had discussions with fairness opinion provider appointed by BAL on the valuation approach adopted and assumptions made.



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### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than valuation date of 18 December 2017 ("Valuation Date").

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratios based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratios at which the Proposed Transactions shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transactions and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. We have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Company. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Companies. However nothing has come to our attention to indicate that the information



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provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose

The Report assumes that the Companies **comply** fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies and Demerged Undertakings.

This Report does not look into the business/ commercial reasons behind the Proposed Transactions nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transactions as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. In addition, this Report does not in any manner address the prices at which equity shares of BAL will trade following announcement of the Proposed Transactions and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Transactions.

No investigation/inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any third party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This valuation Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Our appointment was formalized via engagement letters dated 15 December 2017 for WCC and 18 December 2017 for EY, however, the work had started earlier.



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## EQUITY SHARE CAPITAL

### Tata Teleservices Limited

The issued, subscribed and paid up equity share capital of TTSL as at 30 September 2017 is INR 57,750 million, consisting of 5,77,50,33,234 equity shares of face value of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 30 September 2017	No. of shares	% shareholding
Promoter & Group	4,01,60,19,890	69.54%
Non Promoter	1,75,90,13,344	30.46%
<b>Total</b>	<b>5,77,50,33,234</b>	<b>100.00%</b>

Source: Management

### Bharti Airtel Limited

The issued, subscribed and paid up equity share capital of BAL as at 30 September 2017 is INR 19,987 million consisting of 3,99,74,00,102 equity shares of INR 5 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 30 September 2017	No. of shares	% shareholding
Promoter & Group	2,68,37,81,555	67.14%
Non Promoter	1,31,25,16,810	32.83%
Employee Benefit Trust	11,01,737	0.03%
<b>Total</b>	<b>3,99,74,00,102</b>	<b>100.00%</b>

Source: BSE filing

### Bharti Hexacom Limited

The issued, subscribed and paid up equity share capital of BHL as at 30 September 2017 is INR 2,500 million consisting of 25,00,00,000 equity shares of INR 10 each fully paid up. The shareholding pattern is as follows:

Shareholding pattern as at 31 March 2017	No. of shares	% shareholding
Bharti Airtel Limited	17,50,00,000	70.00%
Telecommunications Consultants India Limited	7,50,00,000	30.00%
<b>Total</b>	<b>25,00,00,000</b>	<b>100.00%</b>

Source: Management



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#### APPROACH - BASIS OF PROPOSED TRANSACTION

We understand from the Management that the proposed Scheme of Arrangement contemplates the demerger of the CMB of TTSL to BAL and BHL, pursuant to sections 230 to 232 of the Companies Act, 2013. Arriving at the Share Entitlement Ratios for the Proposed demerger of the CMB of TTSL into BAL and BHL respectively, would require determining the value of the Demerged Undertakings relative to fair value of the Redeemable Preference Shares of BAL and BHL. These values are to be determined independently without considering the current Proposed Transactions.

There are several commonly used and accepted methods for determining the value of the Demerged Undertakings, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of business / companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner, based on our previous experience of assignments of a similar nature.

#### Market Price (MP) method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. However, there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Since, TTSL is not listed on any recognized exchange, we have not considered the Market price method for the valuation of TTSL.



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#### **Comparable Companies' Market/Transaction Multiple (CCM) method**

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We identified listed comparable companies and available transactions, based on business of TTSL and thereafter adjusted the selected multiples based on size, growth, profitability and the circles in which TTSL operates.

#### **Discounted Cash Flows (DCF) method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

##### *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

##### *Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided with mid-term/long term forecasts by TTSL. TTSL management informed us that they could not prepare the same considering uncertainties surrounding the continuation of the business. Hence, we have not considered the DCF method for valuation purpose.

#### **Net Asset Value (NAV) Methodology**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

In case of CMB of TTSL, a large portion of assets in the books is represented by purchased telecom spectrum. The Management has informed us that the 30 September 2017 financials of TTSL (prepared although yet to be approved by the Board) are expected to have significant impairment write downs for CMB assets including spectrum.



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According to us, the spectrum price benchmarks for 2016 auctions have limited relevance now due to the following factors:

- Unsold spectrum in the auctions
- Reduction in number of players due to
  - Consolidation (eg. Idea-Vodafone, Bharti-Telenor)
  - Possible discontinuation of business (eg. Reliance Communication, Aircel)
- Increase in spectrum holdings due to consolidation and asset purchases (eg. Tikona-Bharti)

Additionally, telecom sector is moving towards 4G making 3G bands non-lucrative. TTSL did not have any 4G spectrum and management of TTSL informed us that they had already considered all possible strategic options for CMB. As per management of TTSL, considering limited scope of meaningful revival of profitability, there were no other realistic options available to them.

Considering the uncertainties around possible sale/pricing of individual assets in this situation and consequential costs/liabilities, we believe estimation of realizable value of assets would not be realistically possible with sufficient degree of objectivity.



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**MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION**

- CMB business of TTSL has witnessed decline in revenues and has negative EBITDA margins.
- Challenging competitive environment which limited the scope of meaningful revival of profitability of CMB of TTSL.
- TTSL has limited visibility on the continuity of the operations of the CMB and therefore has not been able to provide mid/long term cash flow forecasts.



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### **BASIS OF PROPOSED TRANSACTIONS**

The basis of valuation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

Demerged Undertakings has been valued using CCM method.

BAL and BHL would issue RPS with market based coupon rate to shareholders of TTSL as consideration for demerger of the CMB operations. As per Management, BAL and BHL would issue fresh RPS at book value of INR 100 each fully paid up at market coupon rates. Since the coupon rate would be based on market rates and these will be redeemable at par, we have considered their face value to be the fair value.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

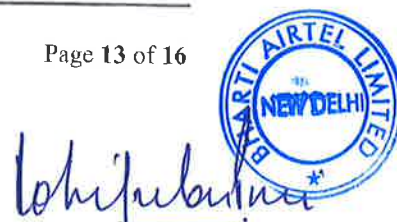
In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that the Share Entitlement Ratios for equity shareholders of TTSL for the Proposed Transactions should be anywhere in the following range:

- In case of Proposed Transaction 1, Nil (lower range) to 3.8 million (upper range) RPS of BAL of INR 100 each fully paid up
- In case of Proposed Transaction 2, Nil (lower range) to 0.29 million (upper range) RPS of BHL of INR 100 each fully paid up

Please note that we have not considered the issuance of RPS by BAL and BHL to the Compulsorily/Optionally Convertible Preference Shareholders in TTSL for the estimation of the Share Entitlement Ratios.



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It should be noted that we have not examined any other matter including economic rationale for the Transactions per se or accounting, legal or tax matters involved in the Transactions.

Respectfully submitted,

Ernst & Young Merchant Banking Services  
Private Limited



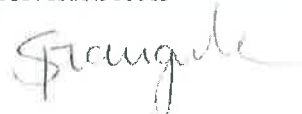
Amish Mehta  
Place: Mumbai  
Date: 19 December 2017,

Encls:  
Annexures



Walker Chandiok & Co LLP  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

ICAI Firm Registration No.:  
001076N/N500013



Partner Name: Shashishekhar Chaugule  
Membership No: 212151  
Place: Gurgaon  
Date: 19 December 2017



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**Annexure 1: EY's computation of Equity Value of TTSL's CMB Unit (16 circles except Rajasthan)**

Currency INR mn	Notes	Weight	Residual	Residual
			CMB of TTSL Lower Range	CMB of TTSL Upper Range
<b>Trading multiple</b>				
Enterprise Value based on EV/Revenue multiple	1	100%	19,527	21,870
<b>Enterprise Value</b>			<b>19,527</b>	<b>21,870</b>
Less: gross debt			(19,650)	(19,650)
<b>Equity Value</b>			-	<b>2,220</b>
RPS to be issued by BAL (INR 100 each fully paid up) in million			-	<b>22.2</b>

Note 1: Enterprise Valuation of TTSL's CMB unit (except Raj) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower	Value-Upper
	Range	Range
Chosen Multiple	0.625	0.700
Revenue - TTSL's CMB Unit except Rajasthan- FY18 estimate	31,243	31,243
<b>Enterprise Value</b>	<b>19,527</b>	<b>21,870</b>

**Annexure 2: WCC's computation of Equity Value of TTSL's CMB Unit (16 circles except Rajasthan)**

Currency INR mn	Notes	Weight	Residual	Residual
			CMB of TTSL Lower Range	CMB of TTSL Upper Range
<b>Trading multiple</b>				
Enterprise Value based on EV/Revenue multiple	1	100%	19,508	20,030
<b>Enterprise Value</b>			<b>19,508</b>	<b>20,030</b>
Less: gross debt			(19,650)	(19,650)
<b>Equity Value</b>			-	<b>380</b>
RPS to be issued by BAL (INR 100 each fully paid up) in million			-	<b>3.8</b>

Note 1: Enterprise Valuation of TTSL's CMB unit (except Raj) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower	Value-Upper
	Range	Range
Chosen Multiple	0.624	0.641
Revenue - TTSL's CMB Unit except Rajasthan- FY18 estimate	31,243	31,243
<b>Enterprise Value</b>	<b>19,508</b>	<b>20,030</b>



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**Annexure 3: EV's computation of Equity Value of TTSL's CMB Unit (Rajasthan circle)**

Currency INR mn	Notes	Weight	Rajasthan CMB of TTSL Lower Range	Rajasthan CMB of TTSL Upper Range
<b>Trading multiple</b>				
Enterprise Value based on EV/Revenue multiple	1	100%	338	379
<b>Enterprise Value</b>			<b>338</b>	<b>379</b>
Less: gross debt			(350)	(350)
<b>Equity Value</b>			-	<b>29</b>
RPS to be issued by BHL (Rs 100 each fully paid up) in million			-	<b>0.29</b>

Note 1: Enterprise Valuation of TTSL's CMB unit (Rajasthan circle) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.438	0.490
Revenue - TTSL's CMB Unit (Rajasthan circle) - FY18 estimate	773	773
<b>Enterprise Value</b>	<b>338</b>	<b>379</b>

**Annexure 4: WCC's computation of Equity Value of TTSL's CMB Unit (Rajasthan circle)**

Currency INR mn	Notes	Weight	Rajasthan CMB of TTSL Lower Range	Rajasthan CMB of TTSL Upper Range
<b>Trading multiple</b>				
Enterprise Value based on EV/Revenue multiple	1	100%	341	396
<b>Enterprise Value</b>			<b>341</b>	<b>396</b>
Less: gross debt			(350)	(350)
<b>Equity Value</b>			-	<b>46</b>
RPS to be issued by BHL (Rs 100 each fully paid up) in million			-	<b>0.46</b>

Note 1: Enterprise Valuation of TTSL's CMB unit (Rajasthan circle) based on EV/ Revenue multiple

Currency: INR mn	Value-Lower Range	Value-Upper Range
Chosen Multiple	0.4407	0.5129
Revenue - TTSL's CMB Unit (Rajasthan circle) - FY18 estimate	773	773
<b>Enterprise Value</b>	<b>341</b>	<b>396</b>



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