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MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
**BHARTI TELECOM LIMITED**

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Company No. Changed  
to 05-32091 Vide ROC  
Certificate dt. 30th Aug, 1993

सत्यमेव जयते

प्रारूप ० आई० आर०

FORM I. R.

निगमन का प्रमाण-पत्र

## Certificate of Incorporation

No. 21580 of 1985-86

I hereby certify that :- BHARTI TELECOM LIMITED.  
is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)  
and that Company is limited.

Given under my hand at NEW DELHI this TWENTY NINTH  
day of JULY One thousand nine hundred and EIGHTY-FIVE.



Sd/-  
( S. B. MATHUR )  
Registrar of Companies  
Delhi & Haryana



COMPANY No. 21580



सत्यमेव जयते

Company No. Changed  
to 05-32091 Vide ROC  
Certificate dt. 30th Aug. 1993

### **Certificate For Commencement of Business**

Pursuant to section 149 (3) of the Companies Act, 1956

I hereby certify that the **BHARTI TELECOM LIMITED**  
which was incorporated under the Companies Act, 1956 on the  
**TWENTY NINTH** day of **JULY 1985** and which has filed a duly verified  
declaration in the prescribed form that the conditions of sections 149 (2)  
(a) to (c) of the said Act, have been complied with, is entitled to  
commence business.

Given under my hand at **NEW DELHI** this **THIRTEENTH**  
day of **SEPTEMBER** One thousand nine hundred and **EIGHTY-FIVE**.



Sd/-  
( **Soora] Kapoor** )  
(Registrar of Companies)  
Delhi & Haryana



**(THE COMPANIES ACT, 2013)**  
**(PUBLIC COMPANY LIMITED BY SHARES)**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**BHARTI TELECOM LIMITED**

**I. The name of the Company is: BHARTI TELECOM LIMITED.**

**II. The Registered Office of the Company will be situated in the State of Haryana.**

**III(A) The Objects to be pursued by the Company on its incorporation are as under:**

1. To manufacture, develop, import, export, buy, sell, distribute, repair, convert, alter, install, erect, maintain, let on hire and otherwise deal in all kinds of electronic voice Data and Video communication system including EPABX Systems, Electronic Exchanges, Telex equipments, Electronic Telex, Transmitter, Teleprinters, Satellite Radio Communication systems, Telephone equipments, Receivers, Repeaters, Modems, Multiplexers, De-multiplexers, Fascimile Systems, Tele-Text, Video Text, Teleconferencing and Video-conferencing equipments, Radio paging systems, all kinds of telephone instruments, telephone dalliers, cordless telephones, Car Telephones, Walkie Talkies, dicta-phone, Intercoms, Telephone Exchanges, Rural Automatic Exchange, Electronic Exchanges, Coin Collection Boxes, Payphones (Public Telephones), all types of communication equipments, telecommunication equipments, communication receiving sets, communication transmitting sets, security systems, communication cables, fibre Optic Cables, and all accessories and other similar articles and product and devices and their accessories, spares, Stores, Parts, components, assemblies and all kinds of instruments, apparatus, appliances and Gadgets used for or in connection with any of the aforesaid items.
2. To manufacture, assemble, manipulate, fabricate, import, export, buy, sell, repair, covert, erect, maintain, let on hire and otherwise deal in sonic and ultrasonic equipments and apparatus, radar equipments, Computers, Electronic accounting and business machines, electronic control equipments.
3. To manufacture, assemble, manipulate, import, export, buy, sell, distribute, repair, convert, alter, install, erect, maintain, let on hire and otherwise deal in all kinds of television sets, records players, tape recorders, video cassette recorders, amplifiers, wireless sets, cassettes values, transistors, condensors, magnetic materials and other electronic instruments, equipments and components.
4. To manufacture, assemble, manipulate, import, export, sell, buy, distribute, repair, convert, alter, install, erect, maintain let on hire or otherwise deal in all kinds of electrical equipments, Electric Motors, Dynamos, Instruments, and appliances operated by electric energy and accessories thereof.
5. To carry on the business of borrowing, raising or taking up money on deposit at interest or otherwise lending on advancing money against securities and property, leasing or hire purchase, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bill of lading, warrants, debenture certificates, scrips and other instruments and securities, whether transferable or negotiable or not, the investment in the share capital of other companies the buying, selling and dealing in stocks, funds, shares, debentures, bonds obligations and other securities.
6. To promote, establish & invest in Companies, fund Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, long distance services, Internet, V-sat, 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 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 shares/securities in such companies, and funds and interest in such associations or partnerships.

7. 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.

**III(B) Matters which are necessary for furtherance of the objects specified in clause IIIA are as under:**

1. To negotiate and enter into agreements, contracts with foreign individuals, foreign companies or corporations of other foreign organizations for the purpose of activating research, acquiring of know-how or technical and or financial collaboration for manufacture or development of the products of the company and/or furthering the objects of the Company.
2. To acquire build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings offices, factories, mills, shops, machinery, engine, roadways, tramways, railways, branches, or sidings, bridges, reservoirs, water courses, wharves, electric works and other works and conveniences which may seem necessary to advance the interest of the Company and to join with any other person or Company in doing any of the these things.
3. To expend money in experimenting on and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
4. To enter into arrangements with any government authorities, municipal, local or otherwise, that may appear to the Company conducive to the Company's main objects or any of them and to obtain from any such government authorities, any rights privileges and concession which the Company may think desirable to obtain and to carry out exercise and comply with any such arrangements rights, privileges and concessions.
5. To purchase, take on lease, exchange, hire or otherwise acquire any movable or immovable property including land, buildings, basements, stock in-trade, plant and machinery of every kind and any right or privileges which the Company may think necessary or convenient for the purpose of its business.
6. Subject to section 179, 180, 73, 74 and 76A of the Companies Act, 2013 and directions issued by Reserve Bank of India to borrow raise or secure the payment of money or to receive money on deposit at interest, for any of the purposes of the Company and at such time or times as may be thought fit, by promissory notes, by taking credits in or opening current accounts, with any person, firm, bank, company or financial institutions and whether with or without any security,\* or by such other means as the directors may in their absolute discretion deem expedient and in particular by the issue of debentures or debenture-stock perpetual or otherwise and as security for any such money so borrowed raised, received and if any such debentures or debenture-stock so issued, to mortgage, pledge or charge the whole or any part of the property and the assets of the Company both present and future, including its uncalled capital by special assignment otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities, provided that the Company shall not carry on banking business as defined in Banking Regulation Act, 1949.
7. To acquire and dispose off copyrights, rights of representation, licences any other rights or interest in any book, paper, pamphlet, drama, play, poem, song, composition (musical or otherwise), picture, drawing, work of art or photograph, and to print, publish or cause to be printed or published any thing of which the Company has a copy right or right to print publish, and to sell, distribute and deal with any matter so printed or published in such manner as the company may think fit, and to grant licences or rights in respect of any property of the company to any other person, firm or company.
8. To establish for any of the purposes of the Company branches or to establish any firm or firms or promote any company or companies or divisions thereof at places in or outside India as the company may think fit.



9. To promote or assist in the promotion of any Company or companies or division or divisions for the purpose of acquiring all or any of the properties, rights and liabilities of the Company.
10. To invest in or other than investment in Company's own shares and deal with the moneys of the Company not immediately required in any manner as may from time to time be determined by the Board.
11. To lend and advance money or give credit to such persons or companies and on such terms as may be expedient and in particular to customers of and others having dealings with the Company and to guarantee the performance of any companies provided that the Company shall not do any banking business, as defined in Banking Regulation Act, 1949.
12. To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any shares, debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
13. To open account with any banks or financial institutions and to draw, make, accept endorse, discount, execute and issue promissory notes, bills of exchange, letters of credit, hundies, bills of lading, railway receipts, warrants, debentures, and other negotiable or transferable instruments of all descriptions and to buy, sell or deal in the same.
14. To procure the Company to be registered or recognised in any part of the world outside India.
15. Subject to the provisions section 180 of the Companies Act, 2013, to sell, lease mortgage or otherwise dispose off the property, assets or any undertaking of the Company or any part there of for such consideration as the Company may think fit.
16. To distribute, among the members in specie or in kinds any property of the Company in the event of winding up the Company or any proceeds of sales or disposal of any property of the Company subject to the provisions of the Companies Act, 2013.
17. To give publicity to the business and production of the Company by means of advertisement in the press, pamphlets, handbills, circulars, cinema slides or by publication of books, pamphlets, catalogues, instructions book, technical articles, periodicals and exhibition of works of art by granting rewards, prizes and donations or by participating in technical conference, symposia or the like or in any other suitable manner.
18. To establish or support or aid in establishment or support of association, institutions, funds, trusts and conveniences calculated to benefit the employees or ex-employees of the Company or the dependants of such persons, and to grant pensions and allowances and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public or useful objects.
19. To pay all costs, charges, expenses incurred in connection with incorporation of the Company, including preliminary expenses of any kind and incidental to the formation and incorporation of the company; costs, charges and expenses of negotiating contracts and arrangements made prior to and in anticipation of the formation and incorporation of the company.
20. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of the world and either as principals, agents, consultants, contractors, trustees or otherwise and by or through trustees, agents, consultants or otherwise and either alone or in conjunction with others.
21. To form, incorporate, promote any company or companies whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other object or objects which in the opinion of the Company could or might assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscription for or placing or assisting to place or to obtain subscription for or for guaranteeing the

subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligation or securities of any other Company held or owned by the Company in which the Company or the conduct of its business or in or about the formation of promotion of the Company or the conduct of its business or in or about the promotion of any other company in which the Company may have an interest.

22. To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
23. Subject to the provisions of Section 181 and 182 of the Companies Act, 2013, to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition.
24. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or is allied to or associated with the Company or with any such subsidiary Company or who are or were at any time Directors or officers of the Company as aforesaid and the wives, widows, families and dependants of any such persons and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well being of the Company or of any such other company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
25. To undertake financial and commercial obligations, transactions and operation of all kinds, in connection with the business of the Company.
26. To guarantee the payment of money unsecured or secured or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever whether incorporated or not incorporated and to guarantee or become sureties for the performance of any contracts or obligation as may be necessary for purpose of the Company.
27. To apply for, purchase or otherwise acquire and protect prolong and renew in any part of the world, any patents, patent rights, brevets d'inventions trade marks, designs, licences protection, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or of any secret or other information as to any invention, process or privileges which may seem necessary used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use exercise, develop or grant licences, or privileges in respect of or otherwise turn to account the property, rights and information so acquired and to carry on any business in any way connected therewith.
28. To enter into any scheme of arrangement or compromise or demerger with members, creditors, or any Body Corporate(s), for transferring/hiving off all or any of its undertakings, assets, rights, properties, obligations and/or business activities to amalgamate/demerge other in whole or in part with any other Company or Body Corporate in any manner.

**IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.**

**V. The Authorised Share Capital of the Company is Rs. 50,000,000,000/- (Rupees Five thousand Crores Only) divided into 5,000,000,000 (Five Hundred Crore) Shares of Rs. 10/- (Rupees Ten) each.**

We the several persons, whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sl No.	Name, Address, Occupation and Description of the Subscribers	No. of Equity Shares taken by each Subscriber	Signature of Subscribers Witness	Name, address and description of
1.	SUNIL BHARTI MITTAL S/o Late Sh. Sat Paul Mittal D-819, New Friends Colony, New Delhi-110 065 (Industrialist )	1 (One)	Sd/-	<p>I hereby witness the signature of the subscribers. I also certift that all the particulars are written by all the subscribers in their own handwriting</p> <p>Sd/- ANIL KUMAR A.C.A. S/o Shri N.R. Kumar R/o B/103, Lajpat Nagar -1, Delhi - 110 024</p>
2.	RAKESH BHARTI MITTAL S/o Late Sh. Sat Paul Mittal 13-E, Saraba Nagar, Ludhiana (Industrialist)	1 (One)	Sd/-	
3.	RAJAN BHARTI MITTAL S/o Late Sh. Sat Paul Mittal D-819, New Friends Colony, New Delhi-110 065 (Industrialist)	1 (One)	Sd/-	
4.	DEEPIKA MITTAL W/o Rakesh Mittal 13-E, Saraba Nagar, Ludhiana (Business)	1 (One)	Sd/	
5.	LALITA MITTAL W/o Late Sh. Sat Paul Mittal 13-E, Saraba Nagar, Ludhiana (Business)	1 (One)	Sd/-	
6.	BIMAL KUMAR S/o Sh. Bachan Dass Sharma 33, Lodhi Estate New Delhi (Business)	1 (One)	Sd/-	
7.	DHARAM CHAND JAIN S/o Shri Misri Lai Jain 12, M. G. Marg, Lajpat Nagar Delhi-110 024 (Business)	1 (One)	Sd/-	
	<b>TOTAL</b>	<b>7 (Seven)</b>		

Date :5th day of July, 1985

Place: New Delhi



**(THE COMPANIES ACT, 2013)**  
**(PUBLIC COMPANY LIMITED BY SHARES)**  
**ARTICLES OF ASSOCIATION OF**  
**BHARTI TELECOM LIMITED**

The Regulations contained in Table "F" of Schedule I to the Companies Act, 2013 shall apply to the Company to the extent it is not inconsistent with or repugnant to any of the regulations contained in these Articles. In case of any conflict between these Regulations and other provisions as per Table F, these Regulations will prevail.

Unless the context or the definition herein contained otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force at the date at which these Articles become binding on the Company.

- 1.1 **"Act"** means the "Companies Act" 2013 or any previous company law (to the extent applicable) and includes every statutory modification of re-enactment thereof for the time being in force and as amended from time to time and the relevant rules framed thereunder, as amended from time to time. The references to sections of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
- 1.2 **"Affiliate"** shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under direct or indirect common control with, such Person, or is a director or officer of such Person or of any Person who would otherwise qualify as an Affiliate of such Person pursuant to this definition; provided that an Affiliate shall include any entity that, directly or indirectly (including through limited partner or general partner interests), owns more than 20% of any class of the voting equity or interest of such Person or is similarly owned by such Person. For purposes of this definition, the term "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.
- 1.3 Intentionally omitted.
- 1.4 **"AIF"** shall mean the Asian Infrastructure Fund, a corporation organised under the law of Cayman Islands with its registered office at Suite 2302-03, Queen's Road Central, Hong Kong.
- 1.5 **"AIF Option"** shall mean the option of AIF to exchange its equity interest in Bharti Mobile Limited for BTVL Shares being negotiated between AIF and BTVL.
- 1.6 **"Approved Accounting Policy"** shall mean the Company's accounting policy as stated in the audited accounts of the Company as at the twelve month period ending March 31, 2000.
- 1.7 **"Approved Business Plan"** shall mean the plan referred to in Article 140(a)(xii).
- 1.8 **"Approved Dividend Policy"** shall mean, with respect to the Company or any of its Subsidiaries, the dividend policy of the Company or such Subsidiary, as at the date of these Articles attached as Annex III or any new dividend policy established in respect of the Company or any such Subsidiary in accordance with these Articles, and, in each case, as the same may be amended or modified, from time to time, in accordance with these Articles.
- 1.9 **"Auditors"** shall mean with respect to the Company and the Subsidiaries of the Company, the accounting firm for such Person on the date that the STI Shareholder first acquires Shares in the Company.
- 1.10 **"BEL"** shall mean Bharti Enterprises Limited, a company established and existing under the laws of India.
- 1.11 **"BGL"** shall mean Bharti Global Limited, a company established and existing under the laws of Jersey.
- 1.12 **"Bharti Entities"** shall mean, collectively, BEL, BGL, the Company and BOTC (Bharti Overseas Trading Company).

- 1.13 **"Bharti Group"** shall mean, collectively, BEL and all of its indirect and direct Subsidiaries, and, without limitation, shall include the Company, BGL, BTVL, Bharti Mobile Limited, Bharti Cellular Limited, Bharti Telenet Limited, Jumbo Holdings Limited, Viscount Holdings Limited, SC Cellular, Jubilant Holdings Limited, upon acquisition by the Company of Shares of Skycell Communications Limited, Skycell Communications Limited, Bharti BT Limited, Bharti Comtel Limited, Bharti BT Internet Limited, Bharti Telespatial Limited, Bharti Overseas Trading Company, Welldone Impex Limited and Bharti Telesonic Limited.
- 1.14 **"Bharti Entities Cut-Off Date"** shall have the meaning set forth in Article 44(b).
- 1.15 **"Bharti Shareholders"** shall mean, collectively, BEL, BGL and BOTC.
- 1.16 **"BML/BTVL Swap Option"** shall mean the option of Cadeval Group Limited and Nicobar Holdings Limited to exchange the equity interest they hold in Bharti Mobile Limited for BTVL Shares, currently being negotiated with BTVL.
- 1.17 **"Board" or "Board of Directors"** shall mean the Board of Directors of the Company.
- 1.18 **"Board Meeting"** shall mean a meeting of the Board of Directors.
- 1.19 **"BRIC" or "Business Review and Investment Committee"** shall have the meaning set forth in Article 135(a).
- 1.20 **"BRIC Matters"** shall mean the list of matters attached as Annex II.
- 1.21 **"BTL"** shall mean Bharti Telecom Limited, a Company established and existing under the laws of India with its registered office at Plot No. 6, Sector-34, EHTP, Gurgaon, Haryana.
- 1.22 **"BTVL"** shall mean Bharti Televentures Limited, a company established and existing under the laws of India with its registered office at Qutab Ambience (near Qutab Minar), H-5/12, Mehrauli Road, New Delhi.
- 1.23 **"BTVL Shares"** shall mean any or all of the ordinary voting class of shares of BTVL having par value of Rs. 10, and shall include all shares derived therefrom, on consolidation or subdivision of BTVL's share capital or otherwise, and a "BTVL Share" shall mean any of them.
- 1.24 **"Business Day"** shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the City of New Delhi, India, and Singapore are authorised or obligated by law or executive order to close.
- 1.24A **"Bharti Cellular"** shall mean Bharti Cellular Limited, a company established and existing under the laws of India with its registered office at 15th Floor 2, Devika Tower 6, Nehru Place, New Delhi – 110019.
- 1.25 **"Bharti Cellular Business Plan"** shall mean a rolling 10 (ten) year business plan in respect of the business of Bharti Cellular which, without limitation will deal with all material matters for the business of Bharti Cellular during the period in question and shall set out the Bharti Cellular shareholders' joint funding commitment for the period to which it relates.
- 1.26 **"Capital Expenditures"** shall mean, with respect to any Person, all expenditures by such Person which should be capitalised in accordance with Indian GAAP.
- 1.27 **"Change of Control"** shall mean (a) with respect to the STI Shareholder and in the event and for so long as the STI Shareholder owns voting shares in the Company, any event whereby Singtel either ceases to (i) hold, directly or indirectly, more than 50% of the issued and outstanding voting shares of the STI Shareholder or (ii) possess, directly or indirectly, the power to direct or cause the direction of management of the STI Shareholder other than through the exercise of veto rights by another Person; and (b) with respect to each of the Bharti Shareholders, the first to occur of any of the following events :
- (i) any Person, or group of Persons (other than any Persons that are members of the Bharti Group or the STI Group) acting in concert, who, directly or indirectly, (a) acquire(s) or obtain(s) any warrant, option or any other right which when exercised entitles such Person or Persons to hold, more than 50% of the then issued

and outstanding voting shares of any of the Bharti Shareholders, and/or (b) acquire(s) or obtain(s) the right, whether through an agreement or otherwise, to direct or cause the direction of management of any of the Bharti Shareholders other than through the exercise of veto rights; or

- (ii) any business combination, merger, amalgamation or consolidation by any of the Bharti Shareholders with any Person or group of Persons (other than any Persons that are members of the Bharti Group or the STI Group) whereby such Person or Persons possess(es), directly or indirectly, the power to direct or cause the direction of management of such Bharti Shareholder other than through the exercise of veto rights.
- 1.28 **"Claims"** shall mean any and all administrative, regulatory or judicial or similar actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings.
- 1.29 **"Company"** means BTL.
- 1.30 **"Company Shareholder"** shall mean each of the STI Shareholder, BGL, BOTC and BEL and any other Person who is registered as a holder of Shares in the register of members of the Company and also becomes a party to any agreement with STI Shareholder and Bharti Shareholder.
- 1.31 **"Conversion Date"** shall mean the date on which that certain fully convertible debenture held by the STI Shareholder in the Company is converted into Shares.
- 1.32 **"Core Network Elements"** shall mean radio spectrum, transmission network and equipment, microwave equipment and telecommunications base stations, monopoles and towers.
- 1.33 **"Corporate Data Network Service"** shall mean internet protocol-virtual private network services, leased lines services, business dial-up plan services, business digital subscriber line services, business voice over internet protocol services, business facsimile over internet protocol services, webhosting services, collocation and facilities management (data centre) services, remote access and security services and any other related business services other than V-SAT Services.
- 1.34 **"Cut-Off Date"** shall have the meaning set forth in Article 41 (c).
- 1.35 **"Deadlock"** shall mean with respect to any action proposed to be taken by the Board of Directors or the BRIC, the occurrence of the affirmative votes and the negative votes of the Directors or BRIC members, as the case may be, being equal.
- 1.36 **"Debenture"** shall mean the debenture issued to Pastel Limited, that will no later than March 31, 2001, be converted into at least 2,975,000 BTL Shares representing, together with the BTL Shares acquired by STI or its Nominee, at least 20% of the issued and outstanding BTL Shares as at such date.
- 1.37 **"Debt"** shall mean, with respect to any Person or an Existing Project or New Project as at any time, in the case of such Person, all long term indebtedness of such Person as would be reflected on its balance sheet at such time (prepared in accordance with Indian GAAP as consistently applied in the preparation of such Person's balance sheet), including any short-term component of such long-term indebtedness whether or not such short-term component would be included as longterm indebtedness under Indian GAAP, excluding (i) any contingent liabilities as determined in accordance with Indian GAAP, (ii) any financial or performance guarantees, and (iii) in the case of such project all monies proposed to be invested in such project and funded from loans or other similar indebtedness.
- 1.38 **"Debt Equity Factor"** shall mean, with respect to any Person at any time, the calculated result of the Debt Equity Ratio of such Person or project, as the case may be plus one (1), provided that in any case where the Debt Equity Ratio is less than two (2) the Debt Equity Factor shall be calculated as if the Debt Equity Ratio is equal to two (2). In the case of a project and for the purposes of calculating the Debt Equity Factor, the Debt Equity Ratio shall be calculated for the twelve month period ending at the end of the third year of the operation of such project.
- 1.39 **"Debt Equity Ratio"** shall mean with respect to any Person or an Existing Project or New Project, at any time, such Person's or Project's, as the case may be, Debt divided by its Equity, at such time.

- 1.40 **"Director"** shall mean a director of the Board.
- 1.41 **"Direct Shareholding"** shall mean with respect to any Shareholder or Shareholders, at any time, the percentage of the issued and outstanding Shares held directly by such Shareholder or Shareholders at such time of all the issued and outstanding Shares; and with respect to the STI Shareholder, without limitation of the foregoing, shall, prior to the Conversion Date, be deemed to include 2,975,000 Shares that STI Shareholder will acquire on the Conversion Date.
- 1.42 **"Distributable Reserves"** shall mean such sum that is available for distribution to the shareholders of Bharti Cellular, being Bharti Cellular's accumulated, realised profits as shown in the preceding financial year's audited individual accounts for Bharti Cellular, to the extent not previously utilised by distribution or capitalisation, less its accumulated realised losses as shown in the audited individual accounts for Bharti Cellular for the preceding financial year, to the extent not previously written off in a reduction or reorganisation of capital prior to such time.
- 1.43 **"Dispute"** shall have the meaning set forth in Article 174.
- 1.44 **"DLDO"** shall mean domestic long distance telecommunications operations.
- 1.45 **"EBIT"** shall mean, as to any Person and for any period of time, the consolidated net income of such Person and its Subsidiaries (excluding any and all income, dividends or distributions received from any Subsidiary or Affiliate of such Person) for such period of time, before interest expense and provision for taxes and without giving effect to any extraordinary gains or extraordinary losses and gains or losses from sales of assets (other than sales of inventory in the ordinary course of business) for such period.
- 1.46 **"EBITDA"** shall mean, as to any Person and for any period of time, the EBIT of such Person for such period of time adjusted by (i) adding thereto the amount of all amortisation of intangibles, depreciation and non-cash charges that were deducted in arriving at such EBIT and (ii) subtracting therefrom the amount of all non-cash gains that were added in arriving at such EBIT.
- 1.47 **"Encumbrance"** shall have the meaning set forth in Article 39.
- 1.48 **"Equity"** shall mean with respect to any Person or an Existing Project or a New Project, at any time, in the case of such Person, the total shareholders' funds, as disclosed in the latest accounts, including the total issued and outstanding voting share capital, share premium and positive retained earnings of such Person and in the case of such project the total monies invested in such project (other than monies funded from loans or similar indebtedness), at such time.
- 1.49 **"Existing Project"** shall have the meaning given to it in Article 141 (b).
- 1.50 **"Existing Subsidiary"** shall mean any Subsidiary of the Company that is a Subsidiary as of the date that the STI Shareholder first acquires Shares in the Company.
- 1.51 **"Fair Market Value"** shall mean such value as is acceptable to and agreed by each Shareholder, or in the absence of any such acceptance or agreement, the value as is determined by an internationally recognised investment banking firm, accounting firm or other independent expert appointed, collectively, by the Shareholders.
- 1.52 **"Free Cash Flow"** shall mean, with respect to any Person for any period of time, the EBITDA of such Person for such period of time less the sum of (i) any change in the net working capital requirement, (ii) Capital Expenditure (i.e., all expenditures which should be capitalised, including all expenditures with respect to fixed assets and expenditures for maintenance and repairs) and (iii) taxes computed on an unleveraged basis (i.e., without accounting for any and all indebtedness), all as determined in accordance with Indian GAAP of such Person for such period of time.
- 1.53 **"General Meeting"** shall mean a meeting of the Shareholders of the Company entitled to vote at such meeting, whether or not they are parties to, or have agreed to be bound by the terms of these Articles, duly constituted in accordance with the Memorandum and Articles of Association and the Act.
- 1.54 **"General Reserved Matter"** shall have the meaning set forth in Article 140(a).



- 1.55 **"Government"** shall mean the Government of India, or any state or local government in India, or any political or statutory subdivision or authority thereof or therein or any other government or subdivision, instrumentality, agency or authority thereof having jurisdiction over any activity required to be undertaken by the Company or any Shareholder to perform its obligations under or in connection with these Articles or any other agreement between the Company Shareholders.
- 1.56 **"Governmental Authorisation"** shall mean any permission, approval, consent, license, order, decree, authorisation, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from the Government required under any statute or regulation, or pursuant to any Government policy or to or from any Regulatory Authority, in connection with any action to be taken by the Company or any Shareholder.
- 1.57 **"Granting Party"** shall have the meaning set forth in Article 82.
- 1.58 **"IL&FS"** shall mean Infrastructure Leasing and Financial Services Limited.
- 1.59 **"Indian GAAP"** shall mean, with respect to any Person, the generally accepted accounting principles used in India consistently applied with respect to such Person.
- 1.60 **"Indian Law"** shall mean all laws, ordinances, statutes, rules, orders, bye-laws, notifications, decrees, injunctions, rules of common law which have been judicially held to be applicable to India, licenses, permits, approvals, authorisations, consents, waivers, privileges, guidelines, agreements and regulations of the Government having jurisdiction over the Company, each of the foregoing as in effect as of the date hereof or any may be amended, modified, enacted or revoked from time to time thereafter.
- 1.61 **"Indian Ocean Rim Countries"** shall mean countries in the Indian Ocean from the western coast of India to the eastern coast of Africa namely the Seychelles, Mauritius, Madagascar, Republic of Reunion, Comoros, Chagos Archipelago, Coetivy, Amirante, Providence, Tromelin, Roderigues and Aldabra.
- 1.62 **"Investing Company"** shall mean the Company and/or any of its Subsidiaries that proposes to make or makes an investment in a New Project or an Existing Project.
- 1.63 **"Investment Criteria"** shall mean, in the case of any New Project or Existing Project, the business case or investment assessment shall project the achievement of the following financial requirements for such project:
- (i) an internal rate of return over a 10- year period exceeding WACC or 15%, whichever is higher;
  - (ii) positive EBITDA in respect of such New Project or Existing Project, as the case may be, for a fiscal year ending not later than the fourth fiscal year of such project after the initial investment in such project; and
  - (iii) positive Free Cash Flow in respect of such New Project or Existing Project, as the case may be, for a fiscal year ending not later than the fifth fiscal year of such project after the initial investment in such project.
- 1.64 **"IPO" or "Initial Public Offering"** shall mean the first offering of the Shares or the shares of any of the Company's Subsidiaries to the public or investors whether in or outside India and the consequent listing of the Shares or the shares of such Subsidiary, as the case may be, on any stock or share exchange, whether Indian or international.
- 1.65 **"ISP"** shall mean internet service provider.
- 1.66 **"Issuance Notice"** shall have the meaning set forth in Article 5.
- 1.67 **"Loan Agreements"** shall mean the agreements entered into listed in Annex IV and any other loan, credit, financing or similar agreement for borrowings or indebtedness of the Company, entered into from time to time.
- 1.68 **"Material Adverse Effect"** shall mean, with respect to any Person, there has occurred or is likely to occur or there exists an event or circumstances, that has, or could reasonably be expected to have, a material adverse effect on the condition (financial or otherwise), properties, assets, business, liabilities, results of operations or prospects of such Person or, if relevant, on the ability of such Person to perform its obligations under these Articles.

- 1.69 **"Member"** shall mean the registered holder for the time being of any shares in the capital of the Company and without limitation shall include a Shareholder and a Company Shareholder.
- 1.70 **"Mobile Business"** shall mean any business for the provision of mobile telephony services.
- 1.71 **"Mobile Carriage Services"** shall mean a service where a customer can send or receive any sign, signal, writing, image, sound, intelligence or information of any nature transmitted over a transmission path while moving continuously between places using customer equipment that is not in physical contact with any part of the Mobile Telecommunications System by means of which the service is supplied.
- 1.72 **"Mobile Telecommunications System"** shall mean a system used or designed to be used for the supply of telecommunications to the public and that uses intercell hand-over functions.
- 1.73 **"New Company Cut-Off Date"** shall have the meaning set forth in Article 47(c).
- 1.74 **"New Extended Subsidiary Cut-Off Date"** shall have the meaning set forth in Article 47(e).
- 1.75 **"New Final Remaining Offered Shares"** shall have the meaning set forth in Article 48(a).
- 1.76 **"New Offering Shareholder"** shall have the meaning set forth in Article 47(b).
- 1.77 **"New Project"** shall have the meaning set forth in Article 141 (b).
- 1.78 **"New Remaining Subsidiary Offered Shares"** shall have the meaning set forth in Article 47(f).
- 1.79 **"New Scheduled Company Closing Date"** shall have the meaning set forth in Article 47(d).
- 1.80 **"New Securities"** shall have the meaning set forth in Article 5,
- 1.81 **"New Subsidiary"** shall have the meaning set forth in Article 47(a)
- 1.82 **"New Subsidiary Offered Shares"** shall have the meaning set forth in Article 47(b).
- 1.83 **"New Subsidiary Transfer Notice"** shall have the meaning set forth in Article 47(b).
- 1.84 **"Nominee"** shall mean a Subsidiary of STI that shall acquire and hold Shares and the Debenture.
- 1.85 **"Non-Exercised Securities"** shall have the meaning set forth in Article 5.
- 1.86 **"Non-Subscription Notice"** shall have the meaning set forth in Article 5,
- 1.87 **"Offeree"** shall have the meaning set forth in Article 82.
- 1.88 **"Offeree Parties"** shall mean the Bharti Entities or the STI Group, as the case may be.
- 1.89 **"Offered Shares"** shall have the meaning set forth in Article 41.
- 1.90 **"Offeror"** shall have the meaning set forth in Article 41.
- 1.91 **"Office"** means the Registered Office for the time being of the Company.
- 1.92 **"Party"** and **"Parties"** shall mean BGL, BEL, Bharti Overseas Trading Company, STI and the Company.
- 1.93 **"Permitted Transferee"** and **"Permitted Transferees"** shall mean (a) in the case of any member of the STI Group, any other member of the STI Group, (b) in the case of any member of the Bharti Group, any other member of the Bharti Group.
- 1.94 **"Person"** shall mean any natural person, individual, corporation, limited partnership, cooperative, general partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust, corporate body or other organisation, whether or not a legal entity, and government and agency and political subdivision thereof or therein.
- 1.95 **"Proposed Transferee"** shall have the meaning set forth in Article 51 (a).

- 1.96 **"Qualified Stock Exchange"** shall mean any national or regional stock or securities exchange on which the BTVL Shares are listed or quoted for trading, including, without limitation, the Stock Exchange, Mumbai, the New York Stock Exchange and NASDAQ.
- 1.97 **"Regulations"** means these Articles of Association or as altered from time to time.
- 1.98 **"Regulatory Authority"** shall mean any such regulatory organisation having, jurisdiction over any activity required to be undertaken by the Company or any Shareholder to perform its obligations under or in connection with these Articles or any other agreement between the Company Shareholders.
- 1.99 **"Resale Business"** shall mean any business that provides Mobile Carriage Services using Core Network Elements established, operated and maintained by another entity.
- 1.100 **"Response Period"** shall have the meaning set forth in Article 51 (b).
- 1.101 **"SAARC Region"** shall mean the countries comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.
- 1.102 **"Sale Offer"** shall have the meaning set forth in Article 51 (a).
- 1.103 **"Sale Shares"** shall have the meaning set forth in Article 51 (a).
- 1.104 **"SC Cellular"** shall mean SC Cellular Holdings Limited, a company established and existing under the laws of India.
- 1.105 **"Scheduled Bharti Entities Closing Date"** shall have the meaning set forth in Article 44(c).
- 1.106 **"Scheduled Closing Date"** shall have the meaning set forth in Article 44(c).
- 1.107 **"Seal"** means the common seal of the Company.
- 1.108 **"SEBI"** shall mean the Securities and Exchange Board of India or any other agency then administering the SEBI regulations and the other national securities laws of India.
- 1.109 **"SEBI Price"** shall mean, at any time, the minimum price per BTL Share at which the Shares can be sold at such time as determined in accordance with then-applicable SEBI regulations.
- 1.110 **"Selling Shareholder"** shall have the meaning set forth in. Article 51 (a).
- 1.111 **"Shareholder"** and **"Shareholders"** shall mean any person holding a legal and beneficial interest in the Shares and shall include, without limitation, a Member and a Company Shareholder.
- 1.112 **"Shareholding"** shall mean: with respect to any Person as a Shareholder, at any time, that Person's total direct and indirect shareholding in the Shares; and with respect to a group of Persons, the aggregate of the total direct and indirect shareholding of each such Person in the Shares without any duplication or double counting of shareholdings among such Persons; it being understood that the indirect shareholding of any such Person in the Company shall mean the effective economic interest held indirectly by such Person in the Company (e.g. if such Person holds 80% of the voting class of shares of A which in turn holds 50% of the voting class of shares of B which in turn holds 30% of the voting class of shares of the Company, then such Person holds an indirect shareholding of 12.00% (80% x 50% x 30%) in the voting class of shares of the Company; and on a group (comprising such Person, A and B) basis, the holdings of A and B in the preceding example shall not be duplicated with the holdings of such Person for the purposes of determining the shareholding of the group in the Company (and by way of another example, if such Person holds 80% of the voting class of shares of C and C holds 50% of the voting class of shares of the Company, and A holds 20% of the voting class shares of B and B holds 30% of the voting class of shares of the Company, the group comprising such Person, C, A and B holds, on a group basis ((80% x 50%) + (20% x 30%)) 46% of the voting class shares of the Company); and with respect to the STI Shareholder, without limitation of the foregoing, shall, prior to the Conversion Date, be deemed to include 2,975,000 Shares that STI Shareholder will acquire on the Conversion Date.

- 1.113 **"Shares"** shall mean any or all of the ordinary voting class of shares of the Company having par value of Rs. 10, and shall include all shares derived therefrom, or consolidation or subdivision of the Company's share capital or otherwise, and a "Share" shall mean any of them.
- 1.114 **"Singtel"** shall mean Singapore Telecommunications Limited.
- 1.115 **"STI"** shall mean Singapore Telecom International Pte Limited.
- 1.116 **"STI Group"** shall mean STI, the STI Shareholder, Singtel and any and all of Singtel's direct or indirect Subsidiaries.
- 1.117 **"STI Shareholder"** shall mean whichever of STI or its Nominee acquires the Shares and the Debenture.
- 1.118 **"Subsidiary"** shall mean, with respect to any Person, any entity of which more than 50% of the securities or ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are owned directly or indirectly by such Person; and with respect to the Company, shall also mean to include the following entities irrespective of whether such 50% of the securities or ownership interest of such entity is owned by the Company, BTVL, Bharti Cellular Limited, Bharti Telenet Limited, Bharti Mobile Limited, Skycell Communications Limited, Jumbo Holdings Limited, Viscount Holdings Limited, Jubilant Holdings Limited, SC Cellular, Bharti Comtel Limited, Welldone Impex Limited, Bharti Telesonic Limited, Bharti Telespatial Limited, Bharti BT Limited and Bharti BT Internet Limited and any Person directly or indirectly controlled by the Company (for these purposes control shall have the meaning set forth in the definition of Affiliate).
- 1.119 **"Subsidiary Offered Shares"** shall have the meaning set forth in Article 44(a).
- 1.120 **"Subsidiary Transfer Notice"** shall have the meaning set forth in Article 44(a).
- 1.121 **"Telco"** shall mean any Person that is a Telecoms Operator in India, and shall include any Affiliate or Subsidiary in India of such Person.
- 1.122 **"Telecoms Operator"** shall mean any Person (other than any member of the Bharti Group or the STI Group) that is primarily engaged, directly or indirectly through its Affiliates, in the business of providing any of voice, data, DLDO, Corporate Data Network Services, V-SAT Services and/or other telecommunication services, whether through fixed, cable, multi-media or mobile network for local or international calls, as an operator or service provider and shall include any Affiliate or Subsidiary of such Person.
- 1.123 **"Territory"** shall mean, at any time, any territory defined as a "Circle" under a valid and existing licence for cellular mobile telephone service granted in respect thereof by the Department of Telecommunications, Government of India to the Company or any of its Subsidiaries, at such time.
- 1.124 **"Total Equity Investment"** shall mean, with respect to an Investing Company and an Existing Project or a New Project, the sum of: (a) in the case of an Existing Project, such Investing Company's acquisition price of the investment in such Existing Project and, in the case of a New Project, such Investing Company's initial equity investment in such New Project plus (b) such Investing Company's share of the projected additional equity investments, if any, in such Existing Project or New Project, as the case may be, during the first three consecutive years after such acquisition or initial investment, as the case may be.
- 1.125 **"Transfer"** shall mean the sale, gift, pledge, assignment, transfer, transfer in trust, mortgage, alienation, hypothecation, Encumbrance or disposition of any Shares by any Shareholder in any manner whatsoever, voluntarily or involuntarily, including, without limitation, any attachment, assignment for the benefit of creditors or transfer by operation of law or otherwise and the term **"Transferred"** shall be construed accordingly.
- 1.126 **"Transferee"** and **"Transferees"** shall have the meaning given to it in Article 41 (b).
- 1.127 **"Transferee Certificate"** shall have the meaning set forth in Article 40(a)(v).
- 1.128 **"Transfer Notice"** shall have the meaning set forth in Article 41 (a).

- 1.129 **"UNCITRAL Rules"** shall have the meaning set forth in Article 175.
- 1.130 **"Virgin/Singtel JV"** shall have the meaning set forth in Article 86(f).
- 1.131 **"V-SAT Services"** shall mean data and voice transfer services provided through the use of very small aperture terminals and satellite transponders.
- 1.132 **"WACC"** shall mean the weighted average cost of capital.

Words importing the singular shall include the plural and vice versus, words importing the masculine gender shall include the feminine gender and words importing persons shall include bodies corporate and all other persons recognised by law as such.

"month" and "year" means a calendar month and a calendar year respectively.

Expressions referring to writing shall be construed as including references to printing lithography, photography and other modes of representing or reproducing words in a viable form.

Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which these regulations became binding of the Company.

The provisions in these regulations, in which any reference is made to any provision of the Companies Act, 2013 or of any rule made thereunder, shall be governed by such provision or rule if such provision or rule is effective and in force on the date of its application, and in case such provision or rule is not effective or in force, shall, to the extent applicable, be governed by the corresponding provision of the Companies Act, 1956."

2. Intentionally omitted.

## **SHARE CAPITAL AND SHAREHOLDERS**

3. The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association of the Company.
4. Subject to the provisions of these Articles, and without limitation, Article 140, and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions at such time as they think fit and with full power to give any person the option to call for or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Directors think fit, provided that option or right to call of shares shall not be given to any persons except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns of allotment as provided for in the Act.
5. Pre-emptive Rights. In the event the Company intends to issue new equity securities or securities convertible into or exercisable or exchangeable for equity securities ("New Securities"), the Company shall provide each Company Shareholder with written notice of such intention ("Issuance Notice"), describing the type of New Securities to be issued and, the price thereof and the general terms upon which the Company proposes to effect such issuance. Each Company Shareholder shall have the right, but not the obligation, within thirty (30) days from the date of any such Issuance Notice to purchase, through one or more of the members of the same group of companies as such Company Shareholder, a pro rata portion of such New Securities, other than any New Securities issued as part of the Initial Public Offering or any New Securities issued as part of an employee stock option scheme approved in accordance with Article 140(a), for the price and upon the general terms and conditions specified in the Issuance Notice {pro rata meaning the proportion that the Shares then held by the Company Shareholder bears to the then total issued and outstanding Shares provided that prior to the Conversion Date pro rata shall mean that the STI Shareholder shall receive 20% of such New Securities). If any Company Shareholder shall fail to purchase its pro rata share of such New Securities (the "Non-Exercised Securities") within thirty (30) days, the Company shall immediately notify the other Shareholders in writing (a "Non Subscription Notice") thereof. Such other Company Shareholders shall have a right of over allotment with respect to any Non-Exercised Securities such that each such other Company Shareholder shall have the right to purchase its pro rata portion of such Non-Exercised Securities

(pro rata for this purpose meaning the portion that such other Company Shareholders' Shares bear to the aggregate of Shares of all such other Company Shareholders that wish to exercise their rights to purchase such Non-Exercised Securities) by giving written notice to the Company within five (5) Business Days from the date of the Non-Subscription Notice.

6. Minimum Shareholding of the Bharti Entities. Notwithstanding anything in these Articles to the contrary, during the period of 3 years (1,095 consecutive days) from the date that the STI Shareholder becomes a Shareholder, the Bharti Entities shall maintain their collective Direct Shareholding at 26% or above and must maintain management control of the Company during such period and shall also maintain their direct shareholding in BTVL Shares at 26% or above and maintain management control of BTVL during such period.
7. Maintenance of Initial Stakes.
  - (a) Subject to Article 7(b), so long as the Direct Shareholding of the Bharti Shareholders exceeds in the aggregate 26%, STI Group shall not increase its Shareholding beyond 26%, unless either:
    - (i) such increase has been agreed to by BEL;
    - (ii) such increase is as a result of the exercise by the STI Shareholder of its right of first refusal under Articles 41 through 48 or the exercise by the STI Shareholder of any pre-emptive or other rights in respect of new Shares; or
    - (iii) such increase is as a result of the conversion of the Debenture.
  - (b) So long as the Direct Shareholding of the Bharti Entities exceeds in the aggregate 26%, then the STI Group shall not acquire, directly or indirectly, Shares if such acquisition would result in the STI Group holding a greater number of Shares than the number of Shares held directly and indirectly by the Bharti Entities; provided, for the avoidance of doubt, that under no circumstances shall the STI Group be required to sell, Transfer or otherwise dispose of any Shares held directly or indirectly by it, pursuant to this Article and provided further that this Article shall be subject to:
    - (i) Article 7(c)
    - (ii) the STI Shareholder's right of first refusal in accordance with the terms contained in Article 41 in the event that any Transfer by any Shareholder of any Shares is a Transfer to a Telco or Telecoms Operator, and
    - (iii) the STI Shareholder's right of first refusal in accordance with the terms contained in Article 41 in the event that such Transfer would result in any entity (other than a Bharti Entity) holding either a greater or equal Direct Shareholding than the STI Shareholder or a greater or equal Shareholding than the STI Shareholder or a greater or equal direct and indirect shareholding of BTVL (for the purposes of this Article, in determining the Direct Shareholding or Shareholding of any entity such Direct Shareholding or Shareholding, as the case may be, shall be aggregated with any Shareholding of any Person who is a Subsidiary or Affiliate of such entity).
  - (c) The provisions of Articles 7(a) and 7(b) shall not apply to any bona fide portfolio investment related purchases by any member of the STI Group of the Company's listed shares in the open market, up to a maximum of 2% in aggregate of the Company's then issued and outstanding share capital.
8. Initial Public Offering. Subject to these Articles, Shares may be issued and sold to the public by way of an Initial Public Offering provided that, after the completion of the Initial Public Offering, the STI Shareholder's Shareholding shall not be less than 20% and the STI Shareholder's direct and indirect shareholding in BTVL shall not be less than 20%. In order to comply with the preceding sentence, the Bharti shareholders shall, at the option of the STI Shareholder, cause the Company to issue to the STI Shareholder such number of Shares or cause to be sold to the STI Shareholder from the holdings of the Bharti Group, that number of Shares, at an agreed price, such price not to be above the price of the Initial Public Offering, and/or that number of BTVL Shares at an agreed price as are necessary to ensure that the STI Shareholder shall maintain a Shareholding of at least 20% and a direct and indirect shareholding in BTVL of at least 20% after giving effect to the Initial Public Offering.



9 to 12. Intentionally omitted.

13. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register shall for the purposes of Articles, be a member.
  - (a) Subject to the provisions of these Articles, the Act and all other applicable provisions of law, the Company may issue shares, each equity or any other kind of non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.
  - (b) The Company shall have the power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares and may make a payment out of capital in respect of such purchase.
14.
  - (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act and Article 140(a) and whether or not the company is being wound up, be varied with the consent in writing of the holders of three fourth of the issued shares of that class, or with a sanction or a special resolution passed at a separate meeting of the holders of the shares of that class.
  - (2) Subject to the provisions of the Act, to every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply.
15. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
16.
  - (1) The Company may exercise the powers of paying commissions conferred by Section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in manner required by the Section.
  - (2) The rate of the commission shall not exceed the rate prescribed in rules made under sub- section (6) of section 40 of the Act.
  - (3) The commission may be satisfied by payment in case or by allotment of fully or partly paid shares of partly in one way and partly in the other.
  - (4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.
17. Subject to Section 89 of the Act, no person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by or be compelled to recognise (even when having notice thereof) any equitable, contingent, future or partial interest at any share "or any interest in any fractional part of a share or any rights in respect of any share except an absolute right of the entirety thereof in the registered holder.
18.
  - (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month and the application for the transfer of registration is received by the Company.
    - (a) One certificate for all his shares without payment, or
    - (b) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.
  - (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
  - (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

19. The Company may issue such fractional certificates as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit as to the period within which the fractional certificates are to be converted into share certificates.
20. If any share stands in the names of two or more persons the person first named in the register or member, shall as regards receipt of dividends, the service of notices, and subject to the provision of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.
- 20A. The Company shall have the power, to offer new Shares to its Shareholders, in accordance with Section 62 of the Act, in proportion as nearly as the circumstances admit, to the paid up capital on such Shares. The said offer shall be deemed to include a right exercisable by such Shareholders to freely renounce the entitlement of the Shares offered to the Shareholders, to any existing Shareholder of the Company.
- 20B. Intentionally omitted.

#### **LIEN**

21. (1) The Company shall have a first and paramount lien on every share (not being) a fully paid share, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share. Unless otherwise agreed the registration of a transfer of a share shall operate as a waiver of the company's lien if any, on such shares. The Directors may at any time declare any share to be wholly or in part to be exempt from the provisions of this clause.
- (2) The company's lien, if any, on a share shall extend to all dividends payable thereon.
22. The Company may sell, in such manner as the Board thinks fit subject always to Articles 33 to 56 any share on which the Company has a lien provided that no sale shall be made.
- (a) unless a sum in respect of which the lien exists is presently payable, or
- (b) until the expiration of thirty days after a notice in writing demanding payments of such part of the amount in respect of which the lien exists as is presently payable have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency and stating that amount so demanded is not paid within the period specified at the Registered Office of the Company the said share shall be sold.
23. (1) To give effect to any such sale, the Board may subject always to Articles 33 to 56 authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
- (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be effected by any irregularity or invalidity in proceedings in references to the sale.
24. (1) The proceeds of the sale shall be received by the company and applied in payment of the whole or a part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares at the date of sale, be paid to the person entitled to the shares at the date of sale.

#### **CALLS ON SHARES**

25. (1) The Board may, from time to time, make calls upon the members in respect of moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (2) Each member shall, subject to receiving at least thirty days notice specifying the time or times and place of payment of the call money, pay to the Company at the time or times and places so specified, the amount called on his shares.
- (3) A call may be revoked or postponed at the discretion of the Board.



26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by instalments.
- Provided that an option or right to call or shares shall not be given to any individual person, except with the sanction of the company in general meeting.
27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
28. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such interest as the Board may determine.
- (2) The Board shall by unanimous approval of all the Directors be at liberty to waive payment of any such interest wholly or in part.
29. (1) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (2) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
30. Subject to the provisions of Section 50 and 179 of the Act, the Board-
- (a) may, if it think fit, receive from any member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him, and
- (b) if it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct nine percent per annum as may be agreed upon between the Board and the members paying the sums or advances. Money so paid in advance shall not confer a right to dividend or to participate in profit.
31. On the trial or hearing of any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the Company as a holder or one of the holders of number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, was resolved to made, nor shall the meeting at which any call was resolved to made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
32. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided. The money paid in advance of call shall not be regarded as a loan to the company and shall not be refundable.

#### **TRANSFER AND TRANSMISSION OF SHARES**

33. The Company shall keep a "Register of Transfers/Transmission", and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.
34. (1) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee.

- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
35. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 2013 and of any modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
36. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall, in the case of partly paid up shares, be effected unless the company gives notice of the application to the transferee in the manner prescribed by the Act, and, the company shall unless objection is made by the transferee within two weeks from the date of receipt of notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- 36A. Intentionally omitted.
- 36B. Subject to the provisions of these Articles and the Act, the Board may decline to recognise any instrument of transfer unless.
- (a) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transfer to make the transfer, and
- (b) The instrument is in respect of only one class of shares.
37. No Transfers to Competitors. Without the prior written consent of BEL, and notwithstanding anything in these Articles to the contrary, the STI Shareholder shall not Transfer any of its Shares to: any Telco; or any Telecoms Operator that has more than a 26% (direct or indirect) ownership of voting shares or interest in any Telco.
38. Transfers of Shares by Shareholders. Subject to these Articles, any Transfer of the Shares held by the Shareholders shall be made only in accordance with the provisions of these Articles.
39. Limitations on Pledge of Shares by Shareholders. Each Shareholder shall not cause or permit the pledge, hypothecation, mortgage, charge, assignment as security or other encumbrance (an "Encumbrance") of any Shares which it holds except for the Encumbrances on its Shares existing on the date that the STI Shareholder first acquires Shares in the Company unless the prior consent in writing is obtained from each Shareholder; except, in the case of the Bharti Shareholders, the Bharti Shareholders may pledge to a bank or financial institution Shares that they hold in excess of an aggregate 26% Direct Shareholding to secure any actual or contingent indebtedness to such bank or financial institution (other than indebtedness in respect of working capital) of the Company or its Subsidiaries for the purposes of financing an Existing Project or New Project (that has been approved in accordance with these Articles).
40. Transfers in Favour of Permitted Transferees.
- (a) At any time, each Company Shareholder shall have the right to Transfer its Shares to one or more of its Permitted Transferees and such Transfer may be effected in one or more separate transactions, provided that prior to such Transfer each of the following conditions shall have been met:
- (i) the transferring Company Shareholder shall provide written notice of such Transfer to each other Company Shareholder, such notice to specify the number of Shares to be transferred, that the Person to whom the shares are to be transferred is a Permitted Transferee and the name of the Permitted Transferee to whom the Shares are to be transferred;
- (ii) the transferring Company Shareholder shall unconditionally guarantee the performance of the terms of these Articles and any other agreement between the Company Shareholders by each Permitted Transferee to which the Shares are being transferred;
- (iii) the transferring Company Shareholder shall remain bound by its obligations under the terms of these Articles and any other agreement between the Company Shareholders provided that it still holds Shares;

- (iv) each Permitted Transferee to which Shares are being transferred shall accede to these Articles and any other agreement between the Company Shareholders by signing, dating and delivering to each Shareholder a written statement in English reading as follows (the "Transferee Certificate"):  
  

"The undersigned, in consideration of receiving [ ] shares of Bharti Telecom Limited (the "Company") from [ ] (the "Original Shareholder\*"), hereby agrees to be deemed a party to, and to be bound by the terms and conditions of these Articles. The undersigned agrees to be bound by the terms and conditions of these Articles as if it were the Original Shareholder and for the purposes of any shareholding requirement in these Articles, the shareholding of the undersigned shall be deemed to be aggregated with the Original Shareholder."
- (v) Upon delivery of such Transferee Certificate or, if the Company Shareholders mutually agree otherwise, a supplemental agreement to each other Company Shareholder, the Permitted Transferee of the transferring Company Shareholder shall be deemed to be a "Shareholder", "Company Shareholder" and "Party" hereunder and the terms "Shareholder", "Company Shareholder", and "Party" shall be construed to include such Permitted Transferee.
- (vi) Prior to such time as a Permitted Transferee to whom the Shares have been Transferred pursuant to this Article shall cease to qualify as a Permitted Transferee of the transferring Company Shareholder, such Permitted Transferee shall re-transfer all Shares held by it to the transferring Company Shareholder.

#### 41. Right of First Refusal.

- (a) Notwithstanding any provision of these Articles other than Article 43, if at any time any Company Shareholder shall desire to Transfer all or part of its Shares (the "Offeror") to any Person who is not a Permitted Transferee of the Offeror, then the STI Shareholder, in the case that the Offeror is a Bharti Shareholder, or the Bharti Shareholders, in the case that the Offeror is the STI Shareholder, shall have, at their option, a right of first refusal to purchase such offered shares (the "Offered Shares") upon the terms and subject to the conditions hereinafter provided. Any election to purchase the Offered Shares must be in accordance with the terms of the Transfer Notice (as hereinafter defined), must be in respect of all (and not part) of the Offered Shares and otherwise must be unconditional (except that such purchase may be subject to the prior receipt of statutory or regulatory approvals or Governmental Authorisations necessary to complete such purchase). In respect of any proposed Transfer of such Offered Shares, the Offeror shall have received a written irrevocable bona fide offer from a third party to purchase the Offered Shares stating the identity of the prospective purchaser, the number of Offered Shares to be purchased and the price and terms upon which such Offered Shares are proposed to be Transferred, and shall deliver a notice (a "Transfer Notice"), which shall include a copy of such written irrevocable bona fide offer, to the Company and the other Shareholders.
- (b) A Company Shareholder may exercise its right of first refusal under Article 41 (a) to purchase the Offered Shares, through one or more of its Permitted Transferees (such members, individually a "Transferee" and, collectively, the "Transferees"), provided that such Transferees collectively elect to purchase all of the Offered Shares.
- (c) Each Transferee shall have a period of thirty (30) days after receipt of a Transfer Notice within which to elect to purchase such Offered Shares at the same price and on the same terms set forth in the Transfer Notice, which election shall be made by an irrevocable written notice delivered by the Transferee to the Offeror (with a copy to the Company and the other Shareholders), The last day of such 30-day period is hereinafter referred to as the "Cut-Off Date".
- (d) The consideration in respect of such Offered Shares for which a right of first refusal is exercised under this Article shall be paid in full in cash, or in such other form as may be agreed.
- (e) The closing of each such purchase in respect of which a right of first refusal under this Article is exercised shall take place by the 90th day after the Cut-Off Date or if such day is not a Business Day, then on the next Business Day (the "Scheduled Closing Date"). The Scheduled Closing Date may be amended upon the

mutual agreement of the Offeror and the Transferee, and in any case shall be extended to the extent necessary, up to a reasonable period of time, in order to comply with applicable laws and regulations (including obtaining any necessary Governmental Authorisations of the Transfer of such Offered Shares).

- (f) Upon any election of the right to purchase such Offered Shares by the Transferee, the Offeror and the Transferee shall use their best efforts to secure any approvals (Including Governmental Authorisations) required in connection therewith.

42. Rejection of Right of First Refusal.

- (a) If as of the close of the Offeror's business on the Cut-Off Date, no Transferee or group of Transferees has elected to exercise its rights to purchase all the Offered Shares in accordance with Article 41, then (subject to Article 42(c) hereof) the Offeror may sell all of the Offered Shares to the prospective third party purchaser named in the Transfer Notice not later than the 60th day after the Cut-Off Date.
- (b) If the Transferee or group of Transferees fails to complete the purchase of all of the Offered Shares in accordance with the terms of these Articles and the applicable Transfer Notice, and such failure is not remedied within seven days, and/or the purchase of the Offered Shares is not completed prior to the Scheduled Closing Date then (subject to Article 42(c)) the Offeror may sell all of the Offered Shares to the third prospective party purchaser named in the Transfer Notice not later than the 60th day after the Scheduled Closing Date.
- (c) Any sale to such third party pursuant to this Article 42 shall be on terms and conditions ( including, without limitation, the price per Share) no more favorable to such third party than those set forth in the applicable Transfer Notice received by the Transferee.
- (d) If the Offered Shares are not sold to such third party within the 60-day period specified in Article 42(a) and 42(b), then the rights of the Transferee under Articles 41 and 42 shall be fully restored and reinstated as if the relevant offer had never been made and the Offeree must again follow the procedures set forth in Article 41 and this Article prior to the sale of any of the Offered Shares to any Person, except for Transfers otherwise permitted by these Articles.
- (e) The Offeror shall cause its nominees on the Board of Directors to resign, effective immediately upon completion of the sale of the Offered Shares (under Article 41 or this Article), to the extent necessary, so that following such resignation(s) its nominees on the Board of Directors equal the number of Persons it is entitled to nominate to the Board of Directors pursuant to Article 116.

43. Conditions to the STI Right of First Refusal.

The STI Group's right of first refusal to purchase any Shares offered for sale or Transfer by a Bharti Group member set forth in Articles 41 and 42 shall apply only if one or more of the following conditions are satisfied :

- (a) the number of Offered Shares offered for sale or Transfer by any one or more of the Bharti Group member represents, directly and indirectly, either on its own, or when aggregated with any other Transfers of Shares by any of the Bharti Group (including, without limitation any options to purchase further shares), more than 10% of the then total issued and outstanding Shares; or
- (b) Bharti Shareholder's aggregate Direct Shareholding would fall below 26% as a result of the proposed Transfer of the Offered Shares or is at the time of the proposed Transfer of Offered Shares at or below 26%; or
- (c) the prospective purchaser is a Telecoms Operator or a Telco; or
- (d) the Shareholding of any entity (other than the Bharti Entities or the STI Shareholder) would, as a result of the proposed Transfer of the Offered Shares, exceed the STI Shareholder's Shareholding or the STI Shareholder's shareholding of BTVL Shares.

44. Right of First Refusal over shares in any Existing Subsidiary of the Company offered for sale by the Company

- (a) Subject to the terms of any shareholders agreements and articles of association of the Existing Subsidiaries, if any shares (the "Subsidiary Offered Shares") of any Existing Subsidiary are offered for sale by the Company, then each of the Offeree Parties shall have a right of first refusal to purchase all (but not part) of the Subsidiary Offered Shares in the order and upon the terms and subject to the conditions hereinafter provided in this Article. Prior to any proposed Transfer of Subsidiary Offered Shares, the Company shall have received a written irrevocable bona fide offer from a third party to purchase the Subsidiary Offered Shares stating the identity of the prospective purchaser, the number of Subsidiary Offered Shares to be purchased and the price and terms upon which such Subsidiary Offered Shares are proposed to be Transferred, and shall deliver a notice (a "Subsidiary Transfer Notice"), which shall include a copy of such written irrevocable bona fide offer, to each of the Offeree Parties. For the avoidance of doubt, any sale by the Company of shares in any Subsidiary shall require approval in accordance with Article 140(a)(xiii) and shall be on terms and conditions approved in accordance with Article 140(a)(xiii).
- (b) The Bharti Entities shall have a period of fifteen (15) days after receipt of a Subsidiary Transfer Notice within which to elect to purchase all (but not part) of the Subsidiary Offered Shares at the same price and on the same terms set forth in the Subsidiary Transfer Notice, which election shall be made by an irrevocable written notice delivered by the Bharti Entities to the Company. The last day of such 15-day period is hereinafter referred to as the "Bharti Entities Cut-Off Date".
- (c) The closing of a purchase exercised pursuant to Article 44(b) shall take place on the 90th day after the Bharti Entities Cut-Off Date, or if such day is not a Business Day, then on the next Business Day (the "Scheduled Bharti Entities Closing Date"). The Scheduled Bharti Entities Closing Date may be amended upon the mutual agreement of the STI Shareholder and the Bharti Entities, and in any case shall be extended to the extent necessary in order to comply with applicable laws and regulations (including obtaining any necessary Government Authorisations of the Transfer of such Subsidiary Offered Shares).
- (d) If, as of the close of the Company's business on the Scheduled Bharti Entities Cut-Off Date, the Bharti Entities have not exercised their right to purchase all of the Subsidiary Offered Shares or, as of the close of the Company's business on the Scheduled Bharti Entities Closing Date, the Bharti Entities have failed to complete the purchase of all of the Subsidiary Offered Shares in accordance with the terms of these Articles or the necessary approvals (including Governmental Authorisations) are not obtained within a reasonable period of time thereafter, then the Company shall offer such Subsidiary Offered Shares to the STI Group and Articles 44(b) and 44(c) shall be deemed repeated herein replacing the term "Bharti Entities" with "STI Group".
- (e) The consideration in respect of such Subsidiary Offered Shares shall be paid in full in cash, or in such other form as may be agreed between the Company and the purchaser and approved in accordance with Article 140(a)(xiii).
- (f) Upon any election of the right to purchase such Subsidiary Offered Shares by any Offeree Party, the Company and the relevant Offeree Party shall use their best efforts to secure any approvals (including Governmental Authorisations) required in connection therewith.

45. Rejection of the Offeree Parties Rights of First Refusal in any Existing Subsidiary.

- (a) If neither of the Offeree Parties has exercised its right to purchase all the Subsidiary Offered Shares in accordance with Article 44 or the relevant Offeree Party fails to complete the purchase of all of the Subsidiary Offered Shares in accordance with the terms of Article 44 or the necessary approvals (including Governmental Authorisations) are not obtained within a reasonable period of time, then the Company may sell all of the Subsidiary Offered Shares to the prospective third party named in the Subsidiary Transfer Notice, in the event that the STI Shareholder does not elect to purchase the Subsidiary Offered Shares, not later than the 60th day after the offer was made to the STI Group or, otherwise, 90 days after the offer was made to the STI Group.

- (b) Any sale to such third party pursuant to Article 45(a) shall be on terms and conditions ( including, without limitation, the price per share) no more favourable to such third party than those set forth in the Subsidiary Transfer Notice.
  - (c) If the Subsidiary Offered Shares are not sold to such third party within the 60-day or 90day period specified in Article 45(a), then the rights of the Offeree Parties under Article 44 and this Article shall be fully restored and reinstated as if such offer had never been made and the Company must again follow the procedures set forth in Article 44 and this Article prior to the sale of any of the Subsidiary Offered Shares to any Person, except for Transfers otherwise permitted by these Articles.
46. Transfers of shares in Existing Subsidiary other than by the Company.
- (a) The Company undertakes to notify the Offeree Parties (i) within three (3) Business Days of being offered any shares in any Subsidiary of the Company, (ii) within three (3) Business Days of becoming aware that any shares in any of its Subsidiaries are proposed to be transferred, and (iii) at least five (5) Business Days prior to rejecting any offer made to it to purchase any shares in its Subsidiaries.
  - (b) In the event that the Company is a party to any existing shareholders agreement that allows the Company a right of first refusal in respect of the shares of any Subsidiary and the Company does not wish to exercise those rights on its own behalf, then it shall use its best efforts to exercise such rights for the benefit of the Offeree Parties in accordance with Article 44. In the event that the Company does not exercise such rights on its own behalf and the STI Shareholder voted in favor of the Company exercising such rights, then no member of the Bharti Group shall acquire such shares.
47. Right of First Refusal over shares in any New Subsidiary of the Company.
- (a) The Company Shareholders agree to ensure that the shareholders of any Subsidiary of the Company that is formed or established after the date that the STI Shareholder first acquires Shares in the Company or any entity that becomes a Subsidiary of the Company after the date of these Articles ("New Subsidiary") accede to a shareholders' agreement which provides for the right of first refusal contained in Articles 47 and 48 of these Articles to be given to the Company and the Offeree Parties by the shareholders of such New Subsidiary.
  - (b) If any shares of any New Subsidiary are offered for sale (the "New Subsidiary Offered Shares") by any of the shareholders of such Subsidiary (the "New Offering Shareholder") then each of the Offeree Parties and the Company (other than the New Offering Shareholder) shall have a right of first refusal to purchase all (but not part) of the New Subsidiary Offered Shares in the order and upon the terms and subject to the conditions hereinafter provided in this Article. Prior to any proposed Transfer of New Subsidiary Offered Shares, the New Offering Shareholder shall have received a written irrevocable bona fide offer from a third party to purchase the New Subsidiary Offered Shares stating the identity of the prospective purchaser, the number of New Subsidiary Offered Shares to be purchased and the price and terms upon which such New Subsidiary Offered Shares are proposed to be Transferred, and shall deliver a notice (a "New Subsidiary Transfer Notice"), which shall include a copy of such written irrevocable bona fide offer, to each of the Offeree Parties and the Company.
  - (c) The Company (if it is not the New Offering Shareholder) shall have a period of fifteen (15) days after receipt of a New Subsidiary Transfer Notice within which to elect to purchase all ( but not part)-of the New Subsidiary Offered Shares at the same price and on the same terms set forth in the New Subsidiary Transfer Notice, which election shall be made by an irrevocable written notice delivered by the Company to the New Offering Shareholder (with a copy to each of the other Offeree Parties). The last day of such 15-day period is hereinafter referred to as the "New Company Cut-Off Date".
  - (d) The closing of such purchase exercised pursuant to Article 47(c) shall take place by the 90th day after the New Company Cut-Off Date, or if such day is not a Business Day, then on the next such Business Day (the "New Scheduled Company Closing Date"). The New Scheduled Company Closing Date may be amended upon the mutual agreement of the New Offering Shareholder, the STI Shareholder and the Company, and in



any case shall be extended to the extent necessary in order to comply with applicable laws and regulations (including obtaining any necessary Governmental Authorisations of the Transfer of such New Subsidiary Offered Shares).

- (e) If, as of the close of the New Offering Shareholder's business on the New Company Cut-Off Date, the Company has not exercised its right to purchase all of the New Subsidiary Offered Shares, or, as of the close of the New Offering Shareholder's business on the New Scheduled Company Closing Date, the Company fails to complete the purchase of all of the New Subsidiary Offered Shares in accordance with the terms of these Articles or the necessary approvals (including Governmental Authorisations) are not obtained within a reasonable period of time thereafter, then the New Offering Shareholder shall offer to each Offeree Party its pro rata ( being the proportion that such Offeree Party's Shareholding of Shares bears to the aggregate Shareholding of both Offeree Parties) portion of such New Subsidiary Offered Shares and Articles 47(b) through 47(e) shall be deemed repeated herein replacing the term "Company" with "Offeree Parties" and the words "or New Extended Subsidiary Cut-Off Date, as the case may be," shall be added in the first sentence of this Article 47(e) after the words "Cut-Off Date".
- (f) If an Offeree Party does not elect to purchase its pro rata portion (as determined in Article 47(e) of the New Subsidiary Offered Shares (the "New Remaining Subsidiary Offered Shares") by the New Subsidiary Cut-Off Date and the other Offeree Party has elected to purchase its pro rata portion, then such other Offeree Party shall have the right exercisable for a period of five days after the New Subsidiary Cut-Off Date (the last day of which shall be the "New Extended Subsidiary Cut-Off Date"), to purchase the New Remaining Subsidiary Offered Shares.
- (g) Any election to purchase the Subsidiary Offered Shares must be in accordance with the terms of the New Subsidiary Transfer Notice then in effect, and otherwise must be unconditional (except that such purchase may be subject to the prior receipt of statutory or regulatory approvals or Governmental Authorisations necessary to complete such purchase). The consideration in respect of such New Subsidiary Offered Shares shall be paid in full in cash, or in such other form as may be agreed.
- (h) Upon any election of the right to purchase such New Subsidiary Offered Shares by the Offeree Parties, the relevant Offeree Party and the New Offering Shareholder shall use their best efforts to secure any approvals (including Governmental Authorisations) required in connection therewith.

48. Rejection of the Offeree Parties Rights of First Refusal in relation to the New Subsidiaries.

- (a) If the Offeree Parties and the Company have not exercised their right to purchase all the New Subsidiary Offered Shares in accordance with Article 47, or the Offeree Parties and the Company fail to complete the purchase of all of the New Subsidiary Offered Shares in accordance with the terms of Article 47 or the necessary approvals (including Governmental Authorisations) are not obtained within a reasonable period of time, then the New Offering Shareholder may sell all of the New Subsidiary Offered Shares not purchased by the Offeree Parties or the Company (the "New-Final Remaining Offered Shares") to the prospective third party named in the New Subsidiary Transfer Notice, in the event that none of the Offeree Parties elects to purchase the New Subsidiary shares, not later than the 60th day after the offer was made to the Offeree Parties or otherwise not later than the 60th day after the New Extended Subsidiary Cut-Off Date.
- (b) Any sale to such third party pursuant to Article 48(a) shall be on terms and conditions ( including without limitation, the price per share) no more favourable to such third party than those set forth in the New Subsidiary Transfer Notice.
- (c) If the New Final Remaining Offered Shares are not sold to such third party within the relevant 60-day period specified in Article 48(a), then the rights of the Offeree Parties under Article 47 and this Article 48 shall be fully restored and reinstated as if such offer had never been made and the New Offering Shareholder must again follow the procedures set forth in Articles 47 and 48 prior to the sale of any of the New Final Remaining Offered Shares to any Person, except for Transfers otherwise permitted by these Articles.

49. Transfers to Permitted Transferees. Any exercise of the rights of first refusal contained in Articles 41 through 42 by the Permitted Transferee of any Party shall be subject to the provisions of Articles 40(a)(i), (ii), (iii), (iv), (v) and (vi).
50. Exercise of STI Rights of First Refusal. Notwithstanding anything contained in these Articles, in the event that STI Group is not able to exercise its rights of first refusal under Article 41 through 48 with respect to all of the relevant shares offered for sale by reason of Indian Law, regulatory requirement, agreement or arrangement, but would be permitted to exercise such rights in respect of a portion of such shares being offered, then the STI Shareholder shall be entitled to require the other Company Shareholders to, and the other Company Shareholders shall, waive the requirement, if any that STI Group purchase all the Offered Shares to exercise such right of first refusal and the STI Shareholder may exercise such right of first refusal with respect to such portion of the shares being offered.
51. Investor Tag-Along Rights.
- (a) Subject to Article 40 if any member or members of the Bharti Group (the "Selling Shareholder") desires or desire to Transfer all or part of its/their Shares which, in the aggregate, equal 10 percent (10%) or more of the then issued and outstanding Shares to any third party (the "Proposed Transferee(s)"), such Selling Shareholder shall, prior to consummating any such Transfer, give written notice (a "Sale Offer") to the STI Shareholder containing (i) the number of Shares proposed to be transferred pursuant to such bona fide written offer (the "Sale Shares"), (ii) the name and address of the Proposed Transferee(s), (iii) the proposed purchase price (which shall not be less than the SEBI Price), terms and payment and other material terms and conditions of the Proposed Transferee(s)' offer and (iv) an offer to the STI Shareholder, at its sole option, to include in such sale to the Proposed Transferee(s) any or all of such number of Shares held by the STI Shareholder calculated in accordance with Article 51 (b).
  - (b) The STI Shareholder shall have the right, for a period of thirty (30) days after the Sale Offer is given to it (the "Response Period"), to include in such sale to the Proposed Transferee(s) such number of Shares held by the STI Shareholder which are equal to (i) the Sale Shares multiplied by (ii) a fraction, the numerator of which is the Direct Shareholding of the STI Shareholder and the denominator of which is the sum of the Direct Shareholdings of the Shareholders, exercisable by delivering a written notice to the Selling Shareholder within the Response Period, stating therein the number of Shares to be sold by the STI Shareholder.
  - (c) In the event the STI Shareholder notifies the Selling Shareholder within the Response Period that pursuant to Article 51 (b) it desires to include in such sale to the Proposed Transferee(s) all or a portion of its Shares, the Selling Shareholder shall have sixty (60) days from the Response Period in which to sell the Sale Shares at a price not lower than that contained in the Sale Offer and on terms not more favourable to the Proposed Transferee(s) than were contained in the Sale Offer.
  - (d) If at the end of the Response Period, the STI Shareholder has not given notice of its decision to sell its Shares in accordance with this Article, then the Selling Shareholder shall have sixty (60) days in which to sell the Sale Shares to the Proposed Transferee(s) at a price not lower than that contained in the Sale Offer and on terms not more Favourable to the Proposed Transferee(s) than were contained in the Sale Offer. Promptly after any sale pursuant to this Article, the Selling Shareholder shall notify the Company and each of the Company Shareholder of the consummation thereof and shall furnish such evidence of the completion ( including time of completion) of such sale and of the terms thereof as the Company or such Shareholder may request.
  - (e) If at the end of any such 60-day period provided for in this Article, the Selling Shareholder has not completed \*the sale of the Sale Shares, the Selling Shareholder shall no longer be permitted to sell such Sale Shares without again fully complying with the provisions of this Article.
52. Registration of Transfers.
- (a) Any Transfer of Shares effected pursuant to these Articles on transfer and transmission of Shares, shall be recognised by the Company and be registered in the books of the Company in the name or names of the transferees concerned without any objection, condition or restriction whatsoever.



- (b) Any attempt to Transfer any Shares which is not in compliance with these Articles shall be null and void and neither the Company nor any transfer agent shall give any effect in the Company's share and transfer books and in the Register of Members to such attempted Transfer. The Company is hereby authorised by the Shareholders to impose stop transfer instructions with respect to the Shares to ensure that all transfers of Shares comply with these Articles.
53. Consents and Approvals for Share Transfers. If the Transfer of any Shares by any Shareholder in accordance with these Articles requires any consent, authorisation, approval and permit from, or the making of any filing or notice to, any other Person or governmental, quasi-governmental and regulatory body, agency and authority necessary and appropriate to permit such Transfer under applicable law (including, without limitation, any approval required from the SEBI, the Reserve Bank of India, the Foreign Investment Promotion Board of India and the Department of Telecommunications), the Shareholders shall ensure that the Company, prior to such Transfer, procures and receives such consent, authorisation, approval or permit or makes such filing or notice.
54. All instruments of transfer which shall be registered, shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
55. (a) The registration of transfer may be suspended at such times and for such periods as the Board may from time to time determine provided that such registration shall not be suspended for more than thirty days at any one time or for not more than forty-five days in the aggregate in any year.
- (b) There shall be no fee or charge for :
- (a) registration of shares or debentures;
- (b) sub-division and/or consolidation or shares and debenture certificates and sub-division of Letters or Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading;
- (c) sub-division of renunciable Letters of Right.
- (d) issue of new certificates in replacement of those which are decrypt or worn out or where the cages on the reverse for recording transfers have been fully utilised;
- (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.
56. Intentionally omitted.
57. (1) On the death of the member, the survivor or survivors where the member was a joint holder, and his legal representative/nominee, where he was a sole holder shall be the only person recognised by the Company as having any title to his interest in the shares.
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
58. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either
- (a) to be registered himself as holder of the BTL share; or
- (b) to make such transfer of the shares as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.
59. (1) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - (3) all the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration or transfers of shares shall be applicable to any such notice or transfer, as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer signed by the member.
60. On the transfer of the Share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
61. Intentionally omitted.
62. The Company shall incur no liability whatever in consequence of its registering or giving effect to any transfer share made or purporting to be made by any apparent level owner thereof (as shown or appearing as members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice, prohibiting, registration or such transfer and may have entered such notice, or referred thereto, in any book of the Company, and the Company, shall not be bound or required to regard or attend or give effect to any notice which may be given to it or any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### **FORFEITURE OF SHARES**

63. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
64. The notice aforesaid shall:
- (a) name a further day (not earlier than the expiry of thirty days from the date of service of notice on or before which the payment required by the notice is to be made; and
  - (b) State that, in event of non payment on or before the day so named, the shares in respect of which the call was made, will be liable to be forfeited.
65. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
66. (1) A forfeited share may, subject always to Articles 33 to 56, be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (2) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.
67. (1) A person whose share have been forfeited shall cease to be a member to respect of the forfeited shares, but shall, notwithstanding the forfeiture remain liable to pay to the Company all moneys which at data of

- forfeiture were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of [nine percent] per annum.
- (2) The liability of such person shall cease if and when the Company shall have received payments in full of all such moneys in respect of the shares.
68. (1) A duly verified declaration in writing that the declarant is a director or the secretary of the company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, give for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The transferee shall thereupon be registered as the holder of the shares.
- (4) The transferee shall not be bound to see to the application of the purchase money, if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
69. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether, on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
70. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.
71. Upon any sale after forfeiture or for enforcing a lien in purported exercise of power herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money; and after his name has been entered in Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
72. Upon any sale re allotment or other disposal under the purported of these Articles relating to lien or to forfeiture the certificate or certificates originally issued in respect of the relative shares shall ( unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the power in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
73. The directors may, subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of this shares or stock or any part thereof.
- 73A. The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of the debts, liabilities or engagements of the defaulting Member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such Member or the person (if any) entitled by transmission to the shares so sold.

Articles 74 to 81 intentionally omitted.

#### **ALTERATION OF CAPITAL**

- 82A. Subject to the provisions of these Articles, including without limitation the approval of the STI Shareholder under Article 140A, the Company may from time to time, by ordinary resolution, increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.

- 82B. Subject to the provisions of these Articles including, without limitation the approval of the STI Shareholder under Article 140A, the Company may by ordinary resolution in general meeting:
- (a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares,
  - (b) subdivide its shares or any of them, into shares of smaller amounts than is fixed by the Memorandum, so however, than in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares is derived,
  - (c) cancel any shares which, at the date of the passing of resolution in the behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
- 82C. Subject to the provisions of these Articles including, without limitation, the approval of the STI Shareholder under Article 140A, the Company may from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital and any capital reserve fund or share premium account.
- 82D. The Company shall have power to establish Branch Offices subject to the provisions of the Act or any statutory modifications thereof.
- 82E. Intentionally omitted.
- 82F. Subject to the provisions of these Articles including, without limitation, the approval of the STI Shareholder under Article 140A, the Company, if authorised by a special resolution passed at a General Meeting, may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject however to the provisions of the Act.
- 82G. Notwithstanding anything contained in these Articles, but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as it may think necessary, subject to such limit, upon such terms and conditions and subject to such approvals, permissions, consents as may be permitted by law, from time to time.
- 83 to 90 intentionally omitted.

#### **GENERAL MEETINGS**

91. All General Meetings other than the Annual General Meeting of the Company shall be called Extraordinary General Meetings.
92. (1) The Board may, whenever it thinks fit, or whenever required in terms of the Act, call an Extraordinary General Meeting.
- (2) Subject to Article 92A, if at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or such number of members of the Company, may call an extraordinary general meeting in the same manner, as nearly as possible, to that in which such a meeting may be called by the Board.
- 92A. An Annual General Meeting shall be held not less than once a year. Except as otherwise so forth herein, all General Meetings (including matters related thereto such as notices, proxies, voting, passing of resolutions, adjournments and the like) shall be governed by the applicable provisions of these Articles, and the Act. Prior to the public offering of Shares, the quorum for any General Meeting shall not be constituted without a representative of each of the Company Shareholders being present at such meeting provided that if any Company Shareholder is not present at such meeting, the meeting shall be adjourned until the 8th day after such meeting, at the same time and place as specified in the notice of the original meeting or to such other date and such other time and place as the board may determine and whether or not any representative of such Company Shareholder who was absent is present at the adjourned meeting a quorum shall be deemed to be present and any decision taken in such meeting on any matter on the agenda circulated prior to the original meeting shall be valid. For the avoidance of doubt, if any meeting is adjourned due to the absence of a Company Shareholder any decision taken in such adjourned

meeting on any matter on the agenda circulated prior to the original meeting shall be valid regardless of whether any representative of any Company Shareholder previously absent is in attendance. Subsequent to a public offering of Shares, the provisions of Article 94(2) shall apply in relation to the quorum requirements for any General Meeting. The Company Shareholders shall decide upon those matters which under the Act are required to be approved by or voted upon by the Shareholders or as provided for in these Articles. For the avoidance of doubt, any Chairman of a General Meeting shall not have any casting vote.

#### **CONDUCT OF GENERAL MEETING**

93. No general meeting, including annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.
94. (1) No business shall be transacted at any general meeting, unless a valid quorum of members present at the time when the meeting proceeds to business.
- (2) Subject to Article 92A and save as otherwise provided in Section 103 of the Act, such number of minimum members as may be prescribed, present in person shall be quorum. A body corporate, being a member, shall be deemed to be personally present if it is represented in accordance with the provisions of the Act.

#### **CONDUCT OF MEETING**

95. The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.
96. If there is no such Chairman, or if he is not present within fifteen minutes of the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Directors Present shall elect one of their members to be the Chairman of the meeting.
97. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting. The Chairman shall not have a deciding vote.
98. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.
99. (1) The Chairman may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and place to place.
- (2) No business shall be transacted at any adjourned meeting, other than the left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, fresh notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at adjourned meeting.
100. Intentionally omitted

#### **VOTE OF MEMBERS**

101. Subject to STI's right of approval in respect of General Reserved Matters, at any General Meeting, a resolution put to the vote at the Meeting shall, be decided by show of hands or by poll or voting through electronic means, as may be applicable to the Company.
102. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For the purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of Members.
103. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.

104. No member shall be entitled to vote at any general meeting unless all calls, other sums, presently payable by him in respect of shares in the Company, or in respect of shares on which the Company has exercised any right of lien, have been paid.
105. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (2) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision thereon shall be final and conclusive.
106. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of authority, shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
107. An instrument appointing a proxy shall be in the forms as prescribed under section 105 of the Companies Act, 2013 and the rules made thereunder.
108. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, if no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **CERTAIN COVENANTS**

109. Enforcement Proceedings. The Shareholders shall cause the Company to notify the STI Shareholder as soon as the Company is aware that the Company has breached or is likely to breach any Loan Agreement or any other agreement or obligation or any of the Company's lenders are considering exercising their rights under any mortgage, security agreement, hypothecation, pledge, Loan Agreement or other agreement.
110. Bharti Group and STI Group. Each of the Bharti Shareholders covenants that, where any obligation in these Articles is an obligation of the Bharti Group, they will each, jointly and severally, procure that each other member of the Bharti Group acts in accordance with the terms of these Articles and further that where any obligation under any agreement between the STI Shareholder and any member of the Bharti Group are obligations of the Bharti Group, they will each, jointly and severally, procure that each other member of the Bharti Group acts in accordance with the terms of that agreement. The STI Shareholder covenants that, where any obligation in these Articles is an obligation of the STI Group, it will procure that each other member of the STI Group acts in accordance with the terms of these Articles.
111. IL&FS Option. The Bharti Shareholders each covenant, jointly and severally that they will procure that neither the Company nor BTVL enter into any agreement whereby IL&FS will acquire BTVL Shares without the prior written consent of the STI Shareholder to all the terms of such acquisition.]
112. AIF option. The Bharti Shareholders each covenant, jointly and severally, that they will procure that any exchange of shares will be made on no more favorable basis to AIF than the relative valuations given to Bharti Mobile and BTVL by the STI Shareholder for the purposes of the acquisition by the STI Shareholder of the BTVL Shares.]
113. BML/BTVL Option. The Bharti Shareholders each covenant, jointly and severally, that they will procure that any exchange of shares will be made on no more favourable basis to Cadeval Group Limited and Nicobar Holdings Limited than the relative valuations given to Bharti Mobile and BTVL by the STI Shareholder for the purposes of the acquisition by the STI Shareholder of the BTVL Shares.]
- 113A. (i) Any opportunity, other than an opportunity under Article 113(vi), procured by or offered or granted to, or offered or granted by, a member of the STI Group, on the one hand, or a member of the Bharti Group, on the other hand (such member, the "Granting Party") relating to a proposed or potential equity investment in a business in India involving mobile, fixed or international telecommunications or DLDO (including any



Corporate Data Network Service and any investment in an existing telecommunications business in which the Company or BTVL has an investment or interest) shall first be offered by such Granting Party to BTVL for investment by BTVL on the same terms offered or granted by or to such Granting Party (either directly or indirectly through any of its Subsidiaries in which it owns more than 50% of the voting shares of interest). In the event BTVL fails to provide written evidence of its intention to pursue such opportunity within 21 days of being offered the same, such Granting Party shall then offer, in the case such Granting Party is a member of the Bharti Group, to the members of the STI Group, and in the case such Granting Party is a member of the STI Group, to the members of the Bharti Group (excluding Bharti BT Internet) (each such member receiving such offer, an "Offeree") an opportunity to participate alone with such Granting Party in such investment (upon mutually agreeable terms) and in the event such Offeree fails to provide written evidence of its intention to pursue such opportunity within 14 days of being offered the same, such Granting Party may pursue such investment opportunity alone or with another third party.

- (ii) Non-compete with BTVL's DLDO Business. In the event that BTVL, either directly or indirectly through a Subsidiary as provided in Article 113A(i) above, makes an investment in a DLDO business in India, the STI Group and the members of the Bharti Group other than BTVL and such Subsidiary (if any) through which such investment has been made shall not compete with BTVL and such Subsidiary in the DLDO business in India so long as each of the following conditions has been satisfied :
  - (a) BTVL has received and maintains a necessary Governmental Authorisations and licenses, including all necessary approvals and licenses from the Department of Telecommunications, Government of India, for conducting DLDO business in India;
  - (b) BTVL directly controls more than 50% of the voting interest of and operates any DLDO business in which it is involved;
  - (c) such DLDO business becomes operational within 2 (two) years of the licence being granted or making the investment, whichever is the earlier; and
  - (d) such DLDO business is and remains operational.
- (iii) Non-complete with BTVL's Corporate Data Network Service Business. In the event that BTVL, either directly or indirectly through a Subsidiary as provided in Article 113A(i) above, makes an investment in a business in India that provides Corporate Data Network Services, the STI Group and the members of the Bharti Group, other than BTVL and such Subsidiary ( if any) through which such investment has been made, shall not compete with BTVL and such Subsidiary in Corporate Data Network Services in India so long as each of the following conditions has been satisfied :
  - (a) BTVL has received and maintains all necessary Governmental Authorisations and licenses for conducting such Corporate Data Network Services in India;
  - (b) BTVL directly controls more than 50% of the voting interest of and operates any Corporate Data Network Service Business in which it is involved;
  - (c) such Corporate Data Network Service business becomes operational within 1 (one) year of the licence being granted or making the investment, whichever is the earlier; and
  - (d) such Corporate Data Network Service business is and remains operational.
- (iv) Non-compete with BTVL's Mobile Business. In the event that BTVL, either directly or indirectly through a Subsidiary as provided in Article 113A(i) above, makes an investment or has already made an investment in a Mobile Business, the STI Group and the members of the Bharti Group, other than BTVL and such Subsidiary (if any) through which such investment has been made, shall not compete with BTVL and such Subsidiary in such Mobile Business in the Territories so long as each of the following conditions has been satisfied :
  - (a) BTVL has received and maintains all necessary Governmental Authorisations and licenses for conducting such Mobile Business in the Territories;

- (b) BTVL directly controls more than 50% of the voting interest of and operates any Mobile Business in which it is involved;
- (c) such Mobile Business becomes operational within 1 (one) year of the licence being granted or making the investment, whichever is the earlier; and
- (d) such Mobile Business is and remains operational.

Provided that such non-compete obligation shall not restrict STI Group from investing in any Mobile Business outside the Territories notwithstanding that fact that the area in which the STI Group is involved may become a Territory by reason of regulatory change or otherwise and such non-compete obligation shall not apply to the STI Group's operations in such Territory.

(v) Non-compete Exceptions.

- (a) The restriction contained in Article 113A(ii) shall not apply to any business arrangements of the STI Group with any person or entity the principal purpose of which is not DLDO but may involve DLDO.
- (b) Subject to Article 113A(i), if BTVL has not entered into any investment referred to in Article 113A(iii), the STI Group shall not be restricted from considering or entering into any business arrangements with any person or entity for the purpose of providing internet-related services that compete, or have the capacity or potential to compete, with DLDO services.
- (c) Articles 113A(i), (ii), (iii) shall not apply with respect to an investment opportunity in the event that BTVL, elects not to pursue such investment opportunity offered to it pursuant to Article 113A(i) in respect of DLDO business, Corporate Data Network Services or Mobile Business (provided that BTVL shall not have previously pursued such an investment opportunity (in the case of Mobile Business, in the same Territory) and made such an investment whether offered to it by a Grated Party or otherwise) and either the Granting Party and/or the Offeree elects to pursue such investment opportunity, in which case such Granting Party and/or Offeree, as the case may be shall not be required under Articles 113A(ii), (iii), (iv), as the case may be, to undertake not to compete with BTVL in respect of any subsequent investment made by BTVL pursuant to Article 113A(i) (or otherwise) in any DLDO business, Corporate Data Network Services or with BTVL in respect of any subsequent investment in the same Territory in any Mobile Business, as the case may be. For the avoidance of doubt, where the Granting party or Offeree, as the case may be, makes an investment in a Mobile Business, such business shall not be in competition with a Mobile Business operated by BTVL in a different Territory simply because such business provides service to mutual customers or where competition arises as a result of regulatory change.
- (d) The STI Group shall have no obligations under Articles 113A(i), (ii), or (iii) from the date that is 182 days from the day on which the STI Shareholder ceases to be permitted to appoint a nominee Director to the Board of BTVL in accordance with Article 117(b)(i) of BTVL Articles of Association. The Bharti Group shall not have any obligations under Articles 113A(i), (ii), or (iii) from the date that is 182 days from the day on which the Bharti Group's direct and indirect shareholding in BTVL is less than 20%.
- (e) Nothing in these Articles shall apply to any investment or proposed investment by any venture capital fund of the STI Group or to any bonafide portfolio investment related purchases of listed shares in the open market by the STI Group, in each case, which is not more than US\$15,000,000 (fifteen million) or 2% in aggregate of the total issued and outstanding shares of the relevant investee, and pursuant to which the STI Group does not acquire any management participation rights or any management influence in respect of the investee.
- (f) Notwithstanding anything to the contrary, these Articles shall not apply to any Resale Business conducted by the joint venture between the STI Group and Virgin Management Limited ("Virgin/SingTel JV") and/or its Affiliates provided that the STI Group shall ensure that the



Virgin/SingTel JV selects the Bharti Group, if so desired by the Bharti Group, as its partner for any joint ventures in the Territories or in India for its Resale Business and as a network provider for telecom infrastructure in connection with its Resale Business, provided that nothing contained in this Article shall affect the ability of the Virgin/Singtel JV to use such selection criteria as would be used by a prudent Telecoms Operator and select, on the basis of such criteria, a joint venture partner other than the Bharti Group if such partner better satisfies the selection criteria.

(vi) Joint Exploration Opportunities.

Each of the Bharti Group and the STI Group shall use its respective reasonable efforts to explore with the other business opportunities in the area of the development and operation of a submarine cable project between Channel and Singapore and in setting up an international class call centre, it being understood that other third parties may also participate alone, with the Bharti Group and the STI Group in such business opportunities. The Bharti Group shall not make any investment in any projects described in this Article other than through BTVL.

(vii) STI Group First Right as Telco Participant.

Each member of the Bharti Group shall grant STI Group a right of first refusal with respect to an opportunity, business or venture in which such Bharti Group member proposes to procure or seek an investment from a Telecoms Operator.

(viii) Other Co-operation.

Each of the Bharti Group and the STI Group shall consider the other group's operations for its preferred choice of supplier provided that nothing contained in this Article 113A shall affect either the ability of either group to use such selection criteria as would be used by a prudent international purchaser of such supplies and services.

(ix) Group Obligations

The STI Shareholder shall and shall cause the other members of the STI Group (a) to consider each member of the Bharti Group, other than Bharti BT Internet, as its preferred partner in India and (b) to comply with the obligations of the STI Group in these Articles. BTL shall and shall cause the other members of the Bharti Group (a) to consider each member of the STI Group as its profited partner in India and (b) to comply with the obligations of the Bharti Group in these Articles.

## **BOARD OF DIRECTORS**

114. Size of Board. The number of Directors of the Board holding office at any one time shall be not less than 3 and not more than 12 unless a greater number of Directors shall be required in order for the Bharti Shareholders to exercise their right to appoint a majority of Directors in accordance with Article 116(b) or to accommodate the nominee of any financial institution who is a creditor of the Company or to accommodate any independent Directors required to be appointed in accordance with applicable Indian Law or other regulatory or listing requirements or to accommodate the STI Shareholder's right to nominate that number of Directors relative to its proportionate Shareholding pursuant Article 116(a).

Provided, the Company shall appoint such number of women and/or independent directors, as may be required by the applicable laws to the Company.

115. The following shall be the first Directors of the Company.

- (1) Shri Sunil Bharti Mittal;
- (2) Shri Rajan Bharti Mittal;
- (3) Shri Rakesh Bharti Mittal.

- 115A. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act, or if the number is not three or a multiple of three, then the number nearest to one-third shall retire from office in accordance with the provisions of Section 152 of the Act.
- 115B. Save as otherwise expressly provided in the Act, not less than Two-third of the total number of Directors of the Company shall be, liable to retire by rotation, whose period of office shall not be liable to determination retirement of Directors by rotation and, who shall be appointed by the Company in general meeting
- 115C. A person who is not a retiring director shall subject to provisions of Section 160 of the Companies Act be eligible for appointment to the office of the director at any General Meeting if he or some members intending to propose him have not less than 14 days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such members to propose him as a candidate for that office, as the case may be, along with a deposit of one lakh or such other amount as may be prescribed, which shall be refunded to such person or as the case may be to such member if the person succeeds in getting elected as director or gets more than twenty-five percent of total valid votes either cast by show of hands or on poll or by electronic means, as applicable on such resolution.

The Company shall inform its members of the candidature of a person for the office of director or the intention of a member to propose such person as a candidate for that office by serving individual notices to the member not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which registered office of the Company is situated, and circulating in that district, and at least once in English language in an English newspaper circulating in that district.

116. Appointment of Directors.

The Board of Directors shall be appointed and voted for appointment as follows:

- (a) On each occasion that the Shareholders vote to elect Directors to the Board, the STI Shareholder shall have the right to nominate such number of Directors to the Board in the proportion that its Shareholding bears to the then total issued and outstanding Shares, such number of Directors to be rounded up or down to the nearest whole Director (and in the event such proportionate number has a 0.5 fraction, the number shall be rounded up to the nearest whole Director), provided that notwithstanding any other provision of these Articles, if the STI Shareholder's Shareholding is not less than 10%, it shall have the right at all times to nominate at least one Director to the Board. Notwithstanding this Article and any other provision of these Articles, prior to the Conversion Date the STI Shareholder shall have the right to nominate at least 20% of the Directors to the Board.
  - (b) On each occasion that the Shareholders vote to elect Directors to the Board, subject to the STI Shareholder's right to appoint at least one Director set forth in Article 116(a), the Bharti Shareholders shall, together, have the right to nominate such number of Directors to the Board in proportion that the aggregate Shareholding of the Bharti Shareholders bears to the then total issued and outstanding Shares, provided that, if the Direct Shareholding of the Bharti Shareholders exceeds in aggregate 26%, then the Bharti Shareholders shall, together, have the right to nominate that minimum number of Directors as is necessary to constitute a simple majority of the Board.
  - (c) The Shareholders shall exercise their respective voting, rights in order to cause the Persons nominated by each of the STI Shareholder and the Bharti Shareholders pursuant to this Article to be duly elected as Directors.
- 116A. (1) Each Director, excluding Managing Director and whole time Director, shall be paid for attending every meeting of the Board or a committee thereof, sitting fee as may be determined by the Board of Directors, from time to time within the limits as may be prescribed under the Act.

- (2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determined and such further remuneration shall be divided among the Directors in such proportion and in such determination, shall be divided among the Directors equally, or if so determined paid on a monthly basis.
  - (3) The remuneration of the Directors shall, insofar as it consists of a monthly payment, be deemed to accrue from day to day.
  - (4) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit or otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (e.g., rent free house, free medical aid, free conveyance, etc.) as the Board may determine from time to time.
  - (5) Subject to the provisions of these Articles as hereinafter provided, in addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with Company's rules to be made by the Board, all travelling, hotel and other expenses properly incurred by them:
    - (a) in attending and returning from meetings or adjourned meetings of the Board of Directors or any committee thereof; or
    - (b) in connection with the business of the Company.
117. Fees and Expenses. Subject to applicable Indian Law, the Directors shall be paid such remuneration as may be approved by the Company in its General Meeting. Each Shareholder shall reimburse its nominee Director or representative or representatives for all ordinary and reasonable out-of-pocket expenses (including, without limitation, travel expenses) incurred in connection with its function as a Director of the Company.
118. Intentionally omitted.
119. The Board may agree with any person or a company of a State Financial Corporation on such items and conditions as may be thought fit that such a person or corporation or company shall have full and absolute right and power exercisable by such person or corporation or company at his/its discretion without the consent or concurrence of any other person to appoint a director on the Board of Directors of the Company with power to remove any such Director from office on a vacancy being caused whether by retirement, rotation, death, resignation, removal or otherwise and to appoint another Director in his place.
120. Vacancy. In the event that a nominee Director appointed pursuant to Article 116 of these Articles shall cease to hold office by virtue of death, resignation or the provisions of the Act, including, amongst other things, the requirement that the Directors retire in rotation, then the Company Shareholder that nominated such Director shall nominate another person to fill the vacancy. Each Shareholder shall vote or cause its nominee Director to vote (as the case may be) in support of the appointment of such new Director.
121. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have a power to nominate a Director of the Company then in the case of any and every such issue of debentures, the person having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or person in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation.
- 121A. If at any time the Company obtains any loan from any Financial Institution(s) and/or Bank(s) and/or State Government (hereinafter referred to in this article as the Corporation), or enters into underwriting arrangements, the corporation shall have the right to appoint one or more Directors the, subject to the terms and conditions of

such loans or underwriting arrangements, to appoint one or more Directors of the Company and to remove from office any Director, so appointed and to appoint another in his place or in the place of a Director so appointed who resigns or otherwise his office. Any such appointment or removal shall be made in writing and shall be signed by the Corporation or by any person duly authorised by it and shall be served at the office of the company. The director or directors so appointed shall not be liable to retire by rotation of directors in accordance with the provisions of these articles.

122. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Director may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Special Director may if the agreement so provide appoint another Director in his place.
123. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period not less than three months from India. Any Director who is absent from any Board meeting may propose an alternate or any other Director present at such meeting to act as his alternate and to vote in his place at the meeting who may be appointed by the Board in accordance with the Companies Act. The Shareholders shall procure that the Company appoints such Director's proposed alternate. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.
- 123A. The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office upto the date of the next Annual general Meeting of the Company and shall be eligible for appointment by the Company as a Director at that Meeting subject to provisions of the Act.
124. A Director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as director of shareholder of such company. Such Director before receiving or enjoying such benefits in cases in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.
125. Every nomination, appointment or removal of a special director shall be in writing and shall in the case of government or authority be under the hands of secretary to such government or authority and in case of corporation, under the hand of a director of such corporation duly authorised in that behalf by a resolution of its Board of Directors. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
126. Subject to the provision of the Act, the office of a Director shall become vacant:
  - (i) on the happening of any of the events provided for in Section 164 and 167 of the Act;
  - (ii) on contravention of the provisions of Section 188 of the Act or any statutory modifications thereof;
  - (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than ten shall be public companies, in terms of section 165 of the Act;
  - (iv) in the case of alternate Director on return of the original Director to the State in terms of Section 161 of the Act; or
  - (v) on resignation of his office by notice in writing.
127. Every Director present at any meeting of the Board or a committee thereof shall sign his name in book to be kept for that purpose, to show his attendance thereof.

128. Removal of Directors. Each Person entitled to nominate a Director pursuant to Articles 116 and 120 of these Articles shall be entitled to remove at any time such nominee Director before the expiry of such Director's term of office and to nominate a replacement Person to fill the vacancy caused thereby. Each Company Shareholder shall vote or cause its nominee Director to vote (as the case may be) in support of the appointment of such replacement Director.

#### **POWER OF BOARD OF DIRECTORS**

129. The Board may pay all expenses incurred in the formation, promotion, and registration of the Company.
130. The Company may exercise the power conferred by applicable provisions of the Act, with regard to having an official seal for use abroad and such powers shall be vested in the Board.
131. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register and the Board may (subject the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.
132. Subject to Article 140(a), the Directors may enter into contracts or arrangements on or behalf of the Company subject to the necessary disclosures required by the Act being made whenever any Director is in any way, whether directly, or indirectly concerned or interested in the contract or arrangement.

#### **BORROWING POWER**

- 132A. Subject to section 179, 180, 73, 74 and 76A of the Companies Act, 2013 and Article 140(a), the Directors may exercise all powers of the Company to borrow money, and to mortgage or charge its undertaking, property (both present or future) and uncalled capital, or any part thereof and to issue debentures, debenture stock and other securities whether outright as security for any debt, liability or obligation of the Company or of any third party.
- 132B. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit, and particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debentures or debenture stock of the Company, charged upon all or any of the property of the Company (both present or future), including its uncalled capital for the time being.
- 132C. Subject to Article 140(a) any debentures, debenture stock or other securities may be issued at premium or otherwise, may be made assignable free from any equities between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into shares of any authorised denomination and with privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) and general meetings, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued, except with the sanction of the Company in General Meeting.
- 132D. All cheques, promissory, notes, drafts, hurdles, bill of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and to such manner as the Board may from time to time determine.

#### **PROCEEDINGS OF THE BOARD**

133. Quorum and Voting. Subject to Section 174 of the Act, the quorum for any and all meetings of the Board of Directors shall be one third of the total number of Directors (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher, provided that, at any meeting where a General Reserved Matter is to be discussed, the presence of at least one Director nominated by the STI Shareholder (unless waived in writing by such Director before the date of such meeting) shall be required to constitute such quorum at such meeting, provided that if no Director nominated by the STI Shareholder is present at such meeting of the Board, then the meeting shall be adjourned until the 8th day after such meeting at the same time and place as specified in the notice of such meeting and at the adjourned meeting a quorum shall be deemed to be present provided at least one-third of the total number of Directors are present at such adjourned meeting, whether or not a Director nominated by the STI Shareholder is in attendance and, if no STI Shareholder nominated Director is in attendance, the STI

Shareholder shall be deemed to have approved such General Reserved Matter notified in the agenda circulated to each Director in accordance with Article 134. Except as otherwise provided under applicable Indian Law or Articles 140 and 141, all decisions of the Board of Directors shall require the affirmative vote of a simple majority (the affirmative vote of more than half of the members of the Board) present at a meeting duly convened having the requisite quorum or by a circular resolution sent to each Director as provided under the Act (where a circular resolution is permitted by Indian Law). Each Director shall have one vote. If any resolution is passed, or decision is taken, at a meeting of the Board in breach of the provisions of these Articles, such resolution or decision shall be null and void. For the avoidance of doubt, the Chairman of any meeting of the Board shall not have any casting vote. The participation of the Directors by video conferencing or by other audio visual means as permitted under the Act and the rules made thereunder, shall also be counted for the purposes of quorum under the last preceding Article.

134. Frequency of Meetings: Notice and Agenda.

Meetings of the Board shall be convened and held at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, at least four Meetings are held in each calendar year at such times, in such places and in such manner, as agreed by the Directors. At least 7 days prior written notice shall be given to each of the Directors of any meeting of the Board, provided that a shorter period of notice may be given with the prior written approval of each Director. At least 7 days prior to any meeting of the Board, an agenda identifying in reasonable detail the matters to be discussed at such Board Meeting shall be given to each of the Directors and, any relevant papers or documents to be discussed at such Board Meeting shall be given to each of the Directors, including, in relation to any investment under Article 141, and without prejudice to the generality of the foregoing, details on whether such investment satisfies the Investment Criteria and a written presentation that demonstrates that such investment is in the best interests of the Company. The agenda and such other information may be provided less than 7 days prior to a Board Meeting with the prior written approval of each Director appointed by the Shareholders. Any matter which is submitted to the Board of Directors for a decision which is not identified in reasonable detail shall not be put forth for a vote by the Board of Directors, unless otherwise agreed by each Director.

134A. Save otherwise expressly provided in the Act and subject to Article 140, questions arising at any meeting of the Board shall be decided by a majority vote.

134B. The continuing Directors may act notwithstanding any vacancy on the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting or the Company, but no other purpose.

134C. (1) Save as provided in Article 99, the Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.

(2) If no such Chairman is elected or if at any time the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.

134D. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its powers to committees of the Board including the BRIC consisting of such member or members of its body as it thinks fit, and every committee of the Board including the BRIC so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such negotiations and in fulfillment of the purposes appointment but not otherwise, shall have the like force and effect as if done by the Board.

135. Management.

Each of the Shareholders agrees to ensure that (i) the Company and each of its Subsidiaries transacts all of its business on "arm's length terms", which, for the purposes of these Articles, shall mean with respect to any specific transaction, substantially on terms that would be obtained between the Company and such Subsidiary and a third



party unrelated to and unconnected with the Company or such Subsidiary, (ii) the Company and each of its Subsidiaries shall keep books of account and therein make true and complete entries of all its dealings and transactions of and in relation to its business and (iii) the business of the Company and each of its Subsidiaries shall be carried on pursuant to policies laid down from time to time by the Board of Directors and shall conduct the management in the following manner:

- (a) The Company Shareholders shall establish an executive management committee of the Company (the "Business Review and Investment Committee" or "BRIC") that shall be responsible for reviewing and making decisions on any BRIC Matter relating to the Company or its Subsidiaries. The BRIC shall be constituted by at least five (5) members.
- (b) The STI Shareholder shall have the right to nominate members of the BRIC in the proportion that its Direct Shareholding bears to the then total issued and outstanding Shares (such number of members to be rounded up or down to the nearest whole number as described in Article 116(a)), provided that, if the STI Shareholder has the right to appoint at least one nominee Director in accordance with Article 116(a) then it shall also have the right to nominate at least one member of the BRIC and provided further that, notwithstanding this Article 135(b) and any other provision of these Articles, prior to the Conversion Date the STI Shareholder shall have the right to nominate at least 20% of the members of the BRIC.
- (c) Subject to the STI Shareholder's right to appoint at least one member of BRIC set forth in Article 135(b), if the Shareholding of the Bharti Shareholders exceeds in aggregate 26%, then the Bharti Shareholders shall have the right to nominate that minimum number of BRIC members as is necessary to constitute a simple majority of members of the BRIC.
- (d) The identity of the members of the BRIC may change at any time at the option of the nominating Company Shareholder.
- (e) BRIC meetings may be called by any Company Shareholder, any BRIC member or any Director by giving 10 days prior written notice to each Company Shareholder provided that a shorter period of notice may be given with the prior written approval of each member of the BRIC. To the extent permitted by Indian Law, BRIC meeting may be held in person or may be held by telephone or video conference call. At least 7 days prior to any meeting of the BRIC, an agenda identifying in reasonable detail the matters to be discussed at such BRIC meeting shall be given to each of the members of the BRIC and any relevant papers or documents to be discussed at such BRIC meeting shall be given to each of the members including, in relation to any investment under Article 141, and without prejudice to the generality of the foregoing, details on whether such investment satisfies the Investment Criteria and a written presentation that demonstrates that such investment is in the best interests of the Company. The agenda and such other relevant information may be provided less than 7 days prior to a BRIC meeting with the prior written consent of each BRIC member.
- (f) Subject to Article 141, all BRIC Matters, other than any General Reserved Matter, to be decided by the BRIC shall require the affirmative vote of a simple majority of the members present at a duly convened meeting of the BRIC for approval. Each member shall have one vote. A quorum shall be present when a simple majority of the members of the BRIC are present. If the BRIC Matter is also a General Reserved Matter then a quorum shall not be present unless the STI Shareholder nominee to the BRIC is present and no such General Reserved Matter shall be approved in the absence of the STI Shareholder nominee provided that if the STI Shareholder nominee is not present at a meeting of the BRIC, then the meeting shall be adjourned until the 8th day after such meeting, at the same time and place as specified in the notice of the original meeting and if no STI Shareholder nominee is present at the adjourned meeting then a quorum shall be deemed to be present whether or not any STI Shareholder nominee is in attendance. In the event that the STI Shareholder does not approve any General Reserved Matter it shall provide the BRIC with its reasons, and if requested by any other BRIC member, such reasons to be in writing, including why such proposed action would not be in the best interest of the Company. If any proposal is approved by the BRIC, then the BRIC shall make a report to the Board recommending that the Board also approve such proposal. Any BRIC Matter, other than a General Reserved Matter, that is approved by the BRIC but has not been approved by

the STI Shareholder nominee to the BRIC shall be recommended to the Board accompanied by a complete disclosure of the views of the STI Shareholder nominee. If any proposal is not approved by the BRIC then a report shall be made to the Board by the BRIC recommending that the Board also reject such proposal.

136. Deadlock. In the event that a Deadlock arises in respect of any proposal voted upon by the Board or the BRIC, such Deadlock shall first be reported to the chief executive officer of STI and the chairman of BEL for discussion and resolution in good faith. The Board or the BRIC, as the case may be, shall hold a meeting to vote again on the matter fourteen (14) Business Days after the first vote on the matter that resulted in the Deadlock, provided, however, that if such matter does not receive the requisite majority vote for approval at such subsequent meeting, such matters shall be deemed not approved. For the avoidance of doubt, the non-approval of the STI Shareholder Director or the STI Shareholder nominee to the BRIC in relation to a General Reserved Matter or a BRIC Matter shall not be considered as a Deadlock.
137. Audit Committee. The Company Shareholders shall cause the Company to establish an audit committee and the Company Shareholders shall ensure that a representative of the STI Shareholder is appointed to such audit committee for so long as the STI Shareholder is entitled to nominate a Director on the Board. The Board shall also constitute any other committee(s) as may be required pursuant to the provisions of Companies Act, 2013 and the rules made thereunder.
138. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to act as such, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office, was as qualified, had continued to be a Director, his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown of the Company to be invalid or to have terminated.
139. Subject to Section 175 of the Act and Article 140 and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing signed by the majority members of the Board or a committee thereof, for the time being entitled to receive notice of a meeting of the Board or a committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee duly convened and held.
140. Reserved Matters. Subject to the provisions of the Act, the Board of Directors shall decide all matters by the affirmative vote of a simple majority of the Directors present at a meeting duly convened having the requisite quorum or by circular resolution sent to each Director (where a circular resolution is permitted by Indian Law); *provided, however, that:*
- (a) Subject to the quorum requirements of Article 133 and notwithstanding any other provisions of these Articles, the following matters (each a "General Reserved Matter") shall require the approval of the STI Shareholder, provided that at any time after the Conversion Date the STI Shareholder's approval shall not be required in the event that the STI Shareholders' Shareholding is less than 12.5% or, in respect of a matter pertaining to the exercise of BTL's vote on the board of directors of BTVL or in a general meeting of the shareholders of BTVL, if the STI Shareholder no longer has any rights of veto equivalent to the rights of veto contained in this Article 140 with respect to BTVL as a BTVL shareholder:
    - (i) any changes to the Memorandum of association and Articles of Association of the Company or any of its Subsidiaries; provided that this Article 140(a)(i) shall not apply to any such changes that are necessary to give effect to the terms of these Articles.
    - (ii) the taking of any steps relating to the bankruptcy, liquidation, winding-up or dissolution of the Company or any of its Subsidiaries;
    - (iii) any decision relating to any amalgamation or merger of the Company or any of its Subsidiaries;
    - (iv) any issuance of new shares in or any issuance of warrants or options to acquire shares or securities



convertible to or exchangeable for shares of the Company or any of its Subsidiaries unless, at any time after the Conversion Date, by way of a rights issue to Shareholders provided that the STI Shareholder would not be restricted by reason of Indian Law, Regulatory Authority or agreement from exercising all of its rights in respect of such rights issue or except to the extent covered or envisaged in an Approved Business Plan or by way of a public offering of the shares of the Company or any of its Subsidiaries, provided that, with respect to the STI Shareholder in the case of such public offering, the Bharti Shareholders shall provide a prior written guarantee to the STI Shareholder and shall procure that the STI Shareholder's Shareholding in the Company and the STI Shareholders' Shareholding in BTVL at the close of such public offering shall, at the STI Shareholder's option, be maintained at not less than 20% of the then issued and outstanding Shares and BTVL Shares, as the case may be, after giving effect to such public offering. In order to comply with the preceding sentence, the Bharti Shareholders' shall, at the request of the STI Shareholder, either ensure that sufficient shares are allotted to the STI Shareholder as part of the public offering or cause to be sold to the STI Shareholder from the holdings of the Bharti Group that number of Shares as are necessary to ensure that the STI Shareholder shall maintain at least a 20% Shareholding and at least a 20% shareholding in BTVL after giving effect to the public offering. The shares shall be sold to the STI Shareholder at a price agreed, such price not to be above the price of the public offering;

- (v) redemption of any of the Company's shares unless, at any time after the Conversion Date, such redemption is contemplated between the Shareholders on the basis of their respective Shareholding;
- (vi) any Encumbrance granted or created by the Company or any of its Subsidiaries in or over its respective assets, properties or rights to or for the benefit of any third party other than the Company and its Subsidiaries or any Person controlled by the Company (for this purpose "control" shall have the meaning provided in the definition of Affiliate);
- (vii) the grant by the Company or any of its Subsidiaries of loans or facilities or credit to or the insurance of any contingent liability on behalf of or for the benefit of any individual or entity in excess of US\$50,000 (fifty thousand) in a single transaction or in aggregate in a series of transactions, unless in the ordinary course of business or to a Subsidiary;
- (viii) any acquisition or series of related acquisitions, or any investment or series of related investments, by the Company or any of its Subsidiaries of or in any shares, interest or assets of another Person or any other asset including treasury assets, in excess of US\$10,000,000 (ten million) in aggregate unless it relates to a project approved in accordance with Article 141 or unless the investment is one of the permitted investments listed in Annex V (for the avoidance of doubt, the review and approval of all investment guidelines, including guidelines with respect to treasury activities, must be reviewed and approved by the Board);
- (ix) commencement of any new business or the participation in a joint venture or similar enterprise by the Company or any of its subsidiaries that will require funding of more than US\$10,000,000 (ten million) during the first three years of operation of such business, joint venture or enterprise unless it relates to a project approved in accordance with Article 141;
- (x) any declaration or payment of a dividend by the Company or any of its Subsidiaries that deviates from the amount determined in accordance with the Approved Dividend Policy of the Company or any of its Subsidiaries; any declaration or payment of a dividend by the Company or any of its Subsidiaries in the case that there is no Approved Dividend Policy for the Company or such Subsidiary; any establishment of a dividend policy of the Company or any of its Subsidiaries; or any material change to any dividend policy of the Company or any of its Subsidiaries;
- (xi) entry by the Company into any transaction or series of transactions having a value in aggregate in excess of US\$50,000 (fifty thousand) with a Company Shareholder or any other Person related to

the Company or a Shareholder, or by any Subsidiary of the Company into any transaction or series of transactions having a value in aggregate in excess of US\$ 50,000 (fifty thousand) with a shareholder of such Subsidiary or with the Company or another Subsidiary or their respective shareholders or any other Person related to such Subsidiary or its shareholders or related to the Company or another Subsidiary or any of their respective shareholders;

- (xii) approval of all annual business plans and budgets for the Company and each of its Subsidiaries ("Approved Business Plan") and approval of any amendments to an Approved Business Plan which may have the effect of:
    - (A) increasing the overall Debt Equity Ratio for the period covered by such Approved Business Plan beyond 2:1; or
    - (B) increasing the Equity of the Company beyond 10% of the maximum Equity of the Company in the earlier Approved Business Plan;
  - (xiii) disposal, by way of a transaction or series of transactions of assets by the Company or any of its Subsidiaries (including, in relation to the Company, shares or other interests held by the Company in its Subsidiaries or in any other Persons) unless, other than in respect of shares or other interests held by the Company in its Subsidiaries, the disposal is of assets with a net book value below US\$10,000,000 (ten million);
  - (xiv) application for any material modification to or cancellation of an existing licence or approval granted by the Department of Telecommunications, Government of India, which has an adverse effect on the Company or any of its Subsidiaries; and
  - (xv) any material change to any Approved Accounting Policy or financial policy of the Company.
- (b) Where any decision is taken by the- Board, including in relation to any General Reserved Matter in Article 140(a), relating to any Subsidiary of the Company, then the Board shall direct the nominee(s) of the Company on the board of directors of such Subsidiary to vote in accordance with such decision and the Company shall, and the Company Shareholders shall procure that the Company votes in accordance with the decision of the Board at any meeting of the shareholders of such Subsidiaries. For the avoidance of doubt, in the case of a General Reserved Matter, in the event that the STI Shareholder votes such proposal in accordance with these Articles, including Article 133, then the Company Shareholders shall procure that the Company's nominee director(s) and the Company as a shareholder shall exercise any vote on the board of directors or in a shareholders' meeting, as the case may be, to reject the relevant proposal.

141. Approval of Investments.

- (a) The STI Shareholder's approval shall be required under this Article 141, provided that the STI Shareholder's approval shall not be required if the STI Shareholder's Shareholding is less than 15%.
- (b) Any proposed project or investment to be pursued by an Investing Company either by way of a new project (a "New Project") or acquisition of an interest in any existing project (an "Existing Project") in India, the SAARC Region or in any Indian Ocean Rim Countries in the field of mobile telephony, fixed line telephony, long distance telephony, V-SAT Services, ISP, portal services or Corporate Data Network Services, or any other telecommunications services, shall be approved in the manner provided in this Article 141. For the avoidance of doubt, any proposal for investment in a New Project or an Existing Project shall be submitted to the BRIC for its approval, together with complete details regarding such investment, including whether, based on fair and reasonable assumptions, such proposed investment meets the Investment Criteria, a business plan justifying such investment and a written presentation that demonstrates that such investment would be in the best interest of the Investing Company.
- (c) In the case of any Existing Project or New Project.
  - (i) if the Total Equity Investment is less than or equal to the result of US\$225,000,000 (two hundred and twenty five million) divided by the Debt Equity Factor of such Existing Project or New Project, as the case may be, such investment shall be approved by a simple majority of the BRIC; and

- (ii) if the Total Equity Investment is greater than the result of US\$225,000,000 (two hundred and twenty five million) divided by the Debt Equity Factor of such Existing Project or New Project, as the case may be, and less than or equal to the result of US\$450,000,000 (four hundred and fifty million) divided by the Debt Equity Factor of such Existing Project or New Project, as the case may be, such investment shall be approved by a simple majority of the BRIC if all of the Investment Criteria are met, based on fair and reasonable assumption, or, where not all of the Investment Criteria are met, by 75% of the members of the BRIC including the affirmative vote of at least one member nominated by the STI Shareholder.

In the event that there is any material disagreement between the Company Shareholders with respect to whether any Investment Criteria is being, met, or whether the assumptions used are fair and reasonable, is not resolved within 2 weeks of the relevant project being referred to the BRIC, the question as to whether the Investment Criteria are met in respect of such project shall be reviewed by a mutually acceptable audit firm or investment bank of international repute whose decision in that regard shall be binding on the Company Shareholders.

- (d) Notwithstanding Article 141 (c), the STI Shareholder's prior written consent shall be required in respect of the following investments:
  - (i) any investment or series of investments proposed to be made by an Investing Company in a New Project or an Existing Project whereby the Total Equity Investment is greater than the result of US\$450,000,000 (four hundred and fifty million) divided by the Debt Equity Factor of such Existing Project or New Projects, as the case may be; or
  - (ii) any investment or series of investments proposed to be made by an Investing Company in any one or more New Projects and Existing Projects that would, either singly or in the aggregate, cause the Total Equity Investments by such Investing Company in any given successive twelve (12) calendar month period to exceed US\$500,000,000 (not including any such Total Equity Investments made by such Investing Company in any DLDO business in India, which, for the avoidance of doubt remain subject to Article 141 (b)); provided however, that in the event that the STI Shareholder does not approve any such investment, the STI Shareholder shall provide the BRIC its reasons therefor in writing, including an explanation as to why such investment would not be in the best interest of the Investing Company.
- (e) The thresholds specified in Article 141 (c) and Article 141 (d) shall be reviewed, and modified if required, by the Company Shareholders on the second anniversary after the STI Shareholder first becomes a Shareholder or as soon as possible thereafter.
- (f) In the event that the Investing Company under this Article 141 is a Subsidiary of the Company and any approval or consent required under this Article is not obtained, the Company Shareholders shall procure that the nominee director of the Company and the Company itself in any meeting of the board of directors or the shareholders of such Subsidiary, as the case may be, shall vote against the Subsidiary making such an investment.

142. Subsidiaries. The Company agrees to notify the STI Shareholder of the holding of a meeting of directors of any Subsidiary of the Company or New Subsidiary at the same time or earlier as each of the directors of such Subsidiary receives notice and in any event not less than 24 hours prior to such meeting and, at the option of the STI Shareholder, to invite the STI Shareholder to be present at such Board Meeting.

143. Intentionally Omitted

144. Duty of Directors. All Directors on the Board shall act in the best interest of the Company and its Subsidiaries and each of the Parties nominating their respective Director nominees shall take all steps to ensure compliance with this provision.

## **KEY MANAGERIAL PERSONNEL**

145. Subject to provisions of Section 201, 196 and 197 of the Act, the Board of Directors may from time to time appoint one or more of their body of the office of Managing Director(s) or whole time Director(s) or in their absence a Manager for a period not exceeding 5 years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment. In making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013, and shall seek and obtain such approvals as are prescribed by the Act. Provided that a Director so appointed shall not whilst holding such office, be subject to retirement by rotation but his appointment shall be automatically determined if he ceases to be a Director.
146. Subject to Article 140, the Board may entrust and confer upon Managing Director(s) or whole time Director(s) any of the power of management which would not otherwise be exercisable by him upon such terms and conditions as with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board, and the Board may from time to time revoke, withdraw, alter or vary all or any such powers.
147. Senior Executives. The STI Shareholder shall be consulted, in advance, with respect to any proposed remuneration of or appointment of key senior officers being the chief executive officer, managing director, chief financial officer and chief operating officer or equivalent positions of the Company, and all direct and indirect Subsidiaries of the Company. Any views or objections of the STI Shareholder shall be considered in good faith by the Bharti Shareholders, the Company and any Subsidiary in making such appointment.
148. (1) Subject to the provisions of the Act and Article 140, a Secretary, Chief Executive Officer and Chief Financial Officer, may be appointed by the Board for such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary, Chief Executive Officer and Chief Financial Officer, so appointed may be removed by the Board.
- (2) A Director may be appointed as Secretary, Chief Executive Officer and Chief Financial Officer.
149. Any provision in the Act or these regulations requiring or authorising a thing to be done by or to any two or more of Director, Secretary, Chief Executive Officer or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting in the capacity of two or more of above persons.

## **THE SEAL**

150. (1) The Board may provide a common seal for the purposes of the Company and shall have power from time to time to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (2) The common seal of the Company shall not be used or affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it this behalf and except in the presence of at least one person duly authorised by the Board and such person shall sign every instrument to which the seal of the Company is so affixed in his presence.
- (3) The Board shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory district or place outside India.
- 150A. The provisions in these Articles, in which any reference is made to Seal of the Company, the provisions relating to its usage, custody etc. shall only be applicable, if the Company has duly adopted the Seal under board resolution and in case such no Seal is adopted by the Board, any provision in relation to it shall not apply.

## **DIVIDENDS AND RESERVES**

151. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
152. Distributions. The Company will use its best efforts to ensure that distributions made with respect to the Shares are treated as dividends consistent with the operations of its business in the ordinary course and with the accounting method and principles then in use.
153. The Board may from time to time pay the members such interim dividends as appear to it to be justified by the profits earned by the Company.
154. (1) The Board may, before recommending any dividend, set aside out of the profits of the company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the board, be applicable for any of the purposes to which the profits of the company may be properly applied, including provisions for meeting contingencies or for equalising dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (2) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as reserve.
155. (1) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as having been paid on the share.
- (2) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
156. The Board may deduct from any dividend payable to any number all sums of money, if any, presently payable by him to the Company on account of call or otherwise in relation to the shares of the Company.
157. (1) Any dividend, interest, or other moneys payable in cash in respect of shares may be paid by cheque sent through the post direct to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members as to such person and to such address as the first named holder or joint holders may in writing direct.
- (2) Every such cheque shall be made payable to the order of the person to whom it is sent.
158. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonus or other moneys payable in respect of such share.
159. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
160. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 123 and 124 of the Act, in respect of unclaimed or unpaid dividend.
161. Limitation on Dividend/Indebtedness Restrictions. The Company will not, and will not permit any of its Subsidiaries, if any, to directly or indirectly, create or otherwise cause or suffer to exist or become effective any Encumbrance or restriction on the ability of the Company or any such Subsidiary (i) to pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Company or

any Subsidiary of the Company, except for (x) the Encumbrances and restrictions set forth in Annex I, (y) Encumbrances or restrictions existing under or by reason of applicable law and (z) Encumbrances or restrictions which are ordinary and customary with respect to the type of indebtedness being incurred by the Company or such Subsidiary (under the relevant circumstances) or (ii) to exchange any equity security of the Company for a debt security of the Company.

## **ACCOUNTS**

162. (1) The Board shall cause proper books of accounts to be maintained under Section 128 of the Act.
- (2) Subject to Article 166 the Board shall from time to time determine whether and to what extent and at what times and places and under what conditions of negotiations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
- (3) Subject to provisions of Section 207 and 208 of the Act and Article 166, no member (not being a Director) shall have any right of inspecting or any account or book or document of the Company except as conferred by law or authorised by the board or by the Company in General Meeting.
163. Financial Statements and Other Information,
- (a) So long as any Shareholder holds any Shares, the Company shall deliver to such Shareholder all of the financial and other information which the Company files or is required to file with the Qualified Stock Exchanges or distributes or is required to distribute to the Shareholders generally (including, without limitation, copies of all press releases and other statements made available generally by the Company to the public concerning material developments in the business of the Company and/or any of its Subsidiaries).
- (b) In addition to any information required to be provided pursuant to this Article 163, the Company shall deliver the following to the Director nominated by the STI Shareholder.
- (i) within twenty-one (21) days after the end of each month, statements of earning, shareholders' equity and cash flows of the Company on a consolidated basis for such month and balance sheets of the Company on a consolidated basis as of the end of such month. In each case, comparisons to comparable budgeted figures for the period then ended will be provided and where there is a material adverse deviation from the annual budget, an officer's certificate explaining the deviation and what actions the Company has taken and proposes to take with respect thereto, and comparable figures will be provided for the corresponding month of the preceding, fiscal year, all prepared in accordance with Indian GAAP, consistently applied, subject to normal year-end adjustments, and certified by the chief financial officer or controller of the Company;
- (ii) within twenty-one (21) days after the end of each month, a management report, certified by the chief financial officer of the Company, that certifies the Company's compliance with all the covenants contained in the Loan Agreements or where the Company is in breach of any such covenants, full details of such breach and the remedies taken;
- (iii) within ninety (90) days after the end of each fiscal year, commencing March 31, 2001, audited statements of earnings, shareholders' equity and cash flows of the Company on a consolidated basis for such fiscal year, and balance sheets of the Company on a consolidated basis as of the end of such fiscal year. In each case, comparisons to comparable budgeted figures for the period then ended will be provided, and comparable figures will be provided for the preceding fiscal year, all prepared in accordance with Indian GAAP, consistently applied, and certified by (a) the Company's Auditors (such certification to be accompanied by a copy of such firm's annual management letter to the Board) and (b) the chief financial officer or controller of the Company, and the financial statements shall be accompanied by a statement from the chief financial officer of the Company



that the Company is not in default under any provision of the documents to which the Company is a party (a "Default") and if any Default exists, specifying the nature and the period of existence thereof;

- (iv) promptly upon receipt thereof, any accounts prepared for management review or prepared to assist in the conduct or review of the Company's operations or the operations of any of its Subsidiaries;
- (v) promptly upon receipt thereof, any additional reports, management letters or other detailed information concerning significant aspects of the Company's operations or financial affairs prepared by the Auditors and provided to the Company or its Board of Directors (and not otherwise contained in other materials provided hereunder);
- (vi) as soon as available but in no event later than January 31<sup>st</sup> of each year, a draft annual budget of the Company and its Subsidiaries for such year (such annual budget to include, without limitation, budgeted statements of profit and loss, cash flow statements and balance sheets) and as soon as available but in no event later than February 28 of each year the final annual budget of the Company and its Subsidiaries and prior to delivery of such final budget, notice of any proposed material change to the related draft budget, and, in addition, to the extent delivered to any of the Company Shareholders or the Company's lenders, any other significant budgets prepared by the Company or its Subsidiaries and any revisions of such annual or other budgets each prepared with reasonable detail with appropriate presentation and discussion of the principle assumptions upon which such budgets are based accompanied by a certificate of the chief Financial officer or controller of the Company to the effect that, to the best of his or her knowledge, such budget is a reasonable estimate for the period covered thereby;
- (vii) promptly (but in any event within ten (10) Business Days) after the discovery or receipt of notice of (a) any default under any material agreement to which the Company or any of its Subsidiaries is a party, which default could have a Material Adverse Effect with respect to the Company or such Subsidiary or (b) any other event or circumstance affecting the Company or any of its Subsidiaries (including, without limitation, the filing of any material litigation against the Company or any of its Subsidiaries or the existence of any dispute with any Person which involves a reasonable likelihood of such material litigation being commenced) which event or circumstance could have a Material Adverse Effect with respect to the Company or such Subsidiaries, an officer's certificate specifying the nature and period of existence thereof and what actions the Company has taken and proposes to take with respect thereto;
- (viii) promptly (but in any event within three (3) Business Days) after transmission thereof, copies of all financial statements, proxy statements, reports and any other information, documents or communications which the Company or any of its Subsidiaries sends to its shareholders or which the Company sends to its lenders and copies of all regular, special or periodic reports which it files, or any of its officers or directors file with respect to the Company, with any Qualified Stock Exchange and copies of all press releases and other statements made available generally by the Company to the public concerning material developments in the business of the Company and/or any of its Subsidiaries;
- (ix) as soon as available and in no event later than the date on which such information is delivered to the Board (which shall be a date prior to the date of the Board Meeting at which such information will be reviewed or discussed), all information and other reports delivered to the Board; and
- (x) with reasonable promptness, such other information and financial data concerning the Company that any person entitled to receive information under this Article 163 may reasonably request.



## **FINANCIAL STATEMENTS**

164. Financial Statements of the Company will be audited once a year by a qualified auditor for correctness as per provisions of the Act and the financial statements shall be prepared in accordance with Section 129 of the Act and rules made thereunder.

## **AUDIT**

165. 1) The first auditor of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of First Annual General Meeting.
- 2) Subject to the provisions of the Act the Auditors will be appointed for a period of upto five years at the annual general meeting subject to ratification of appointment of auditors at the every Annual General Meeting. Subject to the provisions of the Act, the rotation of auditors, if any will also apply on the Auditors of the Company.
- 3) The Director may fill up any Casual Vacancy in the office of the Auditors.
- 4) The remuneration of the auditors shall be fixed by the Company in General Meeting or in such manner as may be determined therein except that remuneration of the first of any auditors appointed by the directors may be fixed by the directors.
166. Auditors. The STI Shareholder shall have the right, at its own expense, at all such reasonable times and as often as may reasonably be requested, to discuss the Company's and any of its Subsidiaries' affairs, finances and accounts with the Auditors or such Subsidiary's Auditors, as relevant, and the directors and officers of the Company or such Subsidiary, as relevant, and to have access to any working papers of such Auditors.
167. Accountants. The Company shall at all times retain a nationally recognised and independent accounting firm reasonably acceptable to the Shareholders as its auditors.

## **CAPITALISATION OF PROFIT**

168. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve :
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution, and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) Subject to the provisions of the Act, the sum aforesaid shall not be paid in cash, but shall be applied subject to the provisions contained in clause (3) either in or towards:
- (i) payable up in any amount for the time being unpaid on any shares held by such members respectively.
- (ii) paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid or
- (iii) issue of fully paid up bonus shares, from its free reserves
- (iv) partly in the way specified in sub clause (i) or partly in that specified in subclause (ii) or partly in the way specified in sub clause (iii)
- (3) Any share premium account and any capital redemption reserve fund, may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to member of the Company as fully paid bonus shares.

- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
169. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and allotment and issue of fully paid shares, if any, and
  - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
- (a) to make such provisions, by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit in the case of share becoming distributable in fractions; and also
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further share to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf of the application thereto of their respective proportions of the provide resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.

#### **SECRECY**

170. Subject to the provisions of law of land, no member or other person (not being a Director) shall be entitled to visit or inspect the Company's works without the permission of the Board of Directors or Managing Director to require discovery of the information respecting any detail of the Company's business, trading or customers of any matter which is or may be in the nature of a trade secret, mystery of trade or secret process, or any other matter which may relate to the conduct of the Business of the Company or which in the opinion of the Directors, it will be inexpedient in the interest of the Company to disclose.
171. (1) If the Company shall be wound up, the liquidator may, with the sanction of special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole, or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **CONFIDENTIALITY**

172. Obligation to Maintain Confidentiality. Subject to the provisions of Article 173, each Shareholder hereby agrees to hold, and to cause its Subsidiaries, Directors, officers, employees and agents to hold, in strictest confidence, and not to, without the prior written consent of the Company Shareholders, divulge, communicate or disclose to any unauthorised person or use or exploit for any purpose any of the trade secrets or confidential or proprietary information of the Company or any Shareholder or any and all of the Company's confidential data, plans, proposals, or other material related in any way to the Company's business or any other information not of a published or public nature concerning or utilised by the Company or set forth in these Articles, except as may reasonably be required in the fulfilment of these Articles. Notwithstanding the foregoing, the obligation of confidentiality shall not apply to any disclosure : (i) of information that is in or enters the public domain other than

by reason of a breach by the Person receiving such information of this Article (ii) of information that was in the possession of the receiving Person prior to its disclosure to such Person; (iii) required by law, regulation, legal process, or order of any court or governmental or regulatory body having jurisdiction including for the avoidance of doubt any stock exchange; or (iv) of information to the professional and legal advisers of the respective Company Shareholders in furtherance of their responsibilities under these Articles. Each Company Shareholder shall be responsible for any breach by its Directors, officers, employees and agents of the agreement set forth in this Article 173, who shall include, such Persons whom such Company Shareholder shall have or shall be deemed to have employed, engaged or nominated.

173. Exceptions to Confidentiality. In the course of an offer by a Company Shareholder to a third party to sell any BTL Shares or to acquire equity or debt capital of such Company Shareholder or of one of its holding companies, such Company Shareholder may disclose information concerning the Company to the third party, provided, however, that (x) such Company Shareholder informs the Company and the other Company Shareholders of all information that is intended to be disclosed prior to such disclosure to allow sufficient time for any of the Company Shareholders or the Company to object, any such objections to be reasonable and (y) the third party agrees to be bound by the confidentiality provisions contained herein.

### **ARBITRATION**

174. Amicable Settlement. Any and all disputes, controversies and conflicts (a "Dispute") between or among the Company Shareholders arising out of or relating to or in connection with these Articles and the performance or non-performance of the rights and obligations set forth herein shall be referred to the chief executive officer or the managing director of each Company Shareholder to be settled amicably within 21 (twenty one) days after written notice of such Dispute has been given by one Company Shareholder to the other Company Shareholders.
175. Arbitration Procedure. Failing an amicable settlement of any Dispute pursuant to Article 174 within the specified 21-day period, any Dispute, or Claim arising out of or relating to these Articles, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with United Nations Commission on International Trade Law Arbitration Rules for the time being in force (the "UNCITRAL Rules"), which UNCITRAL Rules shall be incorporated by reference into this Article. The place of arbitration shall be London, United Kingdom and the language used in the arbitral proceedings shall be English.
176. Arbitral Tribunal. The arbitral tribunal shall consist of three (3) arbitrators selected in accordance with the procedures set out in the UNCITRAL Rules regarding the appointment of arbitrators and the parties hereby designate the London Court of International Arbitration as the appointing authority.
177. Rights of Parties. The arbitral proceeding shall accord to each of the Company Shareholders the right of cross-examination of witnesses, the right to provide witnesses, including expert witnesses, and the right to make both written and oral submissions.
178. Arbitral Award: Court Action. The arbitral award and decision granted by the arbitral tribunal shall be in writing and shall be final, binding and incontestable and shall be enforceable in any court of competent jurisdiction. The Company Shareholders agree that notwithstanding any provision of law otherwise applicable in the jurisdiction where the arbitration is held and where any order, award or decision of the arbitral tribunal may be delivered, the right of appeal of any Company Shareholder to a court of law shall be excluded in relation to the award of the tribunal, and each Company Shareholder hereby waives any such right to the maximum extent permitted by applicable law, provided that nothing contained herein shall prevent a Company Shareholder from applying to a court of competent jurisdiction for enforcement of the arbitral award or for injunctive or other equitable relief. None of the Company Shareholders shall be entitled to commence or maintain any action in a court of law upon any Dispute arising out of or relating to or in connection with these Articles, except for the enforcement of an arbitral award or decision or for injunctive or other equitable relief pursuant to this Article. The arbitral tribunal shall award the successful party their costs and expenses of the arbitration including the reasonable fees and disbursements of their legal counsel, whether solicitors, barristers and/or attorneys.

179. Continued Performance during Arbitration. Pending the submission to arbitration and thereafter until the tribunal renders its award or decision, the Company Shareholders shall, except the event of termination of these Articles or in the event that injunctive or other equitable relief is granted under Article 178, continue to perform their obligations under these Articles. All costs of arbitration (including, without limitation, those incurred in the appointment of the arbitrators) shall be apportioned in the arbitral award.
180. Intentionally omitted

#### **INSPECTION AND CERTIFIED COPY OF DOCUMENTS**

- 180A. The Board of Directors of the Company may decide from time to time the process and procedure, time and fees to be charged with respect to Inspection of Registers and Records of the Company by any Members, Directors or any other person and to obtain certified copies of any of such documents as per the applicable provisions of the Act and Rules made thereunder from time to time.

#### **INDEMNITY**

181. (a) Subject to the provisions of Section 197 of the Act, every Director, auditor, secretary and other officer or servant of the Company (all of whom are hereinafter referred to as officer or servant) shall be indemnified by the Company, and it shall be the duty of the Directors out of the funds of the Company to pay, all bonafide costs, losses and expenses which any such officer or servant may incur or become liable to pay by reason of any contract entered into or act or, thing done or omitted by him as such officer or servant or any way in the discharge of his duties; and in particular, and so as not to limit the generality of the foregoing provisions, against any liability incurred by such officer or servant in defending any bonafide proceedings whether civil or criminal in which a judgement given in his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. The amount for which such indemnity is provided shall immediately attach as a charge on the property of the Company.
- (b) Subject to Indian Law (including without limitation Section 197 of the Act), the Company shall indemnify and hold harmless the Company Shareholders and their respective directors, officers, employees, agents and representatives from and against any and all costs, losses, Claims, damages and liabilities, including reasonable attorneys' fees, incurred by such Person or to which such person may be subject arising out of or in connection with any legal action (and the defence thereof) commenced as a result of, or in connection with or arising out of each Person's actions while a Company Shareholder, or such Person's position as, a Director of the Company provided that the Company shall not provide this indemnity in respect of the actions of any Person that are proved to have been fraudulent.
182. Notices. (a) All notices, consents and other communications under or pursuant to these Articles shall be in writing and in the English language and shall be deemed to have been received (i) when delivered by hand, (ii) when sent by facsimile (with receipt confirmed); provided, however, that a copy is promptly thereafter mailed by reputable private courier, return receipt requested, (iii) when received by the addressee or (iv) by such other means as the Shareholders may agree from time to time, in each case to the appropriate addresses and facsimile numbers set form below (or to such other addresses or facsimile numbers as a Shareholder may designate as to itself by not less than five (5) Business Days notice to the other Parties):

if to the STI Shareholder, to:

Singapore Telecom International Private Limited 31 Exeter Road,

Comcentre Singapore 239732

Fax : 65 235 2535

Attn : Chief Executive Officer, Singapore Telecom International Private Limited.

if to the Company, to :

Bharti Telecom Limited

Qutab Ambience (near Qutab Minar), H-5/12  
Mehrauli Road, New Delhi -110 030 India  
Fax : 91 11 696 8707/696 1327  
Attn : Company Secretary

if to BEL, to :

Bharti Enterprises Limited  
Qutab Ambience (near Qutab Minar), H\*5/12  
Mehrauli Road, New Delhi-110 030 India  
Fax : 91 11 696 8707/696 1327  
Attn : Company Secretary

if to BGL, to :

PO Box 811 Queen House Don Road St Helier,  
Jersey Channel Islands  
Fax: 44 1534 767 076  
Attn: Secretary

if to BOTC, to :

Qutab Ambience (near Qutab Minar), H-5/12  
Mehrauli Road, New Delhi -110 030 India  
Fax : 91 11 696 8707/696 1327  
Attn : Partner

183 to 194 . Intentionally omitted.

1. Rider 1.131A

The following definition be inserted into these Articles as new Article 1.131A:

““Vodafone” means Vodafone Group Plc and its subsidiaries.”

2. Rider 1.131B

The following definition be inserted into these Articles as new Article 1.131B:

““Vodafone Group” means Vodafone and its Affiliates.”

3. Intentionally Omitted

4. Rider Article 43

The following additional sentence be inserted into these Articles at the end of the existing Article 43:

“Each of the Bharti Entities agrees to give STI Shareholder not less than five Business Days prior written notice of its intention to Transfer any of its Shares even if STI Shareholder is unable to exercise its right of first refusal by reason of the conditions set out in this Article 43.”

5. Rider Articles 140(a)(xvi) to 140(a)(xix)

The following provisions be inserted into these Articles as Articles 140(a)(xvi) to 140(a)(xix):

“(xvi) any contract in which the Company or any of its Subsidiaries takes part contemplating a duration in excess of 12 months and with an average annual payments in excess of US\$125 million or the aggregate amount of the total contract greater than US\$875 million over the life of the contract provided however that any such contract which relate to network related expenses in the normal course of business will be excluded from this right of veto;

(xvii) the delegation of powers by the Board to any committee of the Board, to the extent that such delegation has or may have the effect of diluting or negatively affecting the STI Shareholder’s rights under these Articles. Prior to each such delegation, the Bharti Shareholders shall procure that the STI Shareholder is

notified in writing of the proposed delegation and, if so required by the STI Shareholder, shall explain in writing to the STI Shareholder why such proposed delegation will not dilute or negatively affect the STI Shareholder's rights under these Articles;

(xviii) the appointment of the auditors of the Company and its Subsidiaries but only if it is proposed to appoint a firm other than Pricewaterhouse Coppers, Ernst & Young, Deloitte & Touche and KPMG, or their Affiliates in India; and

(xix) listing of the Company's shares."

7. Rider Article 147

The following words be inserted into Article 147 of these Articles immediately after the words "chief operating officer":

"the chief marketing officer, the chief technology officer"

8. Rider - Annex II (BRIC Matters)

A new item 9 be inserted into Annex II (BRIC Matters) of these Articles as follows:

"9. Any variation of ten per cent or more in the capital expenditure approved in annual budget of the Company or its Subsidiaries."

Sl No.	Name, Address, Occupation and Description of the Subscribers	Signature of Subscribers Witness	Name, address and description of
1.	SUNIL BHARTI MITTAL S/o Late Sh. Sat Paul Mittal D-819, New Friends Colony, New Delhi-110 065 (Industrialist )	Sd/-	<p>I hereby witness the signature of the subscribers. I also certift that all the particulars are written by all the subscribers in their own handwriting</p> <p>Sd/- ANIL KUMAR A.C.A. S/o Shri N.R. Kumar R/o B/103, Lajpat Nagar -1, Delhi - 110 024</p>
2.	RAKESH BHARTI MITTAL S/o Late Sh. Sat Paul Mittal 13-E, Saraba Nagar, Ludhiana (Industrialist)	Sd/-	
3.	RAJAN BHARTI MITTAL S/o Late Sh. Sat Paul Mittal D-819, New Friends Colony, New Delhi-110 065 (Industrialist)	Sd/-	
4.	DEEPIKA MITTAL W/o Rakesh Mittal 13-E, Saraba Nagar, Ludhiana (Business)	Sd/	
5.	LALITA MITTAL W/o Late Sh. Sat Paul Mittal 13-E, Saraba Nagar, Ludhiana (Business)	Sd/-	
6.	BIMAL KUMAR S/o Sh. Bachan Dass Sharma 33, Lodhi Estate New Delhi (Business)	Sd/-	
7.	DHARAM CHAND JAIN S/o Shri Misri Lai Jain 12, M. G. Marg, Lajpat Nagar Delhi-110 024 (Business)	Sd/-	

Date :5th day of July, 1985

Place: New Delhi



**Resolution passed by the members of the Company in their annual general meeting held on Tuesday, September 5, 2017.**

**Alteration of Articles of Association of the Company**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company, be and are hereby amended in the following manner:

- a) Amendment in the existing Article 1.30 to delete the words "*but excluding any member of the MacRitchie Group*" after the words "*Bharti Shareholder*";
- b) The existing Article 2 of the Articles of Association, be deleted permanently;
- c) The existing Article 134 of the Articles of Association, be deleted and substituted by the following new Article:  
*"Meetings of the Board shall be convened and held at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, at least four Meetings are held in each calendar year at such times, in such places and in such manner, as agreed by the Directors. At least 7 days prior written notice shall be given to each of the Directors of any meeting of the Board, provided that a shorter period of notice may be given with the prior written approval of each Director. At least 7 days prior to any meeting of the Board, an agenda identifying in reasonable detail the matters to be discussed at such Board Meeting shall be given to each of the Directors and, any relevant papers or documents to be discussed at such Board Meeting shall be given to each of the Directors, including, in relation to any investment under Article 141, and without prejudice to the generality of the foregoing, details on whether such investment satisfies the Investment Criteria and a written presentation that demonstrates that such investment is in the best interests of the Company. The agenda and such other information may be provided less than 7 days prior to a Board Meeting with the prior written approval of each Director appointed by the Shareholders. Any matter which is submitted to the Board of Directors for a decision which is not identified in reasonable detail shall not be put forth for a vote by the Board of Directors, unless otherwise agreed by each Director."*
- d) The existing Article 165 (4) of the Articles of Association, be deleted and substituted by the following new Article:  
*"The remuneration of the auditors shall be fixed by the Company in General Meeting or in such manner as may be determined therein except that remuneration of the first of any auditors appointed by the directors may be fixed by the directors."*; and
- e) The existing Articles 183 to 194 of the Articles of Association, be deleted permanently.

Resolved further that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

**Encumbrances on the BTL Shares of the Shareholders**

1. Undertaking by BEL and BOTC given to IDFC and IL&FS not to dispose of Shareholding in BTL.
2. Undertaking by BGL given to IDFC and IL&FS for non-disposal of BTL Shareholding below 5%.

**BRIC Matters**

- (1) Review of the monthly and annual financial performance of the Company and each of its Subsidiaries.
- (2) Review of any Capital Expenditure variances equal to or exceeding 10% of the capital expenditure budgeted for in the Approved Business Plan and also review of Capital Expenditure variances equal to or exceeding 5% if the capital expenditure relates to items not budgeted for in the Approved Business Plan.
- (3) Review of any financing offers or banking facilities made available to the Company and review of all the liabilities of the Company (such review to be based upon any relevant policies and directions of the Board).
- (4) Review of and recommendation for approval of any budget in respect of the Company or any Subsidiary of the Company.
- (5) All General Reserved Matters.
- (6) The approval of any investment by an Investing Company in any New Project or Existing Project.
- (7) Review of treasury investment guidelines for the Company and each of its Subsidiaries.
- (8) Any matter deemed significant in terms of operations or strategy by the BRIC.

### **Approved Dividend Policy of the Company and its Subsidiaries**

#### **Bharti Telecom Limited**

There is no established dividend policy

#### **Bharti Tele-ventures Limited**

There is no established dividend policy

#### **Bharti Cellular Limited**

1. Subject to the law of India and the terms thereof, Bharti Cellular in a general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
2. The Bharti Cellular board may from time to time pay to the members such interim dividends as appear it to be justified by the profits earned by Bharti Cellular.
3. The Bharti Cellular board may, before recommending any dividend, set aside out of the profits of Bharti Cellular, such sums, at it may think proper, as reserve or reserves which shall at the discretion of the Bharti Cellular board, be applicable for any of the purposes to which the profits of Bharti Cellular may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may at the like discretion either be employed in the business of Bharti Cellular or be invested in such investments (other than shares of Bharti Cellular) as the Bharti Cellular board may, from time to time think fit.
4. The Bharti Cellular board may also carry forward any profits which it may think prudent not divide, without setting them aside as a reserve.
5. Unless otherwise agreed between Bharti/STET and GMC in writing, the Parties, shall procure that a dividend of not less than two thirds of the Distributable Reserves shall be declared and paid or otherwise effected by Bharti Cellular.
6. The Parties shall procure that the Distributable Reserves referred to in point 5 above shall be reduced to the extent that:
  - (a) The Bharti Cellular Business Plan for the then current financial year indicates that an injection of funds by the shareholders of Bharti Cellular or by way of borrowing remains outstanding in that current financial year.
  - (b) Such Bharti Cellular Business Plan indicates capital expenditure which is likely to exceed internally generated funds in the following financial year, and.
  - (c) Funds are required to satisfy or continue to satisfy any financial covenants given to third parties or the shareholders of Bharti Cellular.
7. Subject to the rights of the persons, if any, holding Bharti Cellular shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the share in respect whereof the dividend is paid. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as having been paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend as from a particular date such share shall rank for dividend accordingly.
8. The Bharti Cellular board may deduct from any dividend payable to any Bharti Cellular member all sums of money, if any, presently payable by him to Bharti Cellular on account of calls or otherwise in relation to the shares of Bharti Cellular.

#### **Bharti Telenet Limited**

There is no established dividend policy

#### **Bharti Broadland Networks Limited (erstwhile Bharti BT Internet Limited)**

There is no established dividend policy

#### **Bharti Comtel Limited**

There is no established dividend policy

**Bharti Mobile Limited (erstwhile JT Mobiles Limited)**

There is no established dividend policy

**Bharti Telesonic Limited**

There is no established dividend policy

**Bharti Mobinet Limited (erstwhile Skycell Communications Limited)**

There is no established dividend policy

**Loan Agreements**

An unsecured loan of Rs. 500 million from Housing Development Finance Corporation Limited to the Company on August 07, 2000 for a period of 60 days at an interest rate of 12.50% p.a.

**Permitted Investments**

1. Fixed deposits with Indian Scheduled banks ranking 1 to 25 by their asset size.
2. Fixed deposits with internationally recognised foreign banks.
3. Bonds rated "AA" or higher as per CRISIL rating (or equivalent ratings by other reputed leading rating agencies) that are issued by public sector undertakings and private companies.
4. Commercial papers that have received an investment rating of "P1" or higher by CRISIL or equivalent ratings from CARE, ICRA, Moodys1, Standard & Poors or Duff and Phelps.
5. Mutual funds - Income/liquid funds which invest only in debt instruments.





COMPANY NO. 05-34188

**CERTIFICATE OF REGISTRATION OF ORDERS OF COURT  
CONFIRMING SCHEME OF ARRANGEMENT OF COMPANIES**

Section 391 (2) and 394 of the Companies Act, 1956.

Certified that the certified copy of the Punjab & Haryana High Court Order in C.P. No. 35 of 2000 connected with 292 of 1999 And 43 of 2000 connected with 293 of 1999 dated 21-7-2000 regarding the Scheme of Arrangement of undermentioned company/companies :-

1. M/s. Bharti Telecom Limited

AND M/s. Bharti Teletch Limited has been registered under the Companies Act, 1956.

Given under my hand at NEW DELHI this First day of November Two Thousand.



Sd/-  
( DINESH CHAND )  
DY. REGISTRAR OF COMPANIES  
NCT OF DELHI & HARYANA



COMPANY NO. 05-34188

CERTIFICATE OF REGISTRATION OF ORDERS OF COURT  
*Scheme of Arrangement*  
CONFIRMING AMALGAMATION OF COMPANIES.

Section 391(2) and 394 of the Companies Act, 1956.

Certified that the certified copy of the *Punjabi & Haryana*  
Order in C.P.No. *35 of 2000 connected with 292 of 1999*  
*And* dated *21-7-2000* regarding  
*43 of 2000 connected with 293 of 1999*  
the amalgamation of undermentioned company/companies:-  
*Scheme of Arrangement*

*gu*  
1. M/s. *Bharti Telecome Limited*

AND M/s. *Bharti Teletech Limited*

has been registered under the Companies Act, 1956.

Given under my hand at NEW DELHI this *First* day of  
*November* Two Thousand.



*(Signature)*  
BY. *Pranab Chandra* REGISTRAR OF COMPANIES  
NCT OF DELHI & HARYANA



THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH  
COMPANY JURISDICTION  
COMPANY PETITION NO. 35 OF 2000  
(In Company Petition No. 292 of 1999)  
(Under Sections 391 to 394 of the Companies Act, 1956) (1 of 1956)  
(The said Act)

IN THE MATTER OF

Sections 391 to 394 of the Companies Act, 1956.

AND IN THE MATTER OF

Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited.

AND IN THE MATTER OF

Bharti Telecom Limited,  
The Company Incorporated under the Companies Act, 1956  
having its Registered office at  
Plot No. 6, Sector - 34, EHTP,  
Gurgaon, Haryana through  
Mr. Anil Khubchandani.

..... PETITIONER COMPANY

Petition Under Sections 391 to 394 of the Companies Act, 1956 for sanction of the Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited, Annexure P - I.

It is respectfully prayed that:-

- (a) That this Hon'ble Court be pleased to issue Dasti Notices of the Scheme of Arrangement to the Regional Director, Company Law, Board, Northern Region and the Registrar of Companies, Delhi and Haryana.
- (b) That this Hon'ble Court be pleased to sanction the Scheme of Arrangement as amended between Bharti Telecom Limited and Bharti Teletech Limited in accordance with the Scheme of Arrangement annexed herewith as Annexure P - I so as to be binding on all concerned.
- (c) That this Hon'ble Court be pleased to pass appropriate orders regarding vesting of the assets, liabilities and the vesting of the balances of the reserves relating to the Transferred Undertakings of the Transferor Company as on the Appointed Date.
- (d) That appropriate notices and procedural requirements in connection with Confirmation Petition and the Scheme of Arrangement be issued both by publication and by dasti notices to the appropriate authorities in accordance with the Law and
- (e) That this Hon'ble Court may be pleased to pass such other and further orders as are deemed necessary in the facts and circumstances of the case.

AND

COMPANY PETITION NO. 43 of 2000

CONNECTED WITH

COMPANY PETITION NO. 293 of 1999

(Under Sections 391 to 394 of the Companies Act, 1956 (1 of 1956))

(The said Act)

IN THE MATTER OF

Sections 391 to 394 of the Companies Act, 1956.

AND IN THE MATTER OF

Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited.

AND IN THE MATTER OF

Bharti Teletech Limited,  
a Company incorporated under the Companies Act, 1956  
having its Registered Office  
at Plot No.-6, Sector-34, EHTP,  
Gurgaon, Haryana through  
Mr. Anil Khubchandani.

.....PETITIONER COMPANY.

Petition Under Sections 391 to 394 of the Companies Act, 1956 for sanction of the Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited, Annexure P - I.

It is respectfully prayed that:-

- (a) That this Hon'ble Court be pleased to issue Dasti Notices of the Scheme of Arrangement to the Regional Director, Company Law Board, Northern Region and the Registrar of Companies Delhi and Haryana;
- (b) That this Hon'ble Court be pleased to sanction the Scheme of Arrangement, as amended, between Bharti Telecom Limited and Bharti Teletech Limited in accordance with the Scheme of Arrangement annexed herewith as Annexure P - I, so as to be on all concerned.
- (c) That this Hon'ble Court be pleased to pass appropriate orders regarding vesting of the assets, liabilities and the vesting of the balances of the reserves relating to the Transferred Undertakings of the Transferor Company as on the Appointed Date;
- (d) That Appropriate notices and procedural requirements in connection with Confirmation Petition and the Scheme of Arrangement be issued both by publication and by Dasti Notices to the appropriate authorities in accordance with law; and
- (e) That this Hon'ble Court may be pleased to pass such other and further orders as are deemed necessary in the facts and circumstances of the case.

Before Hon'ble Mr. Justice J.S. Khehar  
Dated the 21st day of July, 2000.

Upon reading the above noted petition (C.P. NO. 35 of and C.P. NO. 43 of 2000) coming on for hearing on 21-7-2000 duly supported by affidavits of Shri Anil Khubchandani authorised representative of M/s. Bharti Telecom Limited and M/s. Bharti Teletech Limited dated 12.2.2000 (in C.P. NO. 35 of 2000) and 22.2.2000 (in C.P. NO. 43 of 2000); also upon reading the resolutions dated 26.10.1999 of both the Companies; upon reading the affidavit of Shri Sunil Chadha, Advocate dated 27.4.2000 in C.P. NO. 35 of 2000 showing the publication of the notice of the petition under Section 394 of the Companies Act, 1956 in the Indian Express, dated 20.2.2000, Daijig Tribune dated 2.3.2000 and Haryana Government Gazette dated 29.2.2000

and another Affidavit of Shri Sunil Chadha, Advocate dated 24.5.2000 in C.P. No. 43 of 2000 showing the publication of the notice of the Petition Under Section 394 of the Companies Act, 1956 in the Indian Express, dated 8.5.2000, Dainik Tribune dated 8.5.2000 and Haryana Government Gazette dated 15.5.2000 and also upon hearing Shri L.M. Suri, Sr. Advocate with Mr. Sunil Chadha, Advocate for the Petitioner and Mr. H.S. Bawa, Official Liquidator and also upon perusing the reports of the Official Liquidator dated 18.5.2000 in C.P. NO. 35 of 2000 and dated 16.5.2000 in C.P. No. 43 of 2000 and the affidavit of Shri L.M. Gupta, Regional Director Department of Company Affairs, Kanpur - dated 16.5.2000 in C.P. NO. 35 of 2000 and of the even date in C.P. NO. 43 of 2000; this Court both order:-

1. That all the property, rights and powers of the Transferor Companies specified in the first, second and the third parts of the schedule hereto as per the scheme of arrangement and all other property, rights and powers of the transferor Company as per the sequence be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and Vest in the transferee company for all the estate and interest of the transferor companies therein; and
2. That all the liabilities and duties, of the transferor company as per the scheme of Arrangement be transferred without further Act or deed to the transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become liabilities and duties of the transferee company;
3. That all proceedings pending by or against the transferor company be continued by or against the transferee company as per the Scheme of Arrangement;
4. That the Transferee company do without further application allot to such members of the transferor company as have not given such notice of dissent as is required as per the Scheme of Arrangement herein the shares of the transferee company to which they are entitled under the aforesaid scheme;
5. That the transferor company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for Registration; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary.

#### **SCHEDULE**

##### **PART - I**

A short description of the free hold property of the transferor company as per the list supplied by the counsel enclosed herewith which shall form part of this Formal Order.

##### **PART - II**

A short description of the lease hold property of the transferor company as per the list supplied by the counsel enclosed herewith which shall form part of this Formal Order.

##### **PART - III**

A short description of all stocks, shares, debentures and other charges in action of the transferor company as per list supplied by the counsel enclosed herewith which shall form part of this Formal Order.

Dated the 21st day of July, 2000  
(By the Court)

Sd/-  
Asst. Registrar (Civil & Crl.)  
for Registrar (Judicial)



**SCHEDULE****PART - I****SHORT DESCRIPTION OF THE FREEHOLD PROPERTY OF THE TRANSFEROR COMPANY**

SL. No.	DESCRIPTION	AREA
1.	Plot No. 540, Sector 37, Pace City - II, Gurgaon (Haryana).	6500 sqm.
2.	Plot No. 6, Sector 34, EHTP, Gurgaon (Haryana)	4124.3 sqm.
3.	Plot No. 1, 2 Rural Industrial Complex, Humbran, Ludhiana (Pb.)	11 kanal, 14 marla
4.	Plot No. 3, 4 Rural Industrial Complex, Humbran, Ludhiana (Pb.)	10 Kanal, 12 marla
5.	Buildings standing on:	
	a. Plot No. 1 - 4, Rural Industrial Complex, Humbran, Ludhiana (Pb.)	
	b. Plot No. 6, Sector 34, EHTP, Gurgaon (Haryana)	

**PART - II****SHORT DESCRIPTION OF THE LEASEHOLD PROPERTY OF THE TRANSFEROR COMPANY**

1. Leasehold premises comprised in B - XX - 2648, Premjit Road, Gurdev Nagar, Ludhiana Punjab, for a lease rental of Rs. 9870/-per month.

**PART - III****SHORT DESCRIPTION OF ALL STOCKS, SHARES, DEBENTURES AND OTHER CHARGES IN ACTION OF THE TRANSFEROR COMPANY**

SL. NO.	INVESTMENTS	No. OF SHARES
1.	Bharti Dura-line Ltd.	3,749,999
2.	Goa Telecommunications & Systems Ltd.	400,000
3.	Siemens Telecom Ltd., : Preference Shares	5,537,000
4.	Siemens Telecom Ltd., : Equity Shares	7,840,000
5.	Advance towards share equity - Bharti Healthcare Ltd. in the sum of Rs. 135,666,323.00	

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH  
COMPANY JURISDICTION

COMPANY PETITION NO. 292 OF 1999

Connected with C.P. No. 35 of 2000

(Under Sections 391 to 394 of the Companies Act, 1956 (1 of 1956)  
(The Said Act)

IN THE MATTER OF

Sections 391 to 394 of the Companies Act, 1956

AND IN THE MATTER OF

Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited.

AND IN THE MATTER OF

Bharti Telecom Limited  
a Company incorporated under the companies Act, 1956  
having its Registered office  
at Plot No.-6, Sector-34, EHTP  
Gurgaon, Haryana through  
Mr. Anil Khubchandani

.....PETITIONER COMPANY.

Petition Under Sections 391 to 394 of the Companies Act, 1956 and Rule 9 of the Companies (Court) Rules, 1959 for directions to convene meetings of the equity shareholders, secured and unsecured creditors of the Petitioner Company and sanction of the Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited.

It is most respectfully Prayed that :-

- (a) That this Hon'ble Court be pleased to dispense with meetings of the unsecured creditors below the nominal value of Rs. 50,000/- and the requirement to give individual notices to the unsecured creditors below the nominal value of Rs. 50,000/- in Form-35 of the Companies (Court) Rules, 1959;
- (b) That this Hon'ble Court be pleased to sanction the Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited in accordance with the Scheme of Arrangement annexed herewith as Annexure P - 1 so as to be binding on all concerned.
- (c) That this Hon'ble Court be pleased to pass appropriate regarding vesting of the assets, liabilities and the vesting of the balances of the reserves relating to the Transferred Under takings of the transferor Company in accordance with the reference balance sheet as on 1st April 1999;
- (d) That this Hon'ble Court be pleased to pass such directions to issue appropriate notices and convene meetings of the equity shareholders, secured creditors and unsecured creditors of the nominal value of Rs. 50,000/- and above and procedural requirements in connection with this Petition and Scheme of Arrangement to be issued both by publication and by post in accordance with law;
- (e) That this Hon'ble Court may be pleased to pass such other and further orders as are deemed necessary in the facts and circumstances of the case.

AND

COMPANY PETITION NO. 293 of 1999

CONNECTED WITH

COMPANY PETITION NO. 43 of 2000

(Under Sections 391 to 394 of the Companies Act, 1956 (1 of 1956))

(The Said Act)

IN THE MATTER OF :

Sections 391 to 394 of the Companies Act, 1956.

AND IN THE MATTER OF :

Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited.

AND IN THE MATTER OF :

Bharti Teletech Limited,  
a Company Incorporated under  
the Companies Act, 1956  
having its Registered Office  
at Plot No. 6, Sector - 34, EHTP,  
Gurgaon, Haryana through  
Mr. Anil Khubchandani.

.....PETITIONER COMPANY.

Petition Under Sections 391 to 394 of the Companies Act, 1956 and Rules 9 of the Companies (Court) Rules 1959 for directions to dispense with the requirement to convene meetings of the equity shareholders and unsecured creditors of the Petitioner Company and Sanction of the Scheme of Arrangements between Bharti Telecom Limited and Bharti Teletech Limited.

It is respectfully prayed that :-

- (a) That this Hon'ble Court be pleased to dispense with the requirement to convene meetings of the equity shareholders and unsecured creditors of the Petitioner Company and the requirement to give individual notices to the equity shareholders and unsecured creditors in Form 35 of the Companies (Court) Rules, 1959;
- (b) That this Hon'ble Court may be pleased to direct the Petitioner Company to file the Petition for confirming the Scheme of Arrangement annexed herewith as Annexure - P - I under Rule 79 of the Company Court Rules, 1959;
- (c) That this Hon'ble Court be pleased to sanction the Scheme of Arrangement between Bharti Telecom Limited and Bharti Teletech Limited so as to be binding on all concerned.
- (d) That this Hon'ble Court be pleased to pass appropriate orders regarding vesting of the assets, liabilities and the vesting of the balances of the reserves relating to the Transferred Undertakings of the Transferor Company in accordance with the reference balance sheet as on 1st April, 1999;
- (e) That this Hon'ble Court may be pleased to pass such other and further orders as are deemed necessary in the facts and circumstances of the case.

Before Hon'ble Mr. Justice V. S. Aggarwal  
Dated the 14th December, 1999.

C.P. NO. 292 of 1999 and C.P. NO. 293 of 1999 have been filed by M/s. Bharti Telecom Limited having its Registered Office at Plot No. - 6, Sector - 34, EHTP, Gurgaon (Transferor Company) and M/s. Bharti Teletech Limited (Transferee Company) having its Registered office at Plot No. - 6,

Sector - 34, EHTP, Gurgaon respectively.

C.P. No. 292 of 1999 and C.P. NO. 293 of 1999 coming on for hearing before Hon'ble Mr. Justice V.S. Aggarwal on 14.12.1999; upon reading C.P. NO. 293 of 1999 and the order dated 14.12.1999 whereby notice of the petition was ordered to be published and pursuant to which the said notice was published in the Tribune dated on 20.1.2000, JanSatta dated 21.1.2000 and Haryana Government Gazette dated 18. 1.2000 and affidavit dated 3.2.2000 was filed by Shri Hemant Sarin, Advocate and upon further hearing of the said petition on 4.2.2000 meetings of the Shareholders and Creditors of the Transferee Company were dispensed with; upon reading C.P. NO. 292 of 1999 and the orders dated 14.12.1999 where by M/s. Bharti Telecom Limited (Transferor Company) was ordered to convene meetings of the shareholders and Creditors on 29.1.2000 at 10 A.M. and 12 noon respectively for the purpose of considering and if thought fit approving with or without modification the Scheme of Arrangement proposed to be made between the Transferor company and Transferee company and annexed to the Affidavit of Shri Sidarth Sarup, Advocate dated 25.1.2000 Indian Express dated 3.1.2000 JanSatta dated 3.1.2000 and Haryana Government Gazette dated 28.12.1999, each containing Advertisement of the notice convening the said meeting directed to be held vide order dated 14.12.1999 and upon reading the Affidavits of Shri Sidarth Sarup, Advocate dated 7.2.2000 and Shri Anand Chhibbar, Advocate dated 7.2.2000 showing the Publication and Despatch of notices convening the aforesaid meetings, the reports of the chairmen namely Shri Sidarth Sarup, Advocate dated 7.2.2000 and Shri Anand Chhibbar, Advocate dated 7.2.2000 as to the result of the said meetings; both the Chairmen have stated that the resolutions were declared and having been passed unanimously by the Creditors and by requisite majority by the Shareholders of the Transferor Company and upon hearing Shri L.M. Suri, Sr. Advocate with Shri Sunil Chadha, Advocate and Mr. H.S. Bawa, Official Liquidator and it appearing from the reports that the Scheme of Arrangement has been approved by the members and Creditors of the Transferor Company present and voting in person and or by proxy and whereas the shareholders and creditors of the Transferee Company have already given their unanimous consent to the Scheme of Arrangement :-

This Court doth hereby sanction the Scheme of Arrangement set forth in Annexure P - I of the Petition in C.P. NO. 35 of 2000 and in the schedule hereto and doth hereby declare the same to be binding on the members and Creditors of the Transferor and Transferee Companies and all concerned as provided in the Scheme of Arrangement which shall be implemented from the date specified therein in accordance with Law.

That the parties to the Scheme of Arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the Scheme of Arrangement.

That the Transferor Company do file with the Registrar of Companies a Certified Copy of the order within thirty days from the date of this order.

#### SCHEDULE

Scheme of Arrangement as sanctioned by the Court dated 21st July, 2000.  
(By the Court)

Sd/-  
Asstt. Registrar (Civil & Crl.)  
for Registrar (Judicial)

## SCHEME OF ARRANGEMENT

BETWEEN

Bharti Telecom Limited

Transferor Company

AND

Bharti Teletech Limited

Transferee Company

## PART - I

## A. Definitions

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given to them below:-

- (i) "Act" means the Companies Act, 1956 and any amendments and or reenactment thereof for the time being in force.
- (ii) "Non-Transferred Undertakings of the Transferor Company" means all of the undertakings of Transferor Company other than the Transferred Undertakings of the Transferor Company.
- (iii) "Scheme" means the Scheme of Arrangement as set out herein.
- (iv) "The Appointed Date" means 1st April 2000.
- (v) "The Effective Date" means the date on which the last of the approvals/events specified in clause 11 of Part IV of the Scheme are obtained / have occurred.
- (vi) "Transferred Undertakings of the Transferor Company" means the undertakings of Transferor Company more particularly described in Schedule - I hereto and shall mean and include:-
  - (a) all the assets including leasehold assets, and movable assets, together with all present and future liabilities, debts and undertakings pertaining to the Transferred Undertakings of the Transferor Company, more particularly described in Schedule - I hereto of the Transferor Company as per the records of Transferor Company;
  - (b) all approvals, permissions, consents, exemptions, registrations, no-objection certificates and certifications, permits, quotas, rights, entitlements, tenancies, patents, copyrights, privileges, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to Trademarks, powers and facilities of every kind, nature and description whatsoever appertaining/allocated to the Transferred Undertakings of the Transferor Company, as more particularly described in Schedule - I hereto of Transferor Company;
  - (c) all permanent employees of the Transferor Company engaged in or in relation to the Transferred Undertakings of the Transferor Company as more particularly described in Schedule - I hereto, and also such other employees of the Transferor Company as may be specified by the management of the Transferor Company;
  - (d) all application monies, advance monies, earnest monies and/or security deposits paid, payments against other entitlements in connection with the Transferred Undertakings of the Transferor Company as more particularly described in Schedule - I hereto.
  - (e) all the debts, liabilities, duties, responsibilities and obligations of Transferor company relating to the Transferred Undertakings of the Transferor Company, as more particularly described in Schedule - I hereto.
  - (f) All immovable assets, whether freehold, leasehold or otherwise, including all buildings, fixtures, structures comprised in the Transferred Undertakings of the Transferor Company and/or any other developments or rights & facilities related thereto of the Transferor Company including those Comprised in the undertakings listed out in Schedule - I hereto



as per the Records of Transferor Company.

- (vii) "Transferor Company" or "BTL" means Bharti Telecom Limited, a company incorporated under the Act having its Registered Office at Plot No. 6, Sector - 34, EHTP, Gurgaon, Haryana.
- (viii) "Transferee Company" or "BTTL" means Bharti Teletech Limited a company incorporated under the Act having its Registered Office at Plot No. 6, Sector - 34, EHTP Gurgaon, Haryana.

#### SCHEME

Bharti Telecom Ltd. is presently engaged in three business activities :

- i) Manufacturing (of telecommunication equipments and products) Business Activity,
- ii) Marketing (of telecommunication equipments and products) Business Activity, and
- iii) Business of Providing Services, in relation to the Telecommunication Industry (viz. Basic services, cellular-mobile services, Internet Services & V-sat Services), both directly and indirectly through wholly owned subsidiaries, joint venture companies & subsidiaries. With a view to develop the potential for further growth and diversification and to enable the manufacturing and the marketing business activities to be carried out and dealt with more effectively and advantageously, the Board of Directors of Bharti Telecom Limited are of the considered view that the manufacturing and the marketing business activities could be more economically, efficiently and conveniently conducted through a separate Body Corporate engaged exclusively in the manufacturing and marketing (of telecommunication equipments and products) business activity to which end M/s. Bharti Teletech Limited has been incorporated with a view to vest in it all of the said both manufacturing and marketing business activities of Bharti Telecom Limited. Further in view of the ongoing liberalisation process in the Telecommunication sector it has become necessary for Bharti Telecom Limited to strategically restructure its business activities to enable it to give specialised/ exclusive focus and direction to its manufacturing and marketing business activities. This would further help the Company to achieve economies of scale, efficient and administrative convenience towards attainment of overall growth in the stiff competitive scenario. This would also enable Bharti Teletech Limited to specifically undertake, develop and exploit the manufacturing and marketing business activities of Bharti Telecom Limited to their full potential and enable strategic alliance and Joint Ventures in such activities with state of art technology competitive both in India and abroad.

Accordingly the Board of Directors of Bharti Telecom Limited propose that it would be in the interest of the Company, if, the manufacturing and marketing business activities, alongwith all undertakings and assets of Bharti Telecom Limited comprising its Lands, Buildings, Plant and Machinery, Furniture Fixtures and Fittings, Vehicles, Computers, Inventories, Loans and Advances, Sundry Debtors, Cash and Bank Balances and all other assets alongwith other general Assets whether Moveable / Immovable or incorporeal relating to the said manufacturing and marketing business activities whether situated at Gurgaon in the state of Haryana or at Ludhiana in the state of Punjab or elsewhere be transferred / vested, as going concern on such terms and conditions as provided herein in the interest of the shareholders of Bharti Telecom Limited.

#### PART - II SHARE CAPITAL

The present capital structure of the Transferor Company and Transferee Company is as under:-

(A) Transferor Company

The present capital structure of the Transferor Company as at 31st March, 1999 is as follows :

As at 31.03.99  
(Amount in Rs.)

SHARE CAPITAL

AUTHORISED CAPITAL

4,00,00,000 Equity Shares of Rs.10 each

40,00,00,000

ISSUED SUBSCRIBED AND PAID UP CAPITAL  
1,69,00,000 Equity Shares of Rs.10/ each

16,90,00,000

(B) Transferee Company

The present capital structure of the Transferee Company as at 31st March, 1999 is as follows.

AS AT 31.03.99  
(AMOUNT in Rs.)

AUTHORISED CAPITAL

5,00,000 Equity Shares of Rs.10 each

50,00,000

ISSUED SUBSCRIBED AND PAID UP CAPITAL

7 Equity Shares of Rs. 10/- each fully paid up

70

IN CONSIDERATION OF THE RECIPROCAL PROMISES AND THE ARRANGEMENT, THE TRANSFEROR COMPANY, THE TRANSFEE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS HAVE PROPOSED THE SCHEME OF ARRANGEMENT AS SET OUT IN PART III and IV BELOW.

**PART - III**

**TRANSFER OF TRANSFERRED UNDERTAKINGS**

1. (a) With effect from the Appointed Date, the Transferred Undertakings of the Transferor Company shall pursuant to Section 394(2) of the Act and without any further act or deed be transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of the Transferee Company subject to Clause 11, Part IV of the Scheme.
- (b) In respect of such of the assets of the Transferred Undertakings of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or transfer by vesting and records pursuant to this Scheme the same shall stand transferred and vested by the Transferor Company, with effect from the Appointed Date and shall become the property and an integral part of the Transferee Company.
2. (a) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertakings of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee thereto.
- (b) Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all permits, quotas, rights, entitlements, licenses including those relating to Trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Undertakings of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be & remain in full force and effect in favour of or against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee thereto.
- (c) Any Inter se contracts between the Transferor Company and Transferee Company relating to the Transferred Undertakings of the Transferor Company shall stand merged and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective. Any statutory licenses, permissions or approvals or consents to carry on the operations in the Transferred Undertakings of the Transferor Company as illustratively listed out in Schedule - II hereto, shall stand vested in or transferred to the Transferee Company without further act or

deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of the Transferred Undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents to carry on the operations in the Transferred Undertakings of the Transferor Company as illustratively listed out in Schedule - II hereto, Sales Tax Registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. Any no-objection certificates, licenses, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held for the Transferred Undertakings of the Transferor Company and the Non-Transferred Undertakings of the Transferor Company as continuing undertakings including the statutory licenses, permissions or approvals or consents to carry on the operations in the Transferred Undertakings of the Transferor Company as illustratively listed out in Schedule - II hereto shall be deemed to constitute separated licenses, permissions, no objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and or mutate or record the separation, upon the filing of this Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to empower and facilitate the continuation of operations in the Transferee Company without hindrance or let from the Appointed Date.

- (d) The Transferee Company at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferred Undertakings of the Transferor Company to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. 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 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- (a) Upon the coming into effect of this Scheme, the debts, liabilities and obligations of the Transferor Company relating to the Transferred Undertakings of the Transferor Company shall, without any further act or deed be and stand transferred to the Transferee Company and shall become the debts, liabilities and obligations of the Transferee Company which it undertakes to meet, discharge and satisfy.
- (b) All liabilities and obligations arising out of guarantees executed by the Transferor Company relating to the Transferred Undertakings of the Transferor Company for any third party/s shall become the liabilities and obligations of the Transferee Company which it undertakes to meet discharge and satisfy.
- (a) All legal or other proceedings by or against the Transferor Company in respect of the Transferred Undertakings of the Transferor Company under any statute, or otherwise whether pending on the Appointed Date or which may be instituted in future in respect of any matter arising before the Effective Date shall be continued and enforced by or against the Transferee Company after the Effective Date. If proceedings are taken against the Transferor Company in respect of the Transferred Undertakings of Transferor Company, after the Appointed Date the Transferor Company, shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- (b) Upon the Scheme becoming effective, the Transferee Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company also undertakes to deal with all legal or other proceedings which may be initiated by or against the Transferor Company or the Transferee Company after the Effective



Date relating to the Transferred Undertakings of the Transferor Company in respect of the period up to the Effective Date, in its own name and account and to the exclusion of the Transferor Company, and further undertakes to pay all amounts including interest, penalties, damages, etc. which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferred Undertakings of the Transferor Company for the period up to the Effective Date and any reasonable costs incurred by the Transferor Company in respect of such proceedings started by or against it relating to the period up to the Effective Date upon submission of necessary evidence by the Transferor Company to the Transferee Company for making such payment.

5. With effect from the Appointed Date and up to and including the Effective Date:
  - (i) The Transferor Company shall be deemed to have been carrying on all operations and activities relating to the Transferred Undertakings of the Transferor Company on behalf of the Transferee Company and stand possessed of the properties so to be transferred for and on account of and in trust for the Transferee Company; and
  - (ii) all profits accruing to the Transferor Company (including taxes, if any, thereon) or losses arising or incurred by it relating to the Transferred Undertakings of the Transferor Company shall for all purposes, be treated as the profits, taxes or losses as the case may be of the Transferee Company.
6. The Transferor Company hereby undertakes from the Appointed Date up to and including the Effective Date to carry on its operations relating to Transferred Undertakings of the Transferor Company with proper prudence and agrees, without the prior written consent of the Transferee Company not to alienate, charge or otherwise deal with or dispose of the Transferred Undertakings of the Transferor Company or any part thereof (except in the ordinary course of business) or undertake substantial expansion of its existing operations pertaining to the Transferred Undertakings of the Transferor Company.
  - (a) All permanent employees of the Transferor Company engaged in the Transferred Undertakings of the Transferor Company as on the Effective Date, shall as from such date, become employees of the Transferee Company with the benefit of continuity of service on same terms and conditions being not unfavourable with the terms and conditions applicable to such employees of the Transferor Company and without any breach or interruption of service unless any one of them is not willing to join the Transferee Company. In regard to Provident Fund, Employees Benevolent Fund, Gratuity Fund, Superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes, funds, by-laws etc. including in the respective Trust Deeds or other documents. The existing Provident Fund, Employees Benevolent Fund, Gratuity Fund and Superannuation Fund Trusts created by the Transferor Company for its employees including employees of the Transferred Undertakings of the Transferor Company shall be continued for the benefit of such employees and employees of the Non-Transferred Undertakings of the Transferor Company, on the same terms and conditions. With effect from the Effective Date the Transferee Company shall make the necessary contributions for such transferred employees of the Transferor Company and deposit the same in the Employees Benevolent Fund, Provident Fund, Gratuity Fund or Superannuation Fund of the Transferor Company. Until the Transferor Company or its Trustees for such funds transfer such portion of the Employees Benevolent Fund, Provident Fund, gratuity fund and Superannuation Fund Trusts relating to the employees of the Transferred Undertakings of the Transferor Company into the Employees Benevolent Fund, Provident Fund, Gratuity fund, and Superannuation Fund including the respective Trusts or the Trustees of such funds set up by the Transferee Company, as may be applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferred Undertakings of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is

clarified that the services of all employees of the Transferor Company relating to the Transferred Undertakings of the Transferor Company, to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid schemes or funds.

- (b) In the event that the Trustees are constituted as holders of any securities, Trust funds or Trust monies in relation to any Employees Benevolent Fund, Provident Fund, Superannuation Trust, Gratuity Trust or other Trust of the Transferor Company, such funds shall be transferred by such Trustees of the Trusts of Transferor Company to separate Trusts and the Trustees of the Transferee Company set up for the same purpose and object to the extent that the same relates to all the employees of the Transferor Company relating to the Transferred Undertakings of the Transferor Company and shall be deemed to be a transfer of trust property from one set of Trustees to another set of Trustees in accordance with the provisions of the relevant labour laws, Indian Trust Act, and the Indian Income Tax Act 1961 and Stamp Legislations as applicable. Appropriate Deeds of Trusts and/or documents for transfer of Trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the Trustees of the Trust constituted by the Transferor Company in favour of the Trusts of the Transferee Company so as to continue the benefits of the employees and segregate the funds. Pending such transfer into the existing Trusts of the Transferee Company as aforesaid, the original trust of the Transferor Company, will continue to receive credits for the contributions for Employees Benevolent Fund, Provident Fund, Superannuation or Gratuity if any, in respect of all employees of the Transferor Company relating to the Transferred Undertakings of the Transferor Company, and shall make payments from out of these funds to the employees. Benefits of continuity of service will also be available in relation to credits into such Trusts/Funds of Transferor Company in relation to the Transferred Undertakings of Transferor Company in the Trusts/Funds created for employees of the Transferee Company.

The Employees Benevolent Fund, Provident Fund, Gratuity Trust or superannuation Trusts of the Transferor Company shall continue to hold such securities Trust Funds and/or Trust monies as hitherto; till such time as the transfer to the Trustees of the Transferee Company employee Trusts is made.

- (c) The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any Labour Unions/employees by the Transferor Company in relation to the Transferred Undertakings of the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, Employees Benevolent Fund, Provident Fund, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
8. The transfer and vesting of the properties and liabilities of the Transferred Undertakings of the Transferor Company to the Transferee Company and the continuance of the proceedings by or against the Transferee Company under Clause 4, hereof shall not affect any transaction or proceedings already completed by the Transferor Company on and from the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.
9. Subject to the other provisions contained in this Scheme, all Contracts, business/asset purchase agreements, memorandums of understandings, memorandums of agreement, memorandums of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, contracts, lease rights, deeds, bonds, other agreements and instruments of whatsoever nature relating to the Transferred Undertakings of the Transferor Company to which the Transferor Company is a party or having effect immediately before the Effective Date, shall remain in full force and in effect against and in favour of Transferee Company and may be enforced fully and effectually as if instead of the Transferor Company, the Transferee Company had been a party thereto.
10. Upon the coming into effect of the Scheme, all Motor Vehicles of any nature whatsoever comprised in or relateable to the Transferred Undertakings of the Transferor Company shall vest in the Transferee

Company and the appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of the Transferee Company as if the vehicles had originally been registered in the name of the Transferee company without levying or imposing any fees, charges, taxes or levy whatsoever.

11. In accordance with the Modvat Rules framed under the Central Excise Act, 1944, as are prevalent at the time of the sanction of the Scheme, the unutilised credits relating to Excise duties paid on inputs/ capital goods lying to the account of the Transferred Undertakings of the Transferor Company in the RG23A and RG23C Registers shall be permitted to be transferred to the Credit of the Transferee Company, as if, all such Modvat Credits were lying in the RG 23A and RG 23C Registers of the Transferee Company. The Transferee Company shall be entitled to set off all such unutilised Modvat Credits, as aforesaid, against the Excise duty payable by it.
12. (a) Upon coming into effect of the Scheme and upon the vesting and transfer of the Transferred Undertakings of the Transferor Company in the Transferee Company, the Transferee Company shall fix a record date for completion of allotments to the shareholders of the Transferor Company thirty (30) fully paid shares of the face value of Rs. 10/- each for every 100 fully paid shares of the face value of Rs. 10/- each held in the Transferor Company as per the valuation report of M/s. J.C. Bhalla & Co., Chartered Accountants Provided that no fractional share certificates shall be issued by the Transferee Company in respect of fractional entitlements, if any, to the shareholders of the Transferor Company. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the shares by the Transferee Company as aforesaid and thereupon issue and allot shares in lieu thereof to a Director or an Officer of the Transferee Company or any other person in this behalf with the express understanding that such Director or Officer to whom such shares be allotted shall settle the same in the market at the best available price on one or more lots or by private sale / placement or by public sale / auction as deemed fit (the decision of such Director or Officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to, in that behalf shall be placed before the Board of Directors for its final approval) and pay to the Transferee Company, the net sale proceeds thereof, and upon the receipt of the sale proceeds in respect of each such sale. The Transferee Company shall then pay each of such members having fractional entitlements the net sale proceeds of all such shares after defraying therefrom all costs, charges, and expenses of such sale in cash on pro rata basis.  
  
Upon the Scheme becoming effective, and in consideration of the transfer and vesting of the Transferred Undertakings of the Transferor Company in accordance with the Scheme herein, the Transferee Company shall issue equity shares to the shareholders of the Transferor Company at par value in accordance with the provisions of sub-clause (a) hereof for the value of the Transferred Undertakings of Transferor Company.
- (b) All equity shares if issued and allotted by the Transferee Company in terms hereof shall rank pari passu in all respects from the date of their allotment in terms of the Scheme with the existing equity shares of the Transferee Company.
- (c) Upon this Scheme becoming effective and subject to the above provisions, the Shareholders of Transferor Company shall receive new share certificates reflecting the share capital of the Transferee Company as on the Effective Date of the Scheme upon receiving intimation of the Record Date for allotments.
- (d) In the event of any of the shareholders of the Transferor Company electing / deciding to sell their shares in the Transferor Company pursuant to any open offer made by acquirers (including, as the case may be, the promoters of the Transferor Company), after the shareholders of the Transferor Company receiving shares in the Transferee Company as provided herein, the Transferee Company and/or the Transferor Company or the acquirers as aforesaid shall not be under any obligation to make similar offers to such shareholders with respect to their shareholding in the Transferee Company.



## PART - IV

### GENERAL TERMS AND CONDITIONS

1. (a) The Transferor Company and the Transferee Company shall be entitled to reconstruct there, Balance Sheets as on the Appointed Date to be the opening Balance Sheets of the Transferor Company and the Transferee Company, respectively, as on the Appointed Date. The Transferee Company shall carryover and assume the accumulated business losses pertaining to the Transferred Undertakings of the Transferor Company in terms as may be provided for in the reconstructed Balance Sheet of the Transferee Company, as aforesaid.  
(b) All assets and liabilities would be transferred at book value, based on the audited financial results of the Transferor Company as on 31st March, 2000.
2. The Transferor Company and the Transferee Company are expressly permitted to revise their Income Tax loss returns and related TDS certificates and to claim refunds, advance tax credits etc., on the basis of the respective reconstructed Balance Sheets becoming effective as on the Appointed Date pursuant to the terms of this Scheme and its right to make such revisions in the Income Tax loss returns and related Tax Deducted at Source (TDS) certificates and their right to claim refunds, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.
3. a) The authorised share capital of the Transferee Company shall stand increased to Rupees Five Crore and Seven Lac and seventy only (Rs. 5,07,00,070/-) as on the Effective date.  
b) The Transferee Company shall file the requisite forms with the Registrar of Companies for the said increase of the Authorised Capital of the Transferee Company as aforesaid. The Transferee Company shall make suitable amendments to the Transferee Company's Memorandum and Articles of Association to reflect the increase of the Authorised Share Capital.
4. The Transferor Company is entitled to various benefits under Incentive Schemes and Policies as are illustratively listed out in Schedule - III hereto and pursuant to this Scheme it is declared that the benefits under all of such Schemes and Policies as illustratively listed in Schedule - III shall be transferred to and vested in the Transferee Company and all benefits entitlements and incentives of any nature whatsoever including Sales Tax Concessions & Incentives shall be claimed and/or be claimable by the Transferee Company and these shall relate back to the Appointed date as if the Transferee Company was originally entitled to all benefits under such Incentive Schemes and/or Policies.
5. In accordance with the Modvat Rules framed under the Central Excise Act, 1944, as are prevalent at the time of the sanction of the Scheme, the unutilised credits relating to Excise duties paid on inputs/ capital goods lying to the account of the Transferred Undertakings of the Transferor Company in the RG 23A and RG 23C Registers including the credit lying in the RG 23A and /or RG 23C Registers of the Transferor Company to the account of the Transferred Undertakings of the Transferor Company shall be permitted to be transferred to the Credit of the Transferee Company, as if, all such Modvat Credits were lying in the RG 23A and RG 23C Registers of the Transferee Company. The Transferee Company shall be entitled to set off all such unutilised Modvat Credits, as aforesaid, against the Excise duty payable by it.
6. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorisations, shall stand vested by the order of sanction of this Hon'ble Court in the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court. Viz. the Hon'ble High Courts at Chandigarh.
7. The existing banking facilities pertaining to the Transferred Undertakings of the Transferor Company as maintained by the Transferor Company shall stand transferred and vest in the Transferee Company and the relevant Banks shall transfer all such banking facilities into the name of the Transferee Company immediately upon receiving the order of sanction of this Hon'ble Court.

8. All tenders and/or Bids relating to the supply of equipments manufactured by the Transferee Undertakings of the Transferor Company in which the Transferor Company is participating shall stand transferred and vested in the Transferee Company with effect from the Appointed date.
9. The Issue and allotment of shares under the provisions of this Scheme will be made subject to the approval of such statutory and governmental authorities as required.
10. Both the Transferor Company and the Transferee Companies shall make necessary application before the Hon'ble High Court at Chandigarh for sanction of the Scheme under Sections 391 to 394 of the Act. All disputes and differences arising out of this Scheme shall be subject to the jurisdiction of the Hon'ble High Court at Chandigarh only.
11. This Scheme is conditional upon the following approvals / events and the Scheme shall be deemed to be effective on obtaining the last of the following approvals and the occurrence of the last of the following events:-
  - (i) the approval of the Scheme by the requisite majority of the members and creditors of the Transferor Company and the Transferee Company, as the case may be, as required under Section 391 of the Act.
  - (ii) The sanction of the Scheme by the Hon'ble High Court at Chandigarh under Section 391 and 394 of the Act and other applicable provisions of the Act, Rules and Regulations, as the case may be.
  - (iii) Certified copies of the orders being filed with the Registrar of Companies, Haryana.

#### SCHEDULE - I

##### TRANSFERRED UNDER TAKINGS OF THE TRANSFEROR COMPANY

- A. Manufacturing Business Undertakings :
  1. Manufacturing undertakings situated at:
    - a) Plot No. 6, Sector - 34, EHTP, Gurgaon (Haryana).
    - b) Plot Nos. 1 - 4 , Rural Industrial Complex, Hambram Distt, Ludhiana (Punjab).
    - c) B - XX - 2648, Premjit Road, Gurudev Nagar, Ludhiana (Punjab).
  2. Investment in Manufacturing activities / companies undertakings:
    - a) Investments in Bharti Dura - line Ltd.:  
37,49,999 equity shares of Rs. 10/- each vide Folio No. 3, Share Certificate No. 1, Distinctive No. 01 to 01, Share Certificate No.2, Distinctive No. 02 to 02, Share Certificate No. 3, Distinctive Nos. 03 to 2499999, Share Certificate No. 5, Distinctive Nos. 5000000 to 6249999,
    - b) Investment in Goa Telecommunications & Systems Ltd. (alongwith Nominees):  
4,00,000 equity shares of Rs. 10/- each vide Folio No. 9, Share Certificate No. 20, Distinctive Nos. 61 to 400000, Share Certificate Nos 14-19, Distinctive Nos. 01 to 60.
- B) Marketing Business Undertakings :
  1. Investment in Marketing activities / Companies Undertakings:
    - a) Investments in Siemens Telecom Ltd. :
      - (i) 78,40,000 equity shares of Rs. 10/- each vide Folio No. 5, Share Certificate No. 5, Distinctive No. 52 to 71, Share Certificate No. 9, Distinctive No. 08160050 to 16000000, Share Certificate Nos. 6-7; distinctive Nos. 72 to 100 and
      - (ii) 55,37,000 11% Fully paid Preference Shares of Rs. 10/- each, vide Folio No. PS / 002, Share Certificate No. 2, Distinctive No. 05763001 to 11300000.

## **SCHEDULE - II**

### **ILLUSTRATIVE LIST OF REGISTRATIONS / LICENSES / APPROVALS**

1. Industrial Entrepreneur Memorandum - Acknowledgement (Industrial Development & Regulation Act);
2. Licence under the Factories Act, 1948;
3. Product Approvals from Deptt. of Telecommunications;
4. Registration under Central & State Sales Tax Act;
5. Registration under Central Excises Act;
6. Consents for Water & Air Pollution Control Laws;
7. Licence for storage of Explosives;
8. Load sanction for Electricity Authorities;
9. Certificate under Standards of Weights & Measurements Act;
10. Registration under Employees Provident Fund & Miscellaneous Provisions Act;
11. Registration under Employees State Insurance Act;
12. Certified Standing Orders dated 26.05.88 (Ludhiana Unit) and 02.12.93 (Gurgaon Unit) under Industrial Employment (Standing Orders) Act, 1946
13. ISO Certificates

## **SCHEDULE - III**

### **ILLUSTRATIVE LIST OF BENEFITS UNDER INCENTIVE SCHEMES AND POLICIES**

1. SIL licence No. 0540002019 dated 18.01.2000 under the Import Export Policy.
2. SIL licence No. 0540002017 dated 18.01.2000 under the Import Export Policy.
3. SIL licence No. 0540002018 dated 18.01.2000 under the Import Export Policy.
4. DEPB licence No. 510008967 dated 06.10.1999 under the Import Export Policy.
5. DEPB licence No. 51001903 dated 10.01.2000 under the Import Export Policy.
6. All entitlements for the issue of Special Import Licence under the Import Export Policy 1997 - 2002 for exports made in 1999 - 2000.
7. All tax benefits and obligations under certificate bearing reference No. 109 page : 10/2 issued on 6.11.95 by Deputy Excise & Taxation Commissioner, Gurgaon;
8. Applications vide acknowledgement No. 3975 dated 25.06.98 for exemption for the expansion unit for capital investment of Rs. 1215.60 Lac which would entitle for exemption of Rs. 6078.04 Lacs for the period 27.03.98 to 26.03.2005.
9. All benefits under the Certificate of eligibility issued by the Addl. Director, Industries, Haryana dated 24.01.95 vide dept. endorsement No. FA / STE / 25<sup>th</sup> /1481 Dated 18.1.95 for Rs. 494.00 Lacs.
10. Application for renewal of Exemption Certificate vide. Letter No. BTLG / CQMM / 98 - 99 dated 7.9.98.







