



**VODAFONE IDEA LIMITED**

*(Formerly Idea Cellular Limited)*

**Registered Office :** Suman Tower, Plot No. 18, Sector-11, Gandhinagar - 382 011, Gujarat, India

**Tel. No. :** +91-98246 34997

**CIN :** L32100GJ1996PLC030976

**Website :** www.vodafoneidea.com

**E-mail :** shs@vodafoneidea.com

**MEETING OF THE UNSECURED CREDITORS  
(INCLUDING UNSECURED DEBENTURE HOLDERS)  
OF**

**VODAFONE IDEA LIMITED**

*(convened pursuant to order dated 11<sup>th</sup> day of April 2019 passed by  
the National Company Law Tribunal, Bench at Ahmedabad)*

**MEETING:**

<b>Day</b>	:	Thursday
<b>Date</b>	:	6 <sup>th</sup> day of June 2019
<b>Time</b>	:	2.00 p.m. (1400 hours)
<b>Venue</b>	:	Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector-25, Gandhinagar – 382 044, Gujarat, India

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH AT AHMEDABAD  
CA (CAA) NO. 50/NCLT/AHM/2019**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Vodafone Idea Limited;

And

In the matter of Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors;

**Vodafone Idea Limited,**

a company incorporated under the provisions of }  
the Companies Act, 1956 and having its registered }  
office at Suman Tower, Plot No. 18, Sector-11, }  
Gandhinagar - 382 011, Gujarat, India. }

...Applicant Company

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS  
(INCLUDING UNSECURED DEBENTURE HOLDERS) OF THE APPLICANT COMPANY**

To,

**All the unsecured creditors (including unsecured debenture holders) of Vodafone Idea Limited (the "Applicant Company"):**

**NOTICE** is hereby given that by an Order dated 11<sup>th</sup> day of April 2019 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Ahmedabad ("**NCLT**") has directed a meeting to be held of the unsecured creditors (including unsecured debenture holders) of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company will be held at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar- 382 044, Gujarat, India, on Thursday, the 6<sup>th</sup> day of June 2019 at 2.00 p.m. (1400 hours), at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

**"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> day of March 2017, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated 11<sup>th</sup> day of March 2019 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Ahmedabad ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Suman Tower, Plot No. 18, Sector-11, Gandhinagar - 382 011, Gujarat, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Suman Tower, Plot No. 18, Sector-11, Gandhinagar - 382 011, Gujarat, India, or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. Arun Kumar Adhikari, Independent Director of the Applicant Company and in his absence Mr. Arun Thiagarajan, Independent Director of the Applicant Company and in his absence Mr. Ashwani Windlass, Independent Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-

**Arun Kumar Adhikari**  
Chairman appointed for the meeting

Dated this 26<sup>th</sup> day of April 2019.

**Registered office:** Suman Tower, Plot No. 18,  
Sector-11, Gandhinagar - 382 011,  
Gujarat, India.

**Notes:**

1. All alterations made in the Form of Proxy should be initialled.
2. Only unsecured creditors (including unsecured debenture holders) of the Applicant Company may attend and vote either in person or by proxy [a proxy need not be an unsecured creditor(including unsecured debenture holders) of the Applicant Company] or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company. The authorised representative of a body corporate which is a unsecured creditor (including unsecured debenture holders) of the Applicant Company may attend and vote at the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. The quorum of the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company shall be 5 (five) unsecured creditors (including unsecured debenture holders) of the Applicant Company, present in person.
4. Unsecured creditors (including unsecured debenture holders) or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
5. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors (including unsecured debenture holders) at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
6. Unsecured creditors (including unsecured debenture holders) as per the books of accounts as on 28<sup>th</sup> day of February 2019 will be entitled to exercise their right to vote on the above meeting.
7. Mr. Umesh Ved,Practicing Company Secretary (Membership No. FCS 4411/CP 2924)has been appointed as the scrutinizer to conduct the voting process through ballot/polling at the venue of the meeting in a fair and transparent manner.
8. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors (including unsecured debentureholders) of the Applicant Company through ballot/polling paper at the venue of the meeting. The scrutinizer’s decision on the validity of the vote shall be final. The results of votes cast through ballot/polling paper at the venue of the meeting will be announced on or before 8<sup>th</sup> day of June 2019 at the registered office of the Applicant Company. The results, together with the scrutinizer’s Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company [www.vodafoneidea.com](http://www.vodafoneidea.com) besides being communicated to BSE Limited and National Stock Exchange of India Limited.
9. NCLT by its said Order has directed that a meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company shall be convened and held at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar – 382 044, Gujarat, India, on Thursday, the 6<sup>th</sup>day of June 2019 at 2.00 p.m. (1400 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme.Unsecured creditors (including unsecured debenture holders) would be entitled to vote in the said meeting either in person or through proxy.
10. The Applicant Company has provided the facility of ballot/pollpaper at the venue of the meeting.
11. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors (including unsecured debenture holders) of the Applicant Company, voting in person or by proxy, agree to the Scheme.
12. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors (including unsecured debenture holders) by registered post or speed post or by courier or by e-mail. The Notice will be displayed on the website of the Applicant Company [www.vodafoneidea.com](http://www.vodafoneidea.com)
13. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely, (i) Indian Express (All Editions) in the English language; and (ii) translation thereof in Sandesh (Ahmedabad Edition) in the Gujarati language.

**Encl.: As above**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH AT AHMEDABAD  
CA (CAA) NO. 50/NCLT/AHM/2019**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Vodafone Idea Limited;

And

In the matter of Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors;

**Vodafone Idea Limited,**

a company incorporated under the provisions of }  
the Companies Act, 1956 and having its registered }  
office at Suman Tower, Plot No. 18, Sector-11, }  
Gandhinagar - 382 011, Gujarat, India. }

...Applicant Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH  
RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated 11<sup>th</sup> day of April 2019, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (the "NCLT"), in C.A. (CAA) No.50/NCLT/AHM/2019 ("Order"), a meeting of the unsecured creditors (including unsecured debenture holders) of Vodafone Idea Limited (hereinafter referred to as the "Applicant Company" or the "Transferor Company" or "VIL" as the context may admit) is being convened at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector-25, Gandhinagar – 382 044, Gujarat, India, on Thursday, the 6<sup>th</sup> day of June 2019 at 2.00 p.m. (1400 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between the Applicant Company and Vodafone Towers Limited (hereinafter referred to as the "Transferee Company" or "VTL" as the context may admit) and their respective shareholders and creditors under Sections 230 – 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). VIL and VTL are together referred to as the "Companies". A copy of the Scheme, which has been, inter alios, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 13<sup>th</sup> day of November 2018 and 14<sup>th</sup> day of November 2018, respectively, are enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 5(five) members present in person. Further in terms of the said Order, NCLT, has appointed Mr. Arun Kumar Adhikari, Independent Director of the Applicant Company and in his absence Mr. Arun Thiagarajan, Independent Director of the Applicant Company and in his absence Mr. Ashwani Windlass, Independent Director of the Applicant Company as the Chairman of the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company shall be convened and held at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector-25, Gandhinagar – 382 044,

Gujarat, India, on Thursday, the 6<sup>th</sup> day of June 2019 at 2.00 p.m. (1400 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors (including unsecured debenture holders) would be entitled to vote in the said meeting either in person or through proxy.

5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the unsecured creditors (including unsecured debenture holders), of the Applicant Company, voting in person or by proxy agree to the Scheme.
6. In terms of the Order dated 11<sup>th</sup> day of April 2019, passed by the NCLT, in CA(CAA) No. 50/NCLT/AHM/2019, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the unsecured creditors (including unsecured debenture holders) are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for purposes of the meeting, subject to the orders of the NCLT in the petition seeking sanction of the Scheme.

#### **Particulars of VII**

7. The Transferor Company was incorporated on 14<sup>th</sup> day of March 1995 as Birla Communications Limited, a public company with the Registrar of Companies, Maharashtra under the provisions of the Companies Act, 1956. Its name was changed to Birla AT&T Communications Limited on 30<sup>th</sup> day of May 1996. Its registered office was shifted from the State of Maharashtra to the State of Gujarat on 22<sup>nd</sup> day of October 1996. Its name was changed to: (a) Birla Tata AT&T Limited on 6<sup>th</sup> November 2001; and (b) Idea Cellular Limited on 1<sup>st</sup> May 2002. A composite scheme of amalgamation and arrangement was proposed among Vodafone Mobile Services Limited and Vodafone India Limited and the Transferor Company. Pursuant to the sanctioning of the composite scheme by this Hon'ble Tribunal and by the National Company Law Tribunal, Bench at Mumbai, respectively, the composite scheme has been made effective from 31<sup>st</sup> day of August 2018. The name of the Transferor Company was changed to Vodafone Idea Limited on 31<sup>st</sup> day of August 2018. The Corporate Identification Number of Transferor Company is L32100GJ1996PLC030976. The Permanent Account Number of the Transferor Company is AAACB2100P. The equity shares of the Transferor Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). Except two series of the non-convertible debentures issued by the Transferor Company, the other series of the non-convertible debentures (secured and unsecured) issued by the Transferor Company from time to time on the Wholesale Debt Market segment of NSE.
8. The Registered Office of the Transferor Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar- 382 011, Gujarat, India. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is shs@vodafoneidea.com
9. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company are as follows:

#### *"III. (A)*

1. *To provide all or any of the following services namely: basic telephone services, cellular telephone services, unified access services (basic and cellular services), international long distance calling services, national long distance calling services, public mobile radio trunked services (PMRTS), global mobile personal communications services (GMPCS), V-SAT, electronic mail services, video text, voice mail services, data communication services, paging services, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, multimedia services, intelligent network and other value added services and do all activities for providing such services like excavation, construction, infrastructure fabrication, installation, commissioning and testing of equipment, marketing and selling.*
2. *To carry on the business of manufacture, assemble, buy, sell, import, export, service, repair or otherwise deal in all types of electronics equipment viz, electronic communication, teletext, televideo, microwave and facsimile equipment, telecommunication and telematics equipment, network switching equipment, network communication equipment, all sorts of electrical and electronic wireless sets, high frequency apparatus, radar equipment, sonars, oscilloscopes of all kinds and description, electronic and electrical products, industrial electronics, software procedures, peripheral products, modules, instruments, hardware and software system, all kinds of solid state devices, control system and allied equipment, aerospace and defence electronics, entertainment electronics, household electronics and such other electronic equipment gadget items which may be developed and introduced in India and elsewhere.*



3. *To carry on the business of manufacture, improve, assemble, prepare, design, develop and install equipment, fabrication repair, anything and everything in electronics, telephone networks, cellular mobile networks systems, paging systems, electronic mail, voice mail, data communications, electric gadgets and appliances, measuring and testing instruments, components, accessories and spares for control engineering, communication, defence and computer data processing application that may be developed by invention, experiment and research.*
- 3(a) *To carry on the business of internet service and broadband service provider and to provide, render or make available and operate, sell, export, import, trade, maintain, improve, repair, service, research, develop all kinds of internet services including internet telephony, voice over internet protocol, fax over internet protocol, voice messaging applications and services in respect of and relating to bandwidth, hosting of websites, information technology and telecommunications or wireless communications through internet or any other electronic media and deal or trade in accessories, assemblies, apparatus, spares, hardware and software for internet services."*

III. (B)

- (22) *To amalgamate with any other company having objects altogether or in part similar to those of this Company or otherwise."*

There has been no change in the main object clause of the Transferor Company in the last 5 years.

10. The Transferor Company, inter alia, holds pan-India Unified Access Service/Unified Licence (authorisation for access services), National Long Distance, International Long Distance and Internet Service Provider licence(s). The Transferor Company is primarily engaged in the business of providing fixed and mobile telecommunications services to consumers and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunication services in India. The Transferor Company through its Fiber Infrastructure Undertaking is also in the business of providing fiber infrastructure services. The Transferor Company is the holding company of the Transferee Company.
11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31<sup>st</sup> day of March 2019 was as follows:

SHARE CAPITAL	AMOUNT (IN RS.)
<b>Authorised share capital</b>	
28,79,30,02,000 equity shares of Rs.10/- each	287,93,00,20,000
1,500 redeemable cumulative non-convertible preference shares of Rs. 1,00,00,000/- each	15,00,00,00,000
<b>Total</b>	<b>302,93,00,20,000</b>
Issued, subscribed and paid-up capital*	
873,55,58,329 equity shares of Rs.10/- each fully paid-up	8,735,55,83,290
<b>Total</b>	<b>8,735,55,83,290</b>

\* As on 31<sup>st</sup> day of March 2019, 1,39,96,800 outstanding employee stock options existed. Assuming such options are exercised, the issued, subscribed and paid-up capital of the Transferor Company as on 31<sup>st</sup> day of March 2019 on a fully-diluted basis was 874,95,55,129 equity shares of Rs.10/- each (Rs. 8,749,55,51,290/-)

**Particulars of VTL**

12. The Transferee Company was incorporated as Indus Towers Limited on 19<sup>th</sup> day of October 2007 under the provisions of the Companies Act, 1956. Its name was changed to Vodafone Essar Towers Limited on 5<sup>th</sup> day of March 2008. Its registered office was shifted from the State of Maharashtra to the National Capital Territory of Delhi on 23<sup>rd</sup> day of August 2010. Its name was further changed to Vodafone Towers Limited on 7<sup>th</sup> day of October 2011. The Corporate Identification Number of the Transferee Company is U64200GJ2007PLC106772. The Permanent Account Number of the Transferee Company is AABC17662L.
13. Earlier, the registered office of the Transferee Company was situated at C – 48, Okhla Industrial Area, Phase – II, New Delhi – 110 020, Delhi, India. With effect from 22<sup>nd</sup> day of February 2019, the registered office of the Transferee Company



is transferred from the National Capital Territory of Delhi to the State of Gujarat and now the registered office of the Transferee Company is situated at Vodafone House, Corporate Road, Prahlad Nagar, Off. S. G. Highway, Ahmedabad – 380 051, Gujarat, India. Except as stated above, there has been no change in the registered office address of the Transferee Company in last five (5) years. The e-mail address of the Transferee Company is hari.gopalakrishnen@vodafoneidea.com

14. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main object of the Transferee Company are as follows:

“III A

1. *To carry on the business of designing, constructing, purchasing, selling, repairing, building, erecting, establishing, setting up, acquiring, developing, managing, providing, operating and /or maintaining infrastructure facilities, of all description relating to telecommunications, including commissioning towers and masts of any description for use by fixed line and /or wireless service providers, radio and television broadcasters, telecommunication companies and other entities, systems and networks and to provide services for setting up of such infrastructure facilities, including rendering advisory, consultancy and ancillary services.*
2. *To lease and /or rent and /or provide and or /license and /or develop and /or sharing of infrastructure including communications sites, wireless and broad cast towers, antenna systems and other structures, systems and communication equipments of similar nature associated management services, facility management services relating to people, infrastructure and technology in connection with the above activities.*

B.

19. *To amalgamate with or enter into partnership, joint venture or any arrangement whatsoever whether for sharing of profits, cooperation, reciprocal concession or otherwise, with any person, whether an individual association, firm, company, body corporate, corporation or otherwise carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized pursuant to these objects to carry on or engage in, or in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.”*

There has been no change in the main object clause of the Transferee Company in the last 5 years

15. The Transferee Company is a wholly owned subsidiary of the Transferor Company and has IP- 1 registration with the Department of Telecommunications, Government of India to carry on the business of passive infrastructure provisioning services in India.
16. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31<sup>st</sup> day of March 2019 was as follows:

Share Capital	Amount in Rupees
Authorized Share Capital 20,00,000 equity shares of Rs. 10/- each	2,00,00,000
<b>Total</b>	<b>2,00,00,000</b>
Issued, Subscribed and Paid-Up Share Capital	
18,00,000 equity shares of Rs. 10/- each	1,80,00,000
<b>Total</b>	<b>1,80,00,000</b>

#### Description and Rationale for the Scheme

17. The Scheme, inter alia, provides for the transfer of the Fiber Infrastructure Undertaking (*as defined in the Scheme*) of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis.
18. The Transferor Company is primarily engaged in the business of providing fixed and mobile telecommunications services to consumers and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunication services in India. These activities and businesses have been nurtured from a nascent stage and are currently at different stages of maturity and have different capital, operating and regulatory requirements. The Transferee Company is a wholly owned subsidiary of the Transferor Company and the Transferor Company believes

that it would be beneficial to restructure its business by divesting the Fiber Infrastructure Undertaking into a separate legal entity with sharper and dedicated focus on the fiber infrastructure business so as to achieve greater infrastructure sharing, operational efficiencies and cost optimization resulting in more affordable and reliable telecommunications services to its consumers.

### Corporate Approvals

19. The proposed Scheme was placed before the Audit Committee of the Transferor Company at its meeting held on 13<sup>th</sup> day of November 2018. The Audit Committee, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company for its favourable consideration, by its report dated 13<sup>th</sup> day of November 2018.
20. The Scheme was placed before the Board of Directors of the Transferor Company, at its meeting held on 14<sup>th</sup> day of November 2018. Based on the report submitted by the Audit Committee recommending the draft Scheme, the Board of Directors of the Transferor Company approved the Scheme at its meeting held on 14<sup>th</sup> day of November 2018. The meeting of the Board of Directors of the Transferor Company, held on 14<sup>th</sup> day of November 2018, was attended by 9 (nine) directors in person (namely, Mr. Kumar Mangalam Birla, Mr. D. Bhattacharya, Mr. Himanshu Kapania, Mr. Ravinder Takkar, Mr. Thomas Reisten, Mr. Vivek Badrinath, Mr. Arun Thiagarajan, Mr. Ashwani Windlass and Ms. Neena Gupta). None of the directors of the Transferor Company who attended the meeting, voted against the Scheme. Thus, the Scheme was approved unanimously by the directors, who attended and voted at the meeting.
21. The Scheme was also placed before the Board of Directors of the Transferee Company in its meeting held on 16<sup>th</sup> day of November 2018. The Board of Directors of the Transferee Company approved the Scheme at its meeting held on 16<sup>th</sup> day of November 2018. The meeting of the Board of Directors of the Transferee Company, held on 16<sup>th</sup> day of November 2018, was attended by 2 (two) directors in person (namely, Mr. Venkatesh Vishwanathan and Mr. Janardanan Arun Kumar). None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

### Approvals and actions taken in relation to the Scheme

22. NSE was appointed as the designated stock exchange by VIL for the purpose of coordinating with the Securities and Exchange Board of India (“SEBI”), pursuant to Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> day of March 2017 (the “SEBI Circular”) issued by SEBI.
23. VIL has received no adverse observations/No-objection letters regarding the Scheme from BSE and NSE, respectively, each dated 11<sup>th</sup> day of March 2019 conveying their no adverse observations/No-objection for filing the Scheme with the NCLT pursuant to the letter dated 8<sup>th</sup> day of March 2019 addressed by SEBI to BSE and NSE which, inter alia, stated the following:

*“The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.”*

*“The Company shall duly comply with various provisions of the Circular.”*

*“The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”*

*“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.”*

Copies of the no adverse observations/No-objection letters both dated 11<sup>th</sup> day of March 2019, received from BSE and NSE, respectively, are enclosed as **Annexures 2 and 3**.

24. As required by the SEBI Circular, VIL had filed the complaint reports with BSE and NSE, on 28<sup>th</sup> day of February 2019. These reports indicate that VIL received nil complaints. A copy of the complaint reports submitted by VIL to BSE and NSE dated on 28<sup>th</sup> day of February 2019 is enclosed as **Annexure 4**.
25. The Companies will obtain such necessary approvals/sanctions/no objection(s) from regulatory or other governmental authorities in respect of the Scheme as may be required in accordance with law.

26. CA (CAA) No. 50/NCLT/AHM/2019 along with the annexures thereto (which includes the Scheme) was filed by VIL with the NCLT, on 29<sup>th</sup> day of March 2019. Similarly, VTL has filed an application being CA (CAA) No. 51/NCLT/AHM/2019 along with annexures thereto (which includes the Scheme) with the Hon'ble National Company Law Tribunal, Ahmedabad Bench, on 29<sup>th</sup> day of March 2019.

### Salient extracts of the Scheme

27. Certain clauses of the Scheme are extracted below:

#### **"PART A**

#### **1. DEFINITIONS**

1.4 **"Appointed Date"** means first day of the month in which Scheme is effective.

1.8 **"Effective Date"** means the date on which the certified copy of the NCLT's order sanctioning the Scheme is filed by the Companies with the Registrar of Companies;

Any reference in the Scheme to **"upon the Scheme becoming effective"** or **"effectiveness of the Scheme"** shall be a reference to the Effective Date.

1.13 **"Fiber Infrastructure Undertaking"** means the fiber infrastructure business undertaking of the Transferor Company comprising of and including, underground and over ground cables, on a going concern basis. Without prejudice and limitation to the generality of the above, the Fiber Infrastructure Undertaking means and includes without limitation, the following items:

- (i) all Assets of the Fiber Infrastructure Undertaking wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company relating to the Fiber Infrastructure Undertaking;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/ or rules or whether granted by any municipal body/ authority, panchayat body/ authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Fiber Infrastructure Undertaking;
- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Fiber Infrastructure Undertaking;
- (iv) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Fiber Infrastructure Undertaking;
- (v) employees of the Transferor Company that are or may be determined by the Transferor Company to be engaged in or in relation to the Fiber Infrastructure Undertaking;
- (vi) all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company of whatsoever nature relating to the Fiber Infrastructure Undertaking pending on the Appointed Date;
- (vii) all Liabilities as defined in clause 1.10 of **Part A** of the Scheme; and

(viii) any other Asset specifically allocated by the Board of Directors of the Transferor Company as relating to or belonging to the Fiber Infrastructure Undertaking.

**1.14 “Residual Undertaking”** means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company subsequent to the transfer of the Fiber Infrastructure Undertaking to the Transferee Company in terms of and upon the effectiveness of the Scheme.

## **PART B**

### **TRANSFER OF THE FIBER INFRASTRUCTURE UNDERTAKING OF THE TRANSFEROR COMPANY TO THE TRANSFEEE COMPANY ON A GOING CONCERN BASIS**

#### **1. Transfer and vesting of the Fiber Infrastructure Undertaking**

1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Fiber Infrastructure Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company on a going concern basis without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company, and to vest in the Transferee Company, all the Assets, Liabilities, rights, title or obligations of the Fiber Infrastructure Undertaking therein, in the manner described hereunder.

#### **2. Transfer of Assets**

2.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all Assets relating to the Fiber Infrastructure Undertaking, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this clause 2.1 shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

2.2. Upon the Scheme becoming effective and with effect from the Appointed Date, all movable Assets of the Transferor Company relating to the Fiber Infrastructure Undertaking, other than those specified in clause 2.1 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.

#### **3. Transfer of Liabilities**

3.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.

3.3. The vesting of the Fiber Infrastructure Undertaking as aforesaid, shall be free from any lien, encumbrance, security, charge, hypothecation, interest, claim, pledge or mortgage.

#### **Contracts, Deeds, Bonds and Other Instruments**

3.5. Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of the Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the Fiber Infrastructure Undertaking, 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 have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

3.7. Without prejudice to the generality of the foregoing, it is clarified that upon the Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or

*executed in favour of the Transferor Company in relation to the Fiber Infrastructure Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company in relation to the Fiber Infrastructure Undertaking are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.*

#### **4. Employees**

- 4.1. *Upon the Scheme becoming effective, the employees of the Fiber Infrastructure Undertaking, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company. The services of such employees, if any, with the Transferor Company shall be taken into account for the purposes of all benefits to which the employees, if any, may be eligible under Applicable Law.*

#### **5. Continuation of Legal Proceedings**

- 5.1. *Upon the Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company whether instituted before the Appointed Date or after the Appointed Date in each case relating to the Fiber Infrastructure Undertaking would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company. Any difference or difficulty as to whether any specific legal or other proceedings relates to the Fiber Infrastructure Undertaking, shall be mutually decided between the Board of Directors of the Transferor Company and the Transferee Company and such mutual decision shall be conclusive and binding on the Companies.*

#### **6. Treatment of taxes**

- 6.1. *Upon the Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax Laws and all other Applicable Laws), accruing and relating to the Fiber Infrastructure Undertaking, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Appointed Date and which relate to a period after the Appointed Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company. However, it is clarified that, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax Laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the Fiber Infrastructure Undertaking, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims existing on the Appointed Date and which may arise after the Appointed Date but which relate to a period on or before the Appointed Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company.*
- 6.2. *Upon the Scheme becoming effective, all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the Fiber Infrastructure Undertaking to which the Transferor Company is entitled to, which may arise after the Appointed Date and which relate to a period after the Appointed Date shall be available to and vest in the Transferee Company, without any further act or deed. However, it is clarified that all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including*



*in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the Fiber Infrastructure Undertaking to which Transferor Company is entitled to, existing on the Appointed Date and which may arise after the Appointed Date but which relate to a period on or before the Appointed Date shall be available to and remain with the Transferor Company, without any further act or deed.*

- 6.3. *The Board of Directors of the Transferor Company and the Transferee Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Fiber Infrastructure Undertaking and whether the same would be transferred to the Transferee Company.*
- 6.4. *Any refund under the tax laws due to the Transferor Company pertaining to the Fiber Infrastructure Undertaking consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferor Company.*
- 6.5. *The Transferor Company may be entitled to various incentive schemes and pursuant to the Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Fiber Infrastructure Undertaking shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Fiber Infrastructure Undertaking, to the extent statutorily available, shall be claimed by the Transferee Company.*

## **8. Consideration**

- 8.1. *Since the transfer of Fiber Infrastructure Undertaking from the Transferor Company to the Transferee Company is a transfer from holding company to its wholly owned subsidiary and the Transferor Company continues to retain full control over the Fiber Infrastructure Undertaking, consideration for such transfer shall be equal to the carrying value of net assets transferred, calculated as the difference between the book value of Assets and the book value of the Liabilities transferred as on the Appointed Date. Such consideration shall be paid by the Transferee Company through normal banking channels. Till such time the Transferee Company discharges its obligation to pay the consideration, such amount shall remain as business consideration payable to Transferor Company in the books of the Transferee Company. Transferee Company shall pay interest on the outstanding balance of such amount of business consideration payable at the rate and terms and conditions determined from time to time by the board of directors of the Companies.*

## **9. Residual Undertaking of the Transferor Company**

- 9.1. *The Residual Undertaking and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company shall have no right, claim or obligation in relation to the Residual Undertaking.*

## **10. Accounting treatment in the books of the Transferor Company**

- 10.1. *On the Scheme becoming effective, with effect from the Appointed Date, the Transferor Company shall account for the transfer of the Fiber Infrastructure Undertaking to the Transferee Company in its books as given below:*
  - (i) *The Assets and Liabilities of the Transferor Company relating to the Fiber Infrastructure Undertaking transferred to the Transferee Company shall be derecognized at their carrying amount from the Appointed Date and no gain or loss will be recognized in the 'Statement of Profit and Loss' since the value of consideration shall be equal to the carrying value of net assets transferred.*

## **11. Accounting treatment in the books of the Transferee Company**

- 11.1. *On the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company shall account for the transfer of the Fiber Infrastructure Undertaking of the Transferor Company in its books in accordance with the applicable Accounting Standards as given below:*
  - (i) *The Transferee Company shall account for the transfer in accordance with the 'Pooling of Interest Method' laid down by Appendix C 'Business combinations of entities under common control' of Ind AS - 103 'Business Combinations' notified under the provisions of the Act;*

- (ii) *The Transferee Company shall, on the Scheme becoming effective, record all Assets and Liabilities of the Fiber Infrastructure Undertaking of the Transferor Company vested in it pursuant to the Scheme, at the respective carrying values thereof and in the same form as appearing in the books of the Transferor Company;*
- (iii) *The Transferee Company shall credit the difference between the carrying amount of Assets and Liabilities as on the Appointed Date to business consideration payable account; and*
- (iv) *There shall not be any difference between the carrying value of net assets acquired and consideration pursuant to the Scheme since consideration shall be equal to the carrying value of net assets acquired."*

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.**

#### **Accounting Treatment**

28. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of VIL is open for inspection at the registered office of VIL.

#### **Effect of the Scheme on various parties**

29. The effect of the proposed Scheme on the stakeholders of the Transferor Company would be as follows:

(a) *Shareholders*

Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its shareholders (i.e. promoter shareholders and non-promoter shareholders) as the Fiber Infrastructure Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

(b) *Creditors*

Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors, either secured (including secured debenture holders) or unsecured (including unsecured debenture holders) of the Transferor Company, is being reduced or being extinguished under the Scheme. The creditors of the Transferor Company would in no way be affected by the Scheme.

Under the Scheme, no arrangement is sought to be entered into between the Transferor Company and its debenture holders (either secured or unsecured). No right of the debenture holders of the Transferor Company are being affected pursuant to the Scheme. The debenture trustee(s) appointed for the different series of the debentures shall continue to remain the debenture trustee(s). Thus, the debenture holders of the Transferor Company would in no way be affected by the Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees do not arise.

(c) *Employees, Directors and key managerial personnel*

Under Clause 4 of Part B of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, engaged in or in relation to the Fiber Infrastructure Undertaking, on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the same manner as provided under Clause 4 of Part B of the Scheme. In the circumstances, the rights of the employees of the Transferor Company, engaged in or in relation to the Fiber Infrastructure Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Residual Undertaking shall continue to be employed by the Transferor Company.

The directors, key managerial personnel of the Transferor Company and their relatives may be deemed to have an interest in the Scheme to the extent of the equity shares held by them in the Transferor Company and/or to the extent some of the key managerial personnel are holding shares in the Transferee Company as nominees of the Transferor Company and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said director(s) or key managerial personnel have any material interest in the Scheme.



30. The effect of the proposed Scheme on the stakeholders of the Transferee Company would be as follows:

*(a) Shareholders*

Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its shareholders (i.e. promoter shareholders). No rights of the equity shareholders of the Transferee Company are being affected pursuant to the transfer of the Fiber Infrastructure Undertaking.

*(b) Creditors*

Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its creditors and that no liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.

As on date, the Transferee Company has no outstanding towards any debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustees does not arise.

As on date, the Transferee Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees do not arise.

*(c) Employees, Directors and key managerial personnel*

The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees, if any, engaged by the Transferee Company shall continue to remain employed by the Transferee Company.

The directors of the Transferee Company and their relatives may be deemed to have an interest in the Scheme to the extent of the equity shares held by them in the Transferor Company and/or to the extent that the said director(s) and their respective relatives are the director(s), members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said director(s) or key managerial personnel have any material interest in the Scheme.

31. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of VIL and VTL in their separate meetings, held on, 14<sup>th</sup> day of November 2018 and 16<sup>th</sup> day of November 2018, respectively, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel amongst others. Copy of the reports adopted by the respective Board of Directors of the Companies are enclosed as **Annexure 5** and **Annexure 6**, respectively.

**Other matters**

32. No investigation has been instituted or is pending in relation to the Companies under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956. No proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against the Transferee Company. The Registrar of Companies, Mumbai, after conducting inspection issued show cause notices to erstwhile Vodafone India Limited and to its relevant directors/ officers, a summary of which is enclosed as **Annexure 7**. As stated earlier, Vodafone Mobile Services Limited and Vodafone India Limited has now merged into the Transferor Company and the composite scheme has been made effective from 31<sup>st</sup> day of August 2018.

33. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

34. The copy of the proposed Scheme has been filed by VIL and VTL before the concerned Registrar of Companies on 19<sup>th</sup> day of April 2019 and 22<sup>nd</sup> day of April 2019, respectively.

35. The Supplementary Unaudited Accounting Statement for the quarter and nine months ended 31<sup>st</sup> day of December 2018 of VIL and the Audited Financial Statements of VTL for the nine months ended on 31<sup>st</sup> day of December 2018, are enclosed as **Annexure 8** and **Annexure 9**, respectively.

36. In terms of SEBI Circular, the applicable information of VTL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed as **Annexure 10**.

37. As per the books of accounts of VIL (as on 28<sup>th</sup> day of February 2019) and VTL (as on 29<sup>th</sup> day of March 2019), the amount due to the unsecured creditors are Rs. 13,69,76,31,45,226 and Rs. 1,01,29,027 respectively.

38. The name and addresses of the promoters/ promoter group of VIL including their shareholding in the Companies as on 31<sup>st</sup> day of March 2019 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	VIL		VTL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 10/- each	%
1.	Shri Kumar Mangalam Birla Aditya Birla Centre, 'C' Wing, 3rd Floor, S. K. Ahire Marg, Worli, Mumbai – 400030 ( <i>Promoter</i> )	2,33,333	0.00	-	-
2.	Grasim Industries Limited Aditya Birla Centre, 'A' Wing, 4th Floor, S. K. Ahire Marg, Worli, Mumbai – 400025 ( <i>Promoter</i> )	1,00,85,40,115	11.55	-	-
3.	Birla TMT Holdings Private Limited 212, 2nd Floor, T V Industrial Estate, 52, S. K. Ahire Marg, Worli, Mumbai – 400030 ( <i>Promoter</i> )	35,37,98,538	4.05	-	-
4.	Hindalco Industries Limited Century Bhavan, 3rd Floor, Dr. A. B. Road, Worli, Mumbai – 400025 ( <i>Promoter</i> )	22,83,40,226	2.61	-	-
5.	Al-Amin Investments Ltd. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	24,70,74,233	2.83	-	-
6.	Asian Telecommunication Investments (Mauritius) Ltd. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	29,80,62,840	3.41	-	-
7.	CCII (Mauritius) Inc. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	13,56,02,165	1.55	-	-
8.	Euro Pacific Securities Ltd. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	79,27,54,922	9.08	-	-
9.	Vodafone Telecommunications (India) Ltd. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	49,38,51,584	5.65	-	-
10.	Mobilvest Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	50,95,02,318	5.83	-	-
11.	Prime Metals Ltd. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	66,43,99,929	7.61	-	-
12.	Trans Crystal Ltd. Fifth Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius ( <i>Promoter</i> )	44,41,87,567	5.08	-	-

Sr. No.	Name and address of Promoters and Promoter Group	VIL		VTL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 10/- each	%
13.	Omega Telecom Holdings Private Limited 127, Maker Chamber III, Nariman Point, Mumbai – 400 021 (Promoter)	7,66,87,227	0.88	-	-
14.	Telecom Investments India Private Limited 127, Maker Chamber III, Nariman Point, Mumbai – 400 021 (Promoter)	19,47,38,421	2.23	-	-
15.	Jaykay Finholding (India) Private Limited 127, Maker Chamber III, Nariman Point, Mumbai – 400 021 (Promoter)	75,92,136	0.09	-	-
16.	Usha Martin Telematics Limited 8 <sup>th</sup> Floor, RDB Boulevard, Plot K-1, Block – EP&GP, Sector-V, Salt Lake City, Kolkata-700 091 (Promoter)	9,11,23,113	1.04	-	-
17.	Pilani Investment and Industries Corporation Limited Birla Building, 14th Floor, 9/1, R. N. Mukherjee Road, Calcutta – 700001 (Promoter Group)	81,68,500	0.09	-	-
18.	Elaine Investments PTE Ltd. OCBC Centre, 65, Chulia Street, Unit No. 48-05/06/07/08, Singapore – 049513 (Promoter Group)	16,32,00,000	1.87%	-	-
19.	Oriana Investments PTE Ltd. OCBC Centre, 65, Chulia Street, Unit No. 48-05/06/07/08, Singapore – 049513 (Promoter Group)	16,32,00,000	1.87%	-	-
20	IGH Holdings Private Limited 1st Floor, Industry House, 159, Churchgate Reclamation, Mumbai – 400 020 (Promoter Group)	34,96,23,009	4.00%	-	-

39. The name and addresses of the promoters of VTL including their shareholding in the Companies as on 31<sup>st</sup> day of March 2019 are as under:

Sr. No.	Name of Promoter	VTL		VIL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 10/- each	%
1	Vodafone Idea Limited, Suman Tower, Plot No. 18, Sector 11, Gandhinagar – 382 011, Gujarat	18,00,000 (held by VIL and its nominees)	100	-	-

40. The name and addresses of the directors of VIL as on 31<sup>st</sup> day of March 2019 are as under:

Sr. No.	Name	Designation	Address	PAN	DIN
1	Mr. Kumar Mangalam Birla	Non-Executive Chairman	Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai - 400 030	AEFPB5926H	00012813
2	Mr. Himanshu Kapania	Non-Executive Director	B-2, Aditya Birla Centre, 2nd Floor, S.K. Ahire Marg, Worli, Mumbai-400030	AAIPK2985J	03387441
3	Mr. D. Bhattacharya	Non-Executive Director	Aditya Birla Centre, 5th Floor, S.K. Ahire Marg, Worli, Mumbai - 400 030	AAGPB8699E	00033553
4	Mr. Vivek Badrinath	Non-Executive Director	One Kingdom Street, Paddington, London, W2 6BY, United Kingdom	AEZPB2324K	07319718
5	Mr. Ravinder Takkar	Non-Executive Director	AR-102B, The Aralias, 4th & 5th Floor, (Entrance through DLF Golf Club), DLF City Phase-V, Golf Course Road, Gurgaon, Haryana – 122002	AFGPT3186B	01719511
6	Mr. Thomas Reisten	Non-Executive Director	Faraway, Snows Paddock, Windlesham, Surrey, GU20 6LH, United Kingdom	BTPPR4470N	06900067
7	Mr. Arun Thiagarajan	Independent Director	102, Prestige Ashcroft, 47/11, Lavelle Road, 6th Cross, Bangalore-560001	AAUPT7709H	00292757
8	Mr. Arun Adhikari	Independent Director	903, A-Wing, Vivarea, Sane Guruji Marg, Mahalaxmi, Jacob Circle, Mumbai-400011	AEQPA0493K	00591057
9	Ms. Neena Gupta	Independent Director	A-236, Sushant Lok Phase-I, Gurugram-122009, Haryana	AFEPG2775B	02530640
10	Mr. Ashwani Windlass	Independent Director	N-53, Panchshila Park, New Delhi-110 017	AAAPW3273H	00042686
11	Mr. Krishnan Ramachandran	Independent Director	2401-2402 A Wing, Raheja Atlantis, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	AADPR7470E	00193357
12	Mr. Suresh Vaswani	Independent Director	5760 Daniel Road, Apt. 7607, Plano, Texas 75024, U.S.A.	AABPV8338H	02176528

41. The name and addresses of the directors of VTL as on 31<sup>st</sup> day of March 2019 are as under:

Sr. No.	Name of Director	Designation	Address	PAN	DIN
1	Mr. Venkatesh Vishwanathan	Non-Executive Director	602 Erbent Building, Building No.4, Skyline Oasis Premier Road, Vidyvihar, Ghatkopar (West), Mumbai 400086	AACPV0824H	03122706
2	Mr. Suraj Kalra	Non-Executive Director	B1/46, RBE Snehadhara CHS, Dadabhai Cross Road No. 3, Vile Parle (West), Mumbai – 400056	AJKPK9065A	08016758

Sr. No.	Name of Director	Designation	Address	PAN	DIN
3	Mr. Janardanan Arun Kumar	Non-Executive Director	1A/903-904, Samartha Aangan, Off. K. L. Walawalkar, Marg, Indra Darshan Phase-3, Oshiwara, Andheri West, Mumbai - 400053	AKZPK6006F	07018794

42. The details of the shareholding of the Directors, the Key Managerial Personnel of VIL in the Companies as on 31<sup>st</sup> day of March 2019 are as follows:

Sr. No.	Name of Director	Position	VIL	VTL
1.	Mr. Kumar Mangalam Birla	Non-Executive Chairman	2,33,333	-
2.	Mr. Himanshu Kapania	Non-Executive Director	8,22,708	-
3.	Mr. D. Bhattacharya	Non-Executive Director	6,202	-
4.	Mr. Vivek Badrinath	Non-Executive Director	-	-
5.	Mr. Ravinder Takkar	Non-Executive Director	-	-
6.	Mr. Thomas Reisten	Non-Executive Director	-	-
7.	Mr. Arun Thiagarajan	Independent Director	7,700	-
8.	Mr. Arun Adhikari	Independent Director	-	-
9.	Ms. Neena Gupta	Independent Director	-	-
10.	Mr. Ashwani Windlass	Independent Director	-	-
11.	Mr. Krishnan Ramachandran	Independent Director	-	-
12.	Mr. Suresh Vaswani	Independent Director	-	-
13.	Mr. Balesh Sharma	Chief Executive Officer	1,000	-
14.	Mr. Akshaya Moondra	Chief Financial Officer	2,77,444	10*
15.	Mr. Pankaj Kapdeo	Company Secretary	69,452	10*

\* As nominees of VIL

43. The details of the shareholding of the Directors of VTL in the Companies as on 31<sup>st</sup> day of March 2019 are as follows:

Sr. No.	Name of Director	Position	VTL	VIL
1.	Mr. Venkatesh Vishwanathan	Non-Executive Director	-	-
2.	Mr. Suraj Kalra	Non-Executive Director	-	-
3.	Mr. Janardanan Arun Kumar	Non-Executive Director	-	-

44. There would be no change in the shareholding pattern of the Transferor Company and the Transferee Company pursuant to the present Scheme. The pre-Scheme shareholding pattern of the Transferor Company and the Transferee Company as on 31<sup>st</sup> day of March 2019 and the post Scheme shareholding pattern of the Transferor Company and the Transferee Company (assuming the continuing shareholding pattern as on 31<sup>st</sup> day of March 2019) are as under:

**Pre and Post Scheme shareholding pattern of VIL as on 31<sup>st</sup> day of March 2019:**

Sr. No.	Category	Pre- Scheme Shareholding		Post- Scheme Shareholding	
		Total number of shares	%	Total number of shares	%
<b>(A)</b>	<b>Promoters' Shareholding</b>				
	Promoters	6,23,06,80,176	71.33	6,23,06,80,176	71.33
	<b>Total Promoters' Shareholding (A)</b>	<b>6,23,06,80,176</b>	<b>71.33</b>	<b>6,23,06,80,176</b>	<b>71.33</b>
<b>(B)</b>	<b>Public Shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds	26,77,77,645	3.07	26,77,77,645	3.07
(b)	Insurance Companies	11,90,45,349	1.36	11,90,45,349	1.36
(c)	Financial Institutions/ Banks	32,22,661	0.04	32,22,661	0.04
(d)	Foreign Portfolio Investors	1,14,73,49,360	13.13	1,14,73,49,360	13.13
	<b>Sub-Total (B)(1)</b>	<b>1,53,73,95,015</b>	<b>17.60</b>	<b>1,53,73,95,015</b>	<b>17.60</b>
<b>2</b>	<b>Non-Institutions</b>				
(a)	Bodies Corporate	2,07,50,453	0.24	2,07,50,453	0.24
(b)	Public	16,90,14,666	1.93	16,90,14,666	1.93
(c)	Foreign Corporate Bodies	712,000,543	8.15	712,000,543	8.15
(d)	Non Resident Indians	49,21,844	0.06	49,21,844	0.06
(e)	Clearing Members	5,93,76,636	0.68	5,93,76,636	0.68
(f)	Others	14,18,996	0.02	14,18,996	0.02
	<b>Sub-Total (B)(2)</b>	<b>96,74,83,138</b>	<b>11.08</b>	<b>96,74,83,138</b>	<b>11.08</b>
	<b>Total Public Shareholding(B)= (B)(1)+(B)(2)</b>	<b>2,50,48,78,153</b>	<b>28.68</b>	<b>2,50,48,78,153</b>	<b>28.68</b>
	<b>TOTAL (A)+(B)</b>	<b>8,73,55,58,329</b>	<b>100.00</b>	<b>8,73,55,58,329</b>	<b>100.00</b>

**Pre and Post Arrangement shareholding pattern of VTL as on 31<sup>st</sup> day of March 2019:**

Sr. No.	Name of shareholder	Pre- Scheme Shareholding		Post- Scheme Shareholding	
		Number of Equity shares held	% shareholding	Number of Equity shares held	% shareholding
1.	Vodafone Idea Limited	17,99,940	99.88%	17,99,940	99.88%
2.	Vodafone Business Services Limited (Nominee of Vodafone Idea Ltd.)	10	0.02	10	0.02

Sr. No.	Name of shareholder	Pre- Scheme Shareholding		Post- Scheme Shareholding	
		Number of Equity shares held	% shareholding	Number of Equity shares held	% shareholding
3.	Vodafone Technology Solutions Limited (Nominee of Vodafone Idea Ltd.)	10	0.02	10	0.02
4.	Akshaya Moondra (Nominee of Vodafone Idea Ltd.)	10	0.02	10	0.02
5.	Suvamoy Roy Choudhary (Nominee of Vodafone Idea Ltd.)	10	0.02	10	0.02
6.	Suresh Kumar Ramiah (Nominee of Vodafone Idea Ltd.)	10	0.02	10	0.02
7.	Pankaj Kapdeo (Nominee of Vodafone Idea Ltd.)	10	0.02	10	0.02
	<b>TOTAL:</b>	<b>18,00,000</b>	<b>100.00</b>	<b>18,00,000</b>	<b>100.00</b>

45. There would be no change in the capital structure of the Transferor Company and the Transferee Company pursuant to the sanctioning of the Scheme.
46. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
47. The following documents will be open for inspection by the unsecured creditors (including unsecured debenture holders) of VIL at its registered office at Suman Tower, Plot No. 18, Sector-11, Gandhinagar, 382 011, Gujarat, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
- (i) Copy of the order passed by NCLT in C.A. (CAA) No. 50/NCLT/AHM/2019, dated 11<sup>th</sup> day of April 2019 directing VIL to, inter alia, convene the meetings of its equity shareholders, secured creditors (including secured debenture holders) and unsecured creditors (including unsecured debenture holders);
  - (ii) Copy of the order passed by NCLT in C.A. (CAA) No. 51/NCLT/AHM/2019, dated 11<sup>th</sup> day of April 2019, inter alia, dispensing with the meetings of the equity shareholders and sole unsecured creditor of VTL;
  - (iii) Copy of the C.A. (CAA) No. 50/NCLT/AHM/2019 along with annexures filed by VIL before NCLT;
  - (iv) Copy of the C.A. (CAA) No. 51/NCLT/AHM/2019 along with annexures filed by VTL before NCLT;
  - (v) Copy of the Memorandum and Articles of Association of the Companies;
  - (vi) Copy of the annual reports of Idea Cellular Limited (now Vodafone Idea Limited) and VTL for the year ended 31<sup>st</sup> day of March 2017 and 31<sup>st</sup> day of March 2016, respectively;
  - (vii) Copy of the annual reports of Idea Cellular Limited (now Vodafone Idea Limited) and VTL for the year ended 31<sup>st</sup> day of March 2018, respectively;
  - (viii) Copy of the Supplementary Unaudited Accounting Statement for the quarter and nine months ended 31<sup>st</sup> day of December 2018 of VIL and the copy of Audited Financial Statements for the nine months ended on 31<sup>st</sup> day of December 2018 of VTL, respectively;
  - (ix) Statement showing the carrying value of net assets of the Fiber Infrastructure Undertaking of VIL to be transferred, calculated as the difference between the book value of Assets and the book value of the Liabilities of the Fiber Infrastructure Undertaking of VIL to be transferred as on 11<sup>th</sup> day of January 2019 as on 30<sup>th</sup> September 2018 duly certified by Chartered Accountants [the said statement may undergo change as on the Appointed Date (as defined in the Scheme)];
  - (x) Copy of the Register of Directors' shareholding of each of the Companies;
  - (xi) Copy of the Audit Committee Report, dated 13<sup>th</sup> day of November 2018 of VIL;



- (xii) Copy of the resolutions, dated 14<sup>th</sup> day of November 2018 and 16<sup>th</sup> day of November 2018, passed by the respective Board of Directors of VIL and VTL, respectively, approving the Scheme;
- (xiii) Copy of the extracts of the minutes of the meetings, held on 14<sup>th</sup> day of November 2018 and 16<sup>th</sup> day of November 2018, of the Board of Directors of VIL and VTL, respectively, in respect of the approval of the Scheme;
- (xiv) Copy of the Statutory Auditors' certificate dated 10<sup>th</sup> day of January 2019 issued by S. R. Batliboi & Associates LLP, Statutory Auditors' to VIL;
- (xv) Copy of the Statutory Auditors' certificate dated 5<sup>th</sup> day of April 2019 issued by S. R. Batliboi & Associates LLP, Statutory Auditors' to VTL;
- (xvi) Copy of the complaint reports dated 28<sup>th</sup> day of February 2019, submitted by VIL to BSE and NSE;
- (xvii) Copy of the no adverse observations/No-objection letter issued by BSE and NSE, both dated 11<sup>th</sup> day of March 2019, respectively, to VIL;
- (xviii) Copies of the show cause notices issued by the Registrar of Companies, Mumbai to VIL along with the replies/documents submitted by VIL to the Registrar of Companies, Mumbai as mentioned in paragraph 32 of the present explanatory statement;
- (xix) Copy of Form No. GNL-1 filed by VIL and VTL before the concerned Registrar of Companies along with challans dated 19<sup>th</sup> day of April 2019 and 22<sup>nd</sup> day of April 2019, respectively, evidencing filing of the Scheme;
- (xx) Copy of the certificate, dated 26<sup>th</sup> day of April 2019, issued by Manish D. Jain & Co., Chartered Accountants, certifying the amount due to the unsecured creditors of VIL as on 28<sup>th</sup> day of February 2019;
- (xxi) Copy of the certificate, dated 29<sup>th</sup> day of March 2019, issued by Manish D. Jain & Co., Chartered Accountants, certifying the amount due to the unsecured creditors of VTL as on 29<sup>th</sup> day of March 2019;
- (xxii) Copy of the Scheme;
- (xxiii) Copy of the Reports dated 14<sup>th</sup> day of November 2018 and 16<sup>th</sup> day of November 2018, adopted by the Board of Directors of the Companies, pursuant to the provisions of Section 232(2)(c) of the Act;
- (xxiv) Copy of the undertaking by VIL certified by S. R. Batliboi & Associates LLP, Statutory Auditor of VIL, dated 30<sup>th</sup> day of November 2018, in respect of non-applicability of paragraph 9 of Annexure I to SEBI Circular; and
- (xxv) Copy of the applicable information of VTL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The unsecured creditors (including unsecured debenture holders) shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (vii), (xiv) and (xv) above.

- 48. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by VIL to its shareholders/creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of VIL.
- 49. After the Scheme is approved by the equity shareholders, secured creditors (including secured debenture holders) and unsecured creditors (including unsecured debenture holders) of VIL, it will be subject to the approval/sanction by NCLT.

Dated this 26<sup>th</sup> day of April 2019

Sd/-  
**Arun Kumar Adhikari**  
 Chairman appointed for the meeting

**Registered office:** Suman Tower,  
 Plot No. 18, Sector-11,  
 Gandhinagar, 382 011,  
 Gujarat, India.

**SCHEME OF ARRANGEMENT**

***BETWEEN***

**VODAFONE IDEA LIMITED  
*(TRANSFEROR COMPANY)***

***AND***

**VODAFONE TOWERS LIMITED  
*(TRANSFeree COMPANY)***

***AND***

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

***(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)***

## **PREAMBLE**

### **(A) BACKGROUND AND DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THE SCHEME**

1. The Scheme (*as defined hereinafter*) is presented pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, for the transfer of the Fiber Infrastructure Undertaking (*as defined hereinafter*) of the Transferor Company (*as defined hereinafter*) and vesting of the same with the Transferee Company (*as defined hereinafter*), on a going concern basis.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

2. The Transferor Company was incorporated on 14<sup>th</sup> day of March 1995 as Birla Communications Limited, a public company with the Registrar of Companies, Maharashtra, under the provisions of the Companies Act, 1956 with Corporate Identification Number L32100GJ1996PLC030976. Its name was changed to Birla AT&T Communications Limited on 30<sup>th</sup> day of May 1996. Its registered office was shifted from the State of Maharashtra to the State of Gujarat on 22<sup>nd</sup> day of October 1996. Its name was further changed to: (i) Birla Tata AT&T Limited on 6<sup>th</sup> day of November 2001; and (ii) Idea Cellular Limited on 1<sup>st</sup> day of May 2002. A composite scheme of amalgamation and arrangement was proposed among Vodafone Mobile Services Limited and Vodafone India Limited and the Transferor Company (“composite scheme”). Pursuant to the sanctioning of the composite scheme by the National Company Law Tribunal, Bench at Ahmedabad and Mumbai, the composite scheme has been made effective from 31<sup>st</sup> day of August 2018. The name of the Transferor Company was changed to Vodafone Idea Limited on 31<sup>st</sup> day of August, 2018. The equity shares of the Transferor Company are listed on BSE Limited (‘BSE’) and National Stock Exchange of India Limited (‘NSE’). The registered office of the Transferor Company is situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar, 382 011, Gujarat, India.
3. The Transferor Company, inter alia, holds pan-India Unified Access Service/Unified Licence (authorisation for access services), Cellular Mobile Telephone Service, National Long Distance, International Long Distance and Internet Service Provider licences. The Transferor Company is primarily engaged in the business of providing fixed and mobile telecommunications services to consumers and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunication services in India. The Transferor Company through its Fiber Infrastructure Undertaking is also in the business of providing fiber infrastructure services. The Transferor Company is the holding company of the Transferee Company.
4. The Transferee Company, was incorporated as Indus Towers Limited on 19<sup>th</sup> day of October 2007 under the provisions of the Companies Act, 1956. Its name was changed to Vodafone Essar Towers Limited on 5<sup>th</sup> day of March 2008. Its registered office was shifted from the State of Maharashtra to the National Capital Territory of Delhi on 23<sup>rd</sup> day of August 2010. Its name was further changed to Vodafone Towers Limited on 7<sup>th</sup> day of October 2011. The Corporate Identification Number (CIN) of the Transferee is U64200DL2007PLC207420. An application for shifting of its registered office from the National Capital Territory of Delhi to the State of Gujarat with the Regional Director, Northern Region is planned to be filed by the Transferee Company. The Transferee Company is an unlisted company.
5. The Transferee Company is a wholly owned subsidiary of the Transferor Company and has IP-1 registration with the Department of Telecommunications, Government of India to carry on the business of passive infrastructure provisioning services in India.

### **(B) RATIONALE AND BENEFITS OF THE SCHEME**

The Transferor Company is primarily engaged in the business of providing fixed and mobile telecommunications services to consumers and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunication services in India. These activities and businesses have been nurtured from a nascent stage and are currently at different stages of maturity and have different capital, operating and regulatory requirements. The Transferee Company is a wholly owned subsidiary of the Transferor Company and the Transferor Company believes that it would be beneficial to restructure its business by divesting the Fiber Infrastructure Undertaking into a separate legal entity with sharper and dedicated focus on the fiber infrastructure business so as to achieve greater infrastructure sharing, operational efficiencies and cost optimization resulting in more affordable and reliable telecommunications services to its consumers.

### **(C) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

- |               |   |  |
|---------------|---|--|
| <b>PART A</b> | - | Definitions and Share Capital;   |
| <b>PART B</b> | - | Transfer of the Fiber Infrastructure Undertaking of the Transferor Company to the Transferee Company on a going concern basis; and |
| <b>PART C</b> | - | General Terms and Conditions.  |

## PART A

### 1. DEFINITIONS

In the Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 1.1** “**Accounting Standards**” means the Indian Accounting Standards as notified under section 133 of the Act read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- 1.2** “**Act**” means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified;
- 1.3** “**Applicable Law(s)**” means any statute, law, ordinance, rule, regulation, press note, notification, circular, order, writ, injunction, directive, judgment or decree issued by any governmental authority and/or any other authority exercising jurisdiction over the Companies;
- 1.4** “**Appointed Date**” means first day of the month in which Scheme is effective;
- 1.5** “**Asset(s)**” mean(s) and include(s) all fixed, movable, intangible, financial, non-financial assets and rights of every kind, nature, character and description of whatsoever nature and wheresoever situated, whether or not required to be reflected on a balance sheet of the Transferor Company in accordance with the Accounting Standards and pertaining to the Fiber Infrastructure Undertaking, including but not limited to optical fiber cables, high density polyethylene duct, inside spiral ribbed duct, joint closure, end plug, simple plug, push fit coupler, double wall corrugated duct coupler and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way associated with laying and operationalising such infrastructure (including those arising pursuant to licenses issued under the Indian Telegraph Right of Way Rules, 2016) and every associated right;
- 1.6** “**Board**” or “**Board of Directors**” means the respective board of directors of the Companies and shall, unless repugnant to the context, include a committee of directors or any person authorized by the Board or such committee of directors;
- 1.7** “**Companies**” means the Transferor Company and the Transferee Company;
- 1.8** “**Effective Date**” means the date on which the certified copy of the NCLT’s order sanctioning the Scheme is filed by the Companies with the Registrar of Companies;
- Any reference in the Scheme to “**upon the Scheme becoming effective**” or “**effectiveness of the Scheme**” shall be a reference to the Effective Date;
- 1.9** “**IT Act**” means The Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.10** “**Liability(ies)**” means all debts, liabilities and obligations of every kind, nature and description whether accrued or not, known or unknown, absolute or contingent, matured or un-matured, determined or determinable, attributable to and/ or arising out of the activities or operations of the Fiber Infrastructure Undertaking, as on the Appointed Date, and includes, without limitation, all such debts, liabilities and obligations of the Transferor Company, pertaining to the Fiber Infrastructure Undertaking, which (i) pertain to a period prior to the Appointed Date but may arise after the Appointed Date; and/or (ii) may have arisen prior to the Appointed Date but remain outstanding as on the Appointed Date;
- 1.11** “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.12** “**NCLT**” means the bench of the National Company Law Tribunal at Ahmedabad and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Act;
- 1.13** “**Fiber Infrastructure Undertaking**” means the fiber infrastructure business undertaking of the Transferor Company comprising of and including, underground and over ground cables, on a going concern basis. Without prejudice and limitation to the generality of the above, the Fiber Infrastructure Undertaking means and includes without limitation, the following items:
- (i) all Assets of the Fiber Infrastructure Undertaking wherever situated, including but not limited to, the past track record, experience, credentials and market share of the Transferor Company relating to the Fiber Infrastructure Undertaking;
  - (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations by whatever name called, whether under central, state or other laws and/ or rules or whether granted by any municipal body/ authority, panchayat body/ authority or any other authority including a development authority, all rights (including rights/obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiary/ associate/joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), advances, recoverables, receivables, advantages, privileges, all other claims, rights and benefits,

powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Fiber Infrastructure Undertaking;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Fiber Infrastructure Undertaking;
- (iv) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Fiber Infrastructure Undertaking;
- (v) employees of the Transferor Company that are or may be determined by the Transferor Company to be engaged in or in relation to the Fiber Infrastructure Undertaking;
- (vi) all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company of whatsoever nature relating to the Fiber Infrastructure Undertaking pending on the Appointed Date;
- (vii) all Liabilities as defined in clause 1.10 of **Part A** of the Scheme; and
- (viii) any other Asset specifically allocated by the Board of Directors of the Transferor Company as relating to or belonging to the Fiber Infrastructure Undertaking.

**1.14** “**Residual Undertaking**” means the remaining activities, assets, business, contracts, employees and liabilities (actual and contingent) of the Transferor Company subsequent to the transfer of the Fiber Infrastructure Undertaking to the Transferee Company in terms of and upon the effectiveness of the Scheme;

**1.15** “**Rs.**” means Rupees being the lawful currency of the Republic of India;

**1.16** “**Scheme**” means the Scheme of Arrangement in its present form, or with any modification(s), as may be approved or directed by the NCLT;

**1.17** “**SEBI**” means the Securities and Exchange Board of India;

**1.18** “**SEBI Circular**” means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> day of March 2017, the circular no. CFD/DIL3/CIR/2017/26 dated 23<sup>rd</sup> day of March 2017, the circular no. CFD/DIL3/CIR/2017/105 dated 21<sup>st</sup> day of September 2017 and circular no. CFD/DIL3/CIR/2018/2 dated 3<sup>rd</sup> day of January 2018, each issued by the SEBI;

**1.19** “**Stock Exchanges**” means the National Stock Exchange of India Limited and the BSE Limited;

**1.20** “**Transferee Company**” means Vodafone Towers Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and currently having its registered office situated at C-48, Okhla Industrial Area, Phase - II, New Delhi 110020, India; and

**1.21** “**Transferor Company**” means Vodafone Idea Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at Suman Tower, Plot No. 18, Sector-11, Gandhinagar, 382 011, Gujarat, India.

The expressions, which are used but are not defined in the Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the IT Act and other Applicable Laws.

## 2. CAPITAL STRUCTURE

### 2.1 Transferor Company

2.1.1 The authorized, issued, subscribed and fully paid-up share capital of the Transferor Company as on 31<sup>st</sup> day of October 2018 was as under:

SHARE CAPITAL	AMOUNT IN RS.
<b>Authorized share capital</b>	
2,879,30,02,000 equity shares of Rs.10/- each	28,793,00,20,000
1,500 redeemable cumulative non-convertible preference shares of Rs. 1,00,00,000/- each	1,500,00,00,000
<b>Total</b>	<b>30,293,00,20,000</b>
<b>Issued, subscribed and paid-up capital*</b>	
873,53,86,742 equity shares of Rs.10/- each fully paid-up	8,735,38,67,420
<b>Total</b>	<b>8,735,38,67,420</b>

\*As on 31<sup>st</sup> day of October, 2018, 1,50,12,186 outstanding employee stock options existed. Assuming such options are exercised, the issued, subscribed and paid-up capital of the Transferee Company as on 31<sup>st</sup> day of October, 2018 on a fully-diluted basis was 875,03,98,928 equity shares of Rs.10/- each (Rs. 8,750,39,89,280/-).

## 2.2 Transferee Company

2.2.1 The authorized, issued, subscribed and fully paid-up share capital of the Transferee Company, as on 31<sup>st</sup> day of October 2018 was as under:

SHARE CAPITAL	AMOUNT IN RS.
<b>Authorized share capital</b>	
50,000 equity shares of Rs.10/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, subscribed and paid-up capital</b>	
50,000 equity shares of Rs.10/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>

## PART B

### TRANSFER OF THE FIBER INFRASTRUCTURE UNDERTAKING OF THE TRANSFEROR COMPANY TO THE TRANSFEEE COMPANY ON A GOING CONCERN BASIS

#### 1. Transfer and vesting of the Fiber Infrastructure Undertaking

1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Fiber Infrastructure Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company on a going concern basis without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company, and to vest in the Transferee Company, all the Assets, Liabilities, rights, title or obligations of the Fiber Infrastructure Undertaking therein, in the manner described hereunder.

#### 2. Transfer of Assets

2.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all Assets relating to the Fiber Infrastructure Undertaking, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this clause 2.1 shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

2.2. Upon the Scheme becoming effective and with effect from the Appointed Date, all movable Assets of the Transferor Company relating to the Fiber Infrastructure Undertaking, other than those specified in clause 2.1 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.

2.3. Upon the Scheme becoming effective and with effect from the Appointed Date, in relation to Assets, if any, belonging to the Fiber Infrastructure Undertaking, which require separate documents for vesting in the Transferee Company, or which the Transferor Company and/ or the Transferee Company otherwise desire to be vested separately, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed

2.4. It is hereby clarified that if any Assets (including but not limited to any estate, rights, title, interest in or authorities relating to such Assets) in relation to the Fiber Infrastructure Undertaking which the Transferor Company owns, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such Asset in trust for the benefit of the Transferee Company.

#### 3. Transfer of Liabilities

3.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the Liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.

3.2. It is hereby clarified that, unless expressly provided for herein, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which any Liability has arisen in order to give effect to the provisions of this clause 3.

- 3.3. The vesting of the Fiber Infrastructure Undertaking as aforesaid, shall be free from any lien, encumbrance, security, charge, hypothecation, interest, claim, pledge or mortgage.
- 3.4. The provisions of clause 3 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions. For avoidance of doubt the provisions of clause 3 shall not be construed as limiting the operation of **Part C** of the Scheme.

#### **Contracts, Deeds, Bonds and Other Instruments**

- 3.5. Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of the Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/ associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the Fiber Infrastructure Undertaking, 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 have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 3.6. Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Fiber Infrastructure Undertaking with the Transferee Company occurs by virtue of the Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized 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 to be carried out or performed.
- 3.7. Without prejudice to the generality of the foregoing, it is clarified that upon the Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Fiber Infrastructure Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company in relation to the Fiber Infrastructure Undertaking are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.
- 3.8. It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Fiber Infrastructure Undertaking to which the Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company.

#### **4. Employees**

- 4.1. Upon the Scheme becoming effective, the employees of the Fiber Infrastructure Undertaking, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company. The services of such employees, if any, with the Transferor Company shall be taken into account for the purposes of all benefits to which the employees, if any, may be eligible under Applicable Law.
- 4.2. Upon the Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the employees of the Fiber Infrastructure Undertaking, if any, shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.
- 4.3. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for the employees of the Fiber Infrastructure Undertaking, if any, shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company without any separate act or deed/approval. In relation to the employees of the Fiber Infrastructure Undertaking, if any, for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted



for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, if any.

## **5. Continuation of Legal Proceedings**

- 5.1. Upon the Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company whether instituted before the Appointed Date or after the Appointed Date in each case relating to the Fiber Infrastructure Undertaking would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company.

Any difference or difficulty as to whether any specific legal or other proceedings relates to the Fiber Infrastructure Undertaking, shall be mutually decided between the Board of Directors of the Transferor Company and the Transferee Company and such mutual decision shall be conclusive and binding on the Companies.

## **6. Treatment of taxes**

- 6.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the Fiber Infrastructure Undertaking, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Appointed Date and which relate to a period after the Appointed Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company. However, it is clarified that, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the Fiber Infrastructure Undertaking, including but not limited to advance tax payments, tax deducted at source, minimum alternate tax, any refund and claims existing on the Appointed Date and which may arise after the Appointed Date but which relate to a period on or before the Appointed Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company.
- 6.2. Upon the Scheme becoming effective, all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the Fiber Infrastructure Undertaking to which the Transferor Company is entitled to, which may arise after the Appointed Date and which relate to a period after the Appointed Date shall be available to and vest in the Transferee Company, without any further act or deed. However, it is clarified that all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the Fiber Infrastructure Undertaking to which Transferor Company is entitled to, existing on the Appointed Date and which may arise after the Appointed Date but which relate to a period on or before the Appointed Date shall be available to and remain with the Transferor Company, without any further act or deed.
- 6.3. The Board of Directors of the Transferor Company and the Transferee Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Fiber Infrastructure Undertaking and whether the same would be transferred to the Transferee Company.
- 6.4. Any refund under the tax laws due to the Transferor Company pertaining to the Fiber Infrastructure Undertaking consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferor Company.
- 6.5. The Transferor Company may be entitled to various incentive schemes and pursuant to the Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Fiber Infrastructure Undertaking shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Fiber Infrastructure Undertaking, to the extent statutorily available, shall be claimed by the Transferee Company.

## **7. Conduct of Business**

- 7.1. Subject to the effectiveness of the Scheme, with effect from the date of approval of the Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company, and up to and including the Effective Date, the Transferor Company shall carry on the business of the Fiber Infrastructure Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.

7.2. The Transferee Company shall also be entitled, pending the effectiveness of the Scheme, to apply to the central government, state governments, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for carrying on business.

## **8. Consideration**

8.1. Since the transfer of Fiber Infrastructure Undertaking from the Transferor Company to the Transferee Company is a transfer from holding company to its wholly owned subsidiary and the Transferor Company continues to retain full control over the Fiber Infrastructure Undertaking, consideration for such transfer shall be equal to the carrying value of net assets transferred, calculated as the difference between the book value of Assets and the book value of the Liabilities transferred as on the Appointed Date. Such consideration shall be paid by the Transferee Company through normal banking channels. Till such time the Transferee Company discharges its obligation to pay the consideration, such amount shall remain as business consideration payable to Transferor Company in the books of the Transferee Company. Transferee Company shall pay interest on the outstanding balance of such amount of business consideration payable at the rate and terms and conditions determined from time to time by the board of directors of the Companies.

## **9. Residual Undertaking of the Transferor Company**

9.1. The Residual Undertaking and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company shall have no right, claim or obligation in relation to the Residual Undertaking.

9.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.

9.3. With effect from and beyond the Appointed Date, the Transferor Company:

- (i) shall continue to carry all the business and activities relating to the Residual Undertaking for and on its own behalf; and
- (ii) all profits accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company.

## **10. Accounting treatment in the books of the Transferor Company**

10.1. On the Scheme becoming effective, with effect from the Appointed Date, the Transferor Company shall account for the transfer of the Fiber Infrastructure Undertaking to the Transferee Company in its books as given below:

- (i) The Assets and Liabilities of the Transferor Company relating to the Fiber Infrastructure Undertaking transferred to the Transferee Company shall be derecognized at their carrying amount from the Appointed Date and no gain or loss will be recognized in the 'Statement of Profit and Loss' since the value of consideration shall be equal to the carrying value of net assets transferred.

## **11. Accounting treatment in the books of the Transferee Company**

11.1. On the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company shall account for the transfer of the Fiber Infrastructure Undertaking of the Transferor Company in its books in accordance with the applicable Accounting Standards as given below:

- (i) The Transferee Company shall account for the transfer in accordance with the 'Pooling of Interest Method' laid down by Appendix C 'Business combinations of entities under common control' of Ind AS - 103 'Business Combinations' notified under the provisions of the Act;
- (ii) The Transferee Company shall, on the Scheme becoming effective, record all Assets and Liabilities of the Fiber Infrastructure Undertaking of the Transferor Company vested in it pursuant to the Scheme, at the respective carrying values thereof and in the same form as appearing in the books of the Transferor Company;
- (iii) The Transferee Company shall credit the difference between the carrying amount of Assets and Liabilities as on the Appointed Date to business consideration payable account; and
- (iv) There shall not be any difference between the carrying value of net assets acquired and consideration pursuant to the Scheme since consideration shall be equal to the carrying value of net assets acquired.

## PART C

### GENERAL TERMS AND CONDITIONS

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

- 1.1. Each of the Companies shall severally or jointly make the requisite company applications/ petitions under sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for seeking sanction of the Scheme.

#### **2. Modification or Amendment to the Scheme**

- 2.1. Each of the Companies (acting through their respective Board) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to the Scheme, in part or in whole, which the NCLT and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme, including any individual part thereof, or if the Board are of the view that the coming into effect of the Scheme, in part or in whole, in terms of the provisions of the Scheme, could have an adverse implication on all or any of the Companies. Each of the Companies (acting through their respective Board) be and are hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to the Scheme, in part or in whole and to resolve any doubts, difficulties or questions whether by reason of the order of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of the Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon the Scheme, or any individual part thereof, at any stage prior to the Effective Date.
- 2.2. If any part of the Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such part.

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

- 3.1. The Transferor Company and/ or the Transferee Company acting through their respective Board shall each be at liberty to withdraw the Scheme.
- 3.2. In the event of revocation under clause 3.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with Applicable Law.
- 3.3. In the event of revocation under clause 3.1 above, the Companies shall take all necessary steps to withdraw the Scheme from the NCLT and any other authority and to make all necessary filings/ application as may be required to withdraw the Scheme.

#### **4. Effect of non-receipt of approvals**

- 4.1. In case the Scheme is not sanctioned by the NCLT or is not approved by SEBI or the Stock Exchanges, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, if the Scheme cannot be implemented, then, the Scheme shall become null and void, and the Transferor Company shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

#### **5. Costs, charges, expenses**

- 5.1. Each of the Companies shall bear its own costs in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of the Scheme.
- 5.2. Costs and expenses relating to the transfer of the Fiber Infrastructure Undertaking shall be borne solely by the Transferee Company.

#### **6. Permission to raise capital**

- 6.1. Notwithstanding anything contained in the Scheme and subject to Applicable Law, until the Scheme becomes effective, the Transferor Company shall have the right to raise capital for the efficient functioning of the business of the Transferor Company or for any other purpose including for purposes of refinancing, repayment, conversion or prepayment of any loans.

#### **7. Compliance with Applicable Laws**

- 7.1. The Companies undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of any statutory or regulatory authority, which by Applicable Law may be required for the implementation of the Scheme or which by law may be required in relation to any matters connected with the Scheme.

Since the Transferor Company is a listed company, the Scheme is subject to the compliances of the applicable requirements under the Listing Regulations, SEBI Circular and all other statutory directives of SEBI, as applicable.



DCS/AMAL/JR/R37/1421/2018-19

March 11, 2019

The Company Secretary,  
**Vodafone Idea LTD**  
 Suman Tower, Plot No 18, Sector 11,  
 Gandhi Nagar, Gujarat, 382011

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited.**

We are in receipt of Draft Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 08, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
 T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com  
 Corporate Identity Number: L67120MH2005PLC155188

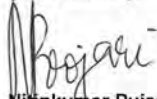
(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

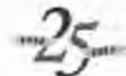
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



**Nitinkumar Pujari**  
Senior Manager





## National Stock Exchange Of India Limited

Ref: NSE/LIST/19370

March 11, 2019

The Company Secretary  
Vodafone Idea Limited  
Suman Tower, Plot No.-18,  
Sector-11,  
Gandhinagar – 382011  
Gujarat

**Kind Attn.: Mr. Pankaj Kapdeo**

Dear Sir,

**Sub: Observation Letter for Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors**

We are in receipt of the Scheme of Arrangement between Vodafone Idea Limited (Transferor Company) and Vodafone Towers Limited (Transferee Company) and their respective shareholders and creditors vide application dated December 04, 2018.

Based on our letter reference no Ref: NSE/LIST/73252 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), SEBI vide letter dated March 08, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

This Document is Digitally Signed

Signer: Rajendra P Bhosale  
Date: Mon, Mar 11, 2019 18:48:37 IST  
Location: NSE





Continuation Sheet

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from March 11, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Limited**

Rajendra Bhosale  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.html](http://www.nseindia.com/corporates/content/further_issues.html)

This Document is Digitally Signed



Signer: Rajendra P Bhosale  
Date: Mon, Mar 11, 2019 18:48:37 IST  
Location: NSE





28<sup>th</sup> February, 2019

**The General Manager  
BSE Limited**  
Department of Corporate Services  
Rotunda Building,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**National Stock Exchange of India Limited**  
“Exchange Plaza”,  
Bandra – Kurla Complex,  
Bandra (East),  
Mumbai-400 051

Dear Sirs,

**Sub: Submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the scheme of arrangement between Vodafone Idea Limited and Vodafone Towers Limited (“Scheme”)**

Please refer to our application under aforementioned regulation for the proposed scheme of arrangement among Vodafone Idea Limited and Vodafone Towers Limited (“Scheme”) submitted on 3<sup>rd</sup> December, 2018.

In this regard, we are enclosing herewith the Complaint Report.

This is for your kind perusal.

Thanking you,

Yours truly,  
For **Vodafone Idea Limited**

**Pankaj Kapdeo**  
Company Secretary



Encl: As above

**Complaints Report**

**Part A**

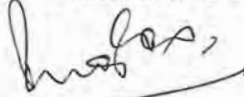
**From – 3<sup>rd</sup> December, 2018 To - 27<sup>th</sup> February, 2019**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
	Not Applicable		

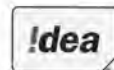
For Vodafone Idea Limited



**Pankaj Kapdeo**  
Company Secretary



Date: 28<sup>th</sup> February, 2019



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VODAFONE IDEA LIMITED ("VIL" OR "THE COMPANY") AT ITS MEETING HELD ON WEDNESDAY, THE 14<sup>TH</sup> DAY OF NOVEMBER 2018, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN VODAFONE IDEA LIMITED AND VODAFONE TOWERS LIMITED ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

---

**Background:**

1. The Board of Directors ("the Board") of the Company at its meeting held on 14<sup>th</sup> November, 2018 approved the Scheme of Arrangement between the Company and Vodafone Towers Limited ("VTL") (hereinafter referred to as "Scheme") which provides for the transfer of the Fiber Infrastructure Undertaking of the Company and vesting of the same to VTL, to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Companies Act").
2. In terms of Section 232(2)(c) of the Companies Act, the Board is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular the share exchange ratio, specifying any special valuation difficulties. Such report is required to be circulated to the shareholders and creditors of the companies, together with the notice for the meeting of the shareholders and creditors.
3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act.
4. While deliberating on the Scheme, the Board had, *inter-alia*, considered and took on record the draft Scheme, duly initialled by the Company Secretary for the purpose of identification.

**Effect of the Scheme:**

5. The Company has only one class of shares, i.e., equity shares. Under the Scheme, an arrangement is sought to be entered into between the Company and its equity shareholders (i.e. promoter shareholders and non-promoter shareholders) as the Fiber Infrastructure Undertaking of the Company shall stand transferred to and vested in VTL.



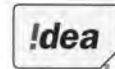


6. Under the Scheme, an arrangement is sought to be entered into between the Company and its creditors though no liabilities of the creditors, either secured (including secured debenture holders) or unsecured (including unsecured debenture holders) of the Company, is being reduced or being extinguished under the Scheme. The creditors of the Company would in no way be affected by the Scheme.
7. Under the Scheme, no arrangement is sought to be entered into between the Company and its debenture holders (either secured or unsecured). No rights of the debenture holders of the Company are being affected pursuant to the Scheme. The debenture trustee(s) appointed for the different series of non-convertible debentures shall continue to remain the debenture trustee(s) and accordingly, will not be affected by the Scheme in any manner.
8. As on date, the Company has no outstanding public deposits and accordingly, it does not have any deposit holders and has not appointed any deposit trustee. Therefore, the effect of the Scheme on any public deposit holders or deposit trustees does not arise.
9. Under Clause 4 of Part B of the Scheme, and with effect from the Effective Date, VTL undertakes to engage the employees of the Company, engaged in or in relation to the Fiber Infrastructure Undertaking, on the same terms and conditions on which they are engaged by the Company without any interruption of service and in the same manner as provided under Clause 4 of Part B of the Scheme. In the circumstances, the rights of the employees of the Company, engaged in or in relation to the Fiber Infrastructure Undertaking, would in no way be affected by the Scheme. Further, the employees engaged in the Residual Undertaking shall continue to be employed by the Company.
10. The directors, key managerial personnel of the Company and their relatives may have interest in the Scheme to the extent they are holding shares in the Company and/or to the extent some of the Key Managerial Personnel are holding shares in VTL as nominee of the Company and/or to the extent that the said director(s), key managerial personnel and their respective relatives are the director(s), members of the companies that hold shares in the Company. Save as aforesaid, none of the said directors or key managerial personnel and their relatives have any material interest in the Scheme.

**Valuation:**

11. Since the transfer of Fiber Infrastructure Undertaking is a transfer from the Company to its wholly-owned subsidiary and the Company continues to retain





full control over the Fiber Infrastructure Undertaking, consideration for such transfer shall be equal to carrying value of the net assets transferred, calculated as the difference between book value of assets and the book value of the liabilities transferred as on the Appointed Date. Also, as no shares are being issued by VTL to the Company and further there is no change in the shareholding of the Company or VTL, no valuation report is being obtained.

**By order of the Board  
For Vodafone Idea Limited**

*Himanshu Kapania*  
**Himanshu Kapania**  
**Director**  
**DIN: 03387441**

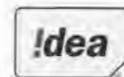


14<sup>th</sup> November, 2018

Page 3 of 3

**Vodafone Idea Limited** (formerly Idea Cellular Limited)  
An Aditya Birla Group & Vodafone partnership

Birla Centurion, 9th to 12th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 030. T: +91 95940 04000 | F: +91 22 2482 0095 | [www.vodafoneidea.com](http://www.vodafoneidea.com)  
Registered Office: Suman Tower, Plot no. 18, Sector 11, Gandhinagar - 382 011, Gujarat. T: +91 79 6671 4000 | F: +91 79 2323 2251 | CIN: L32100GJ1996PLC030976



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VODAFONE TOWERS LIMITED ("THE COMPANY") AT ITS MEETING HELD ON FRIDAY THE 16<sup>TH</sup> DAY OF NOVEMBER 2018, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN VODAFONE IDEA LIMITED AND VODAFONE TOWERS LIMITED ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS SHAREHOLDERS**

---

**Background:**

1. The Board of Directors ("**the Board**") of Vodafone Towers Limited ("**VTL**" or "**the Company**") at its meeting held on 16<sup>th</sup> November, 2018, approved the Scheme of Arrangement between Vodafone Idea Limited ("**VIL**"), the holding Company and the Company (hereinafter referred to as "**Scheme**"), for transfer of the Fiber Infrastructure Undertaking of VIL and vesting of the same to the Company, to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**").
2. In terms of Section 232(2)(c) of the Companies Act, the Board is required to adopt a report explaining the effect of the arrangement on Equity Shareholders, Key Managerial Personnel, Promoters shareholders of the Company, laying out in particular the share exchange ratio, if any.
3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
4. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the Draft Scheme, duly initialled by the Director for the purpose of identification.

**Effect of the Scheme on equity shareholders (promoter shareholders), employees and KMPs of the Company:**

5. Under the Scheme, no arrangement is sought to be entered into between the Company and its shareholders (i.e. promoter shareholders). No rights of the equity shareholders of the Company are being affected pursuant to the transfer of the Fiber Infrastructure Undertaking to the Company.

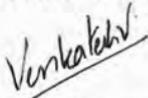


*Venkatesh V*



6. Under the Scheme, no arrangement is sought to be entered into between the Company and its creditors and that no liabilities of the creditors of the Company is being reduced or being extinguished under the Scheme.
7. As on date, the Company has no outstanding towards any debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustees does not arise.
8. As on date, the Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustees does not arise.
9. The rights of the employees of the Company are in no way affected by the Scheme. The employees, if any, engaged by the Company shall continue to remain employed by the Company.
10. The directors of the Company and their relatives may be deemed to have an interest in the Scheme to the extent of the equity shares held by them in VIL and/or to the extent that the said director(s) and their respective relatives are the director(s), members of the companies that hold shares in VIL. Save as aforesaid, none of the said director(s) or key managerial personnel have any material interest in the Scheme.

**By order of the Board  
For Vodafone Towers Limited**



**Venkatesh Vishwanathan  
Director  
DIN: 03122706**



16<sup>th</sup> November, 2018

**Show Cause Notices issued to erstwhile Vodafone India Limited (since amalgamated with the Company) & / or directors / key managerial personnel**

Sr. No.	DATE OF SHOW CAUSE NOTICE	ALLEGED VIOLATIONS CITED IN SHOW CAUSE NOTICE(S) ISSUED IN RELATION TO VODAFONE INDIA LIMITED UNDER S.207, COMPANIES ACT, 2013 BY REGISTRAR OF COMPANIES	EXPLANATION OF COMPANY/DIRECTORS/KMP'S
1.	07.08.2015	Section 217 read with Section 215, Companies Act, 1956: financial years 2011-12, 2012-13 & 2013-14: Annexure to Directors' Report not signed	No signature required for annexures on matters concerning energy conservation, technology absorption, foreign exchange earnings/outgo, particulars of employees; hence, there is no violation.
2.	07.08.2015	Section 217, Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975: financial year 2013-14: Details about employees not included in Directors' Report	Details are appearing in the XBRL format of the Directors Report as filed (in .xml file) in Form 23AC by the Company; hence, there is no violation.
3.	07.08.2015	Section 217 read with Section 222, Companies Act, 1956, financial year 2013-14: Explanation to Auditor's remark not provided in the Director's Report	Auditors in their report have clarified that the reference to the matter is not a qualification - no Explanation required; hence, there is no violation.
4.	07.08.2015	Section 193(1A), Companies Act, 1956 (cited duration: 20 May 2004 to 23 May 2005) : Date not mentioned on the last page of minutes of meetings	Compounded
5.	12.08.2015	Section 212, Companies Act, 1956, financial years 2011-12, 2012-13 & 2013-14: Statement regarding subsidiary company not attached in XBRL balance sheets filed vide e-Form 23 AC	Compounded
6.	05.04.2016	Section 211, Companies Act, 1956 read with Accounting Standard 18, financial years 2011-12, 2012-13 & 2013-14: Names of all related parties with whom transactions took place, not disclosed.	Where transaction value with an individual related party is in excess of 10 % of the value of total related party transactions, disclosures are duly made in compliance with para 27 read along with explanation (a) of AS-18; hence, there is no violation.
7.	05.04.2016	Section 211, Companies Act, 1956 read with Accounting Standard 18, financial years 2011-12, 2012-13 & 2013-14: Names of all the concern / body corporates in which control exists, not provided.	There are no transactions between the company and the entities specified, who neither have nor exercise any control over the Company, and the Company does not have nor exercises any control over these entities; accordingly, no disclosures are warranted under AS-18; hence, there is no violation.
8.	05.04.2016	Section 187 read with Section 187C, Companies Act, 1956: AGM dated 24 April 2006: E-Form 22B (beneficial ownership form) not filed in respect of 1,59,28,061 shares held by Unit Trust of India Investment Advisory Services Limited (UTIISL), although reflected in annexure to the annual return.	There is no declaration received by the Company as to beneficial ownership, and the Company is entitled to rely on the beneficial ownership statement issued by the Registrar & Transfer Agent; hence, there is no violation.
9.	05.04.2016	Section 211 read with Accounting Standard 13, Companies Act, 1956: financial year 2013-14: Details of diminution of investments not provided in the Balance Sheet.	There is no decline which is "other than temporary" in the value of such investments made by the Company as on 31 March 2014; hence, there is no violation.

Sr. No.	DATE OF SHOW CAUSE NOTICE	ALLEGED VIOLATIONS CITED IN SHOW CAUSE NOTICE(S) ISSUED IN RELATION TO VODAFONE INDIA LIMITED UNDER S.207, COMPANIES ACT, 2013 BY REGISTRAR OF COMPANIES	EXPLANATION OF COMPANY/DIRECTORS/KMP'S
10.	05.04.2016	Section 211 read with Schedule VI, Companies Act, 1956: financial year 2013-14: Entries of net amounts made in financial statements and notes to accounts.	Line items disclosed by the Company in financial statements for FY ended 31 March 2014 are consistent with requirements in Schedule VI to make disclosures on net basis, as opposed to gross basis; hence, there is no violation.
11.	05.04.2016	Section 211, Companies Act, 1956 read with Accounting Standard 16: financial years 2012-13 and 2013-14: Borrowing cost capitalized not disclosed in the Balance Sheet and Profit & Loss account.	In FY 2012-13, Company does not have any qualifying assets as per para 3.2 of AS16 and no capitalization of borrowing costs. In FY 2013-14, Company has disclosed the borrowing cost capitalized in Note 28 - "Finance Cost" and the related disclosure is in Note 29.21. The Company has disclosed accounting policy of Borrowing cost capitalization; hence, there is no violation.
12.	05.04.2016	Section 211, Companies Act, 1956 read with Accounting Standards 1 & 9: financial years 2011-12 and 2012-13: Policy for recognition of interest and dividend income not disclosed in the Balance Sheet.	AS1 only requires disclosure of significant accounting policies; separate accounting is not required or expected to be disclosed for each and every item in the financial statement; interest and dividend income are accounted on accrual basis as per the fundamental accounting assumption for preparation and presentation of financial statements; disclosure is required only if fundamental accounting assumptions are not followed; hence, there is no violation.
13.	05.04.2016	Section 211, Companies Act, 1956 read with Accounting Standards 1, 9, 13, 16, 18: financial years 2011-12, 2012-13 & 2013-14: Deviation from Accounting Standards, reasons for deviation and financial effect, if any, arising due to such deviation not disclosed in the Balance Sheet and Profit & Loss Statement.	The Auditors' Reports for each FY states "In our opinion, the Balance Sheet the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956"; hence, there is no violation.
14.	05.04.2016	Section 211, 217, Companies Act, 1956 read with Accounting Standards 1, 9, 13, 16, 18: financial years 2011-12, 2012-13 & 2013-14: Clarifications to violations of Accounting Standards not provided in the Board's Report.	The Company has fully complied with AS 18, AS 13, As 16, As 9 and AS 1; hence, there is no violation.
15.	25.01.2017	Section 217, Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988: Director's Report does not specify the investments/ proposals for reduction of consumption of energy.	Compounding Application pending.
16.	25.01.2017	S.217, Companies Act, 1956: financial years 2011-12, 2012-13 & 2013-14: Detailed state of affairs of the Company and its subsidiaries not provided in the Directors' Reports.	Compounding Application pending.
17.	27.09.2017	S.211(3A) of the Companies Act, 1956 r/w AS-17 for financial year 2013-14: Failed to report income from management service charges segment amounting to 10.77% of the total revenue.	Compounding Application in process



**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
 (All amounts are in INR millions, except per share data and unless stated otherwise)

**Balance Sheet as at December 31, 2018**

Particulars	As at December 31, 2018	As at March 31, 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	503,382	244,543
Capital work-in-progress	13,327	6,513
Other Intangible assets	1,273,959	552,308
Intangible assets under development	46,534	29,340
Financial assets		
Non-current investments	54,578	68,434
Long term loans to employees	12	24
Other non-current financial assets	11,854	4,182
Deferred tax assets (net)	73,466	-
Other non-current assets	152,598	17,767
<b>Total non-current assets (A)</b>	<b>2,129,710</b>	<b>923,111</b>
<b>Current assets</b>		
Inventories	-	339
Financial assets		
Current investments	76,831	56,129
Trade receivables	40,605	8,874
Cash and cash equivalents	8,424	190
Bank balance other than cash and cash equivalents	1,070	32
Short term loans	13,754	20
Other current financial assets	967	313
Current tax assets (net)	-	7,750
Other current assets	66,275	17,884
<b>Total current assets (B)</b>	<b>207,926</b>	<b>91,531</b>
<b>Non-current assets classified as held for sale (AHFS) (C)</b>		
	-	4,865
<b>Total Assets (A+B+C)</b>	<b>2,337,636</b>	<b>1,019,507</b>

**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
 (All amounts are in INR millions, except per share data and unless stated otherwise)

**Balance Sheet as at December 31, 2018**

Particulars	As at December 31, 2018	As at March 31, 2018
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	87,354	43,593
Other equity	588,054	262,415
<b>Total equity (A)</b>	<b>675,408</b>	<b>306,008</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Long term borrowings	1,156,078	569,408
Non-current trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,757	-
Other non-current financial liabilities	84,028	26,062
Long term provisions	3,980	3,080
Deferred tax liabilities (net)	-	3,079
Other non-current liabilities	3,929	5,601
<b>Total non-current liabilities (B)</b>	<b>1,250,772</b>	<b>607,230</b>
<b>Current liabilities</b>		
Financial liabilities		
Short term borrowings	10,906	217
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	43	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	126,263	35,485
Other current financial liabilities	196,885	43,820
Other current liabilities	76,960	26,525
Short term provisions	399	218
<b>Total current liabilities (C)</b>	<b>411,456</b>	<b>106,269</b>
<b>Total Equity and Liabilities (A+B+C)</b>	<b>2,337,636</b>	<b>1,019,507</b>

**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
**(All amounts are in INR millions, except per share data and unless stated otherwise)**

**Statement of Profit and Loss for the period ended December 31, 2018**

<b>Particulars</b>	<b>For the period ended December 31, 2018</b>	<b>For the period ended December 31, 2017</b>
<b>Income</b>		
Service revenue	250,909	217,807
Other operating income	532	144
<b>Revenue from operations</b>	<b>251,441</b>	<b>217,951</b>
Other income	8,977	3,609
<b>Total income</b>	<b>260,418</b>	<b>221,560</b>
<b>Operating Expenditure</b>		
Employee benefit expenses	14,411	11,724
Network expenses and IT outsourcing cost	118,641	75,967
License fees and spectrum usage charges	26,665	23,340
Roaming and access charges	29,194	28,249
Subscriber acquisition and servicing expenditure	21,072	22,524
Advertisement, business promotion expenditure & content cost	6,543	6,283
Other expenses	13,630	6,907
	<b>230,156</b>	<b>174,994</b>
<b>Profit before finance costs, depreciation, amortisation, exceptional items &amp; tax</b>	<b>30,262</b>	<b>46,566</b>
Finance costs	65,182	35,869
Depreciation	53,307	37,295
Amortisation	44,632	24,998
<b>Loss before exceptional items &amp; tax</b>	<b>(132,859)</b>	<b>(51,596)</b>
Exceptional items (net)	24,069	-
<b>Loss before tax</b>	<b>(108,790)</b>	<b>(51,596)</b>
Tax expense:		
- Current tax	-	97
- Deferred tax	(17,500)	(18,837)
<b>Loss after tax</b>	<b>(91,290)</b>	<b>(32,856)</b>
<b>Other comprehensive income / (loss)</b>		
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>		
Equity instrument through other comprehensive gains/(losses)	(16,556)	15,239
Income tax effect on equity instrument through other comprehensive gains/(losses)	4,008	(3,516)
Re-measurement gains/ (losses) of defined benefit plans	430	(45)
Income tax effect on Re-measurement gains/ (losses) of defined benefit plans	(142)	15
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(12,260)</b>	<b>11,693</b>
<b>Total comprehensive loss for the period</b>	<b>(103,550)</b>	<b>(21,163)</b>
<b>Earnings per equity share of ₹ 10 each:</b>		
Basic (₹)	<b>(14.45)</b>	<b>(9.11)</b>
Diluted (₹)	<b>(14.45)</b>	<b>(9.11)</b>



**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
 (All amounts are in INR millions, except per share data and unless stated otherwise)

Statement of Changes in Equity for the period ended December 31, 2018

a. Equity share capital:

**Equity shares of INR 10 each issued, subscribed and fully paid**

	Numbers	Amount
<b>As at April 1, 2017</b>	<b>3,605,328,231</b>	<b>36,053</b>
Issue of shares under Employee Stock Option Scheme (ESOS)	3,117,110	31
Preferential Allotment of Equity shares	326,633,165	3,266
Allotment of shares under Qualified Institutional Placement (QIP)	424,242,424	4,243
<b>As at March 31, 2018</b>	<b>4,359,320,930</b>	<b>43,593</b>
Issue of shares pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMsL) and Vodafone India Limited (VInL) with the Company	4,375,199,464	43,752
Issue of shares under Employee Stock Option Scheme (ESOS)	866,348	9
<b>As at December 31, 2018</b>	<b>8,735,386,742</b>	<b>87,354</b>

**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
 (All amounts are in INR millions, except per share data and unless stated otherwise)

b. Other equity

Particulars	Reserves and surplus										Total
	Capital reserve	Capital reduction reserve	Debt redemption reserve	Securities premium	Amalgamation adjustment deficit account	General reserve	Retained earnings	Employee stock options reserve	Business Restructuring Reserve	Equity instrument through other comprehensive income	
<b>As at April 1, 2017</b>	-	-	1,317	104,330	-	20,863	73,333	1,341	-	-	201,184
Pursuant to merger of ABTL	(12,476)	-	-	29,040	-	-	(9,804)	-	25,409	18,717	50,886
<b>As at April 1, 2017 (restated)</b>	<b>(12,476)</b>	-	<b>1,317</b>	<b>133,370</b>	-	<b>20,863</b>	<b>63,529</b>	<b>1,341</b>	<b>25,409</b>	<b>18,717</b>	<b>25,070</b>
Loss for the nine months period ended December 31, 2017	-	-	-	-	-	-	(32,856)	-	-	-	(32,856)
Other comprehensive loss for the nine months period ended December 31, 2017	-	-	-	-	-	-	(50)	-	-	11,723	11,693
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>(32,886)</b>	-	-	<b>11,723</b>	-
Issue of share under ESOS	-	-	-	23	-	-	-	-	-	-	23
Transfer from retained earnings	-	-	2,634	-	-	-	(2,634)	-	-	-	-
Share-based payment expenses*	-	-	-	-	-	-	-	(190)	-	-	(190)
Transfer to Securities premium account on exercise of options	-	-	-	200	-	-	-	(200)	-	-	-
<b>As at December 31, 2017 (restated)</b>	<b>(12,476)</b>	-	<b>3,951</b>	<b>133,593</b>	-	<b>20,863</b>	<b>28,009</b>	<b>951</b>	<b>25,409</b>	<b>30,440</b>	<b>230,740</b>
Loss for the three months period ended March 31, 2018	-	-	-	-	-	-	(11,727)	-	-	-	(11,727)
Other comprehensive income for the three months period ended March 31, 2018	-	-	-	-	-	-	310	-	-	(16,520)	(16,210)
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>(11,417)</b>	-	-	<b>(16,520)</b>	-
Issue of share under ESOS	-	-	-	4	-	-	-	-	-	-	4
Preferential Allotment of Equity shares	-	-	-	-	-	-	-	-	-	-	-
(Net of share issue expenses of ₹ 35)	-	-	-	29,199	-	-	-	-	-	-	29,199
Allotment of Equity shares under Qualified Institutional Placement (QIP)	-	-	-	30,448	-	-	-	-	-	-	30,448
(Net of share issue expenses of ₹ 309)	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	457	-	-	-	(457)	-	-	-	-
Share-based payment expenses	-	-	-	-	-	-	-	(39)	-	-	(39)
Transfer to Securities premium account on exercise of options	-	-	-	110	-	-	-	(110)	-	-	-
<b>As at March 31, 2018 (restated)</b>	<b>(12,476)</b>	-	<b>4,408</b>	<b>193,354</b>	-	<b>20,863</b>	<b>16,135</b>	<b>802</b>	<b>25,409</b>	<b>13,920</b>	<b>262,415</b>
Loss for the nine months period ended December 31, 2018	-	-	-	-	-	-	(91,290)	-	-	-	(91,290)
Other comprehensive income for the nine months period ended December 31, 2018	-	-	-	-	-	-	288	-	-	(12,548)	(12,260)
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>91,002</b>	-	-	<b>(12,548)</b>	-
Pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMSL) and erstwhile Vodafone India Limited (VIL) with the Company	165	277,787	-	842,139	(488,408)	1,393	(118,955)	-	-	-	514,141
Indemnity	(84,861)	-	-	-	-	-	-	-	-	-	(84,861)
Issue of share under ESOS	-	-	-	1	-	-	-	-	-	-	1
Stamp duty on issue of shares on amalgamation of VMSL and VIL with the Company	-	-	-	(85)	-	-	-	-	-	-	(85)
Share-based payment expenses	-	-	-	-	-	-	-	(9)	-	-	(9)
Transfer to Securities premium account on exercise of options	-	-	-	101	-	-	-	(101)	-	-	-
<b>As at December 31, 2018</b>	<b>(97,172)</b>	<b>277,787</b>	<b>4,408</b>	<b>1,035,512</b>	<b>(488,408)</b>	<b>22,256</b>	<b>(193,802)</b>	<b>692</b>	<b>25,409</b>	<b>1,372</b>	<b>588,054</b>

\* The charge for the period is net of reversal on account of cancellation of unvested options.

**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
(All amounts are in INR millions, except per share data and unless stated otherwise)

**Statement of Cash Flows for the period ended December 31, 2018**

Particular	For the period ended December 31, 2018	For the period ended December 31, 2017
<b>Operating activities</b>		
<b>Loss before tax</b>	(108,790)	(51,596)
<b>Adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	53,307	37,295
Amortisation of intangible assets	44,632	24,998
Share-based payment expense (ESOS)	143	(186)
(Gain)/loss on disposal of property, plant and equipment and intangible assets (net)	(50)	(76)
Impairment of assets	350	-
Finance costs (including fair value change in financial instruments)	65,182	35,869
Provision for gratuity and compensated absences	(170)	561
Bad debts / advances written off	22	54
Allowance for doubtful debts / advances	2,035	1,177
Liabilities / provisions no longer required written back	(399)	(88)
Gain on sale of ICISL & profit before tax of ICISL upto date of sale	(37,438)	-
Other income	(8,977)	(3,609)
<b>Adjustments for changes in working capital</b>		
(Increase)/Decrease in trade receivables	(4,377)	1,613
Decrease in inventories	338	160
(Increase)/Decrease in other financial and non-financial assets	(654)	2,227
Increase in trade payables	35,628	2,279
(Decrease)/Increase in other financial and non-financial liabilities	(3,187)	4,156
<b>Cash flows from operating activities</b>	<b>37,595</b>	<b>54,834</b>
Income tax refund / (paid) (including TDS) (net)	2,902	(2,507)
<b>Net cash flows from operating activities</b>	<b>40,497</b>	<b>52,327</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(58,112)	(68,610)
Payment towards -one time spectrum charges	(39,263)	-
Proceeds from sale of property, plant and equipment and intangible assets	245	183
Proceeds from sale of subsidiary	42,303	-
Additional investment in subsidiaries and associate	(585)	-
Net (Purchase)/ proceeds from sale of current investments	(15,175)	33,701
Interest received	1,002	7
Dividend income from joint venture (Indus)	2,990	2,657
<b>Net cash flows used in investing activities</b>	<b>(66,595)</b>	<b>(32,062)</b>
<b>Financing activities</b>		
Proceeds from exercise of share options	1	44
Stamp duty on issue of shares on amalgamation of VM SL and VI nL with the Company	(83)	-
Payment of interest and finance charges	(12,919)	(48,260)
Proceeds from long term borrowings	56,429	35,000
Repayment of long term borrowings	(10,673)	(7,655)
Proceeds from short term borrowings	985	-
Repayment of short term borrowings	(56,103)	-
<b>Net cash flows used in financing activities</b>	<b>(22,363)</b>	<b>(20,871)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>(48,461)</b>	<b>(606)</b>
Cash and cash equivalents at the beginning of the period	(27)	(68)
Cash and cash equivalent on amalgamation of VM SL and VI nL with the Company (net of bank overdraft)	55,249	-
<b>Cash and cash equivalents at the end of the period</b>	<b>6,761</b>	<b>(674)</b>

**Vodafone Idea Limited (Formerly known as Idea Cellular Limited)**  
**Interim Condensed Financial Statements for the period ended December 31, 2018**  
**(All amounts are in INR millions, except per share data and unless stated otherwise)**

**1. Cash and Cash Equivalents include the following Balance Sheet amounts**

Particular	For the period ended December 31, 2018	For the period ended December 31, 2017
Cash on hand	63	9
Cheques on hand	459	65
Balances with banks		
In current accounts	2,895	146
In deposit accounts	5,007	-
	8,424	220
Less: Bank overdraft which forms an integral part of cash management	1,663	894
	<b>6,761</b>	<b>(674)</b>

**2. Disclosure of changes in liabilities arising from financing activities on account of non-cash transactions**

Particulars	Long term borrowing including current maturities	Changes in derivative assets / liabilities	Interest accrued but not due
<b>Balance as at April 1, 2017</b>	550,198	1,885	28,551
(i) Cash flow Items			
Net proceed / ( repayment) of borrowings	27,345	-	-
Payment of Interest and finance charges	(22,403)	(1,703)	(24,154)
(ii) Non - cash items			
Foreign exchange (gain)/loss	(503)	91	
Finance cost accrued ( charged to profit and loss / capitalised)	-		38,673
Deferred payment liability for spectrum on allotment of Spectrum	3,180	-	-
Upfront fees amortisation	545	-	(545)
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	14,165	-	(14,165)
<b>Balance as at December 31, 2017</b>	<b>572,527</b>	<b>273</b>	<b>28,360</b>
<b>Balance as at April 1, 2018</b>	<b>579,635</b>	<b>84</b>	<b>27,808</b>
(i) Cash flow Items			
Net proceed / ( repayment) of borrowings	45,756	-	-
Payment of Interest and finance charges	1,761	(21)	(14,659)
(ii) Non - cash items			
Addition due to amalgamation of VM SL, VInL and its subsidiaries with the Company	557,396	(2,451)	26,565
Foreign exchange (gain)/loss	449		-
Finance cost accrued ( charged to profit and loss / capitalised)	-	2,376	65,214
Interest on ARO	-	-	(5)
Upfront fees addition	(703)	-	703
Upfront fees amortisation	132	-	(132)
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	41,306	-	(41,306)
<b>Balance as at December 31, 2018</b>	<b>1,225,732</b>	<b>(12)</b>	<b>64,188</b>

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

**Vodafone Towers Limited**

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018

(All amounts are in INR thousands, except per share data and unless stated otherwise)

**Balance Sheet**

	Notes	As at December 31, 2018 (Audited)	As at March 31, 2018 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets			
- Cash and cash equivalents	5	526	55
Other current assets	6	6	-
<b>Total current assets</b>		<b>532</b>	<b>55</b>
<b>Total Assets</b>		<b>532</b>	<b>55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	500	500
Other equity			
- Reserves and surplus		(10,555)	(9,572)
<b>Total equity</b>		<b>(10,055)</b>	<b>(9,072)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	8	10,075	7,975
ii. Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		454	995
iii. Other financial liabilities	10	58	71
Other current liabilities	11	-	86
<b>Total current liabilities</b>		<b>10,587</b>	<b>9,127</b>
<b>Total Equity and Liabilities</b>		<b>532</b>	<b>55</b>

Significant Accounting Policies

3

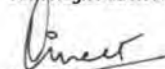
The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For S.R.Battiboi &amp; Associates LLP

Chartered Accountants

Firm/Registration Number: 101049W/E300004



Vineet Kedia

Partner

Membership Number: 212230



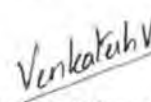
For and on behalf of the Board of Directors



J Arun Kumar

Director

(DIN: 07018794)



Venkatesh Viswanathan

Director

(DIN:03122706)

Place: Mumbai

Date: April 20, 2019

Place: Mumbai

Date: April 20, 2019



**Vodafone Towers Limited**

**Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018**  
*(All amounts are in INR thousands, except per share data and unless stated otherwise)*

**Statement of Profit and Loss**

	For the period ended December 31, 2018 (Audited)	For the period ended December 31, 2017 (Unaudited)
<b>Expenses</b>		
Other expenses	453	532
<b>Total</b>	<b>453</b>	<b>532</b>
<b>Loss before finance costs and tax (EBITDA)</b>	<b>(453)</b>	<b>(532)</b>
Finance costs	530	460
<b>Loss before tax</b>	<b>(983)</b>	<b>(992)</b>
<b>Income Tax expense</b>		
Current tax	-	-
Deferred tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>
<b>Loss for the period</b>	<b>(983)</b>	<b>(992)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(983)</b>	<b>(992)</b>
Earnings per equity share of INR 10 each		
Basic and diluted (loss) per share (INR)	<b>(19.66)</b>	<b>(19.84)</b>

Significant Accounting Policies

3

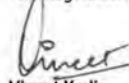
The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

Firm Registration Number: 101049W/E300004



**Vineet Kedia**

Partner

Membership Number: 212230



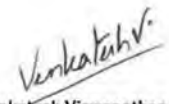
**For and on behalf of the Board of Directors**



**J Arun Kumar**

Director

(DIN: 07018794)



**Venkatesh Viswanathan**

Director

(DIN:03122706)

Place: *Mumbai*  
 Date: *April 20, 2019*

Place: *Mumbai*  
 Date: *April 20, 2019*





**Vodafone Towers Limited**

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018  
 (All amounts are in INR thousands, except per share data and unless stated otherwise)

**Statement of Changes in Equity**

Equity Share Capital and Other Equity	Equity Share Capital	Attributable to the owners of Vodafone Towers Limited
		Reserves and Surplus (Accumulated deficit)
Particulars		
Balance as at April 1, 2017	500	(7,856)
Loss for the period	-	(992)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period (unaudited)</b>	-	<b>(992)</b>
Balance as at December 31, 2017	500	(8,848)
Balance as at April 1, 2018	500	(9,572)
Loss for the period	-	(983)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period (audited)</b>	-	<b>(983)</b>
Balance as at December 31, 2018	500	(10,555)

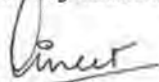
The above Statement of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of changes in equity referred to in our report of even date.

**For S.R.Batliloi & Associates LLP**

Chartered Accountants

Firm Registration Number: 101049W/E300004



**Vineet Kedia**

Partner

Membership Number: 212230



**For and on behalf of the Board of Directors**



**J Arun Kumar**

Director

(DIN: 07018794)



**Venkatesh Viswanathan**

Director

(DIN: 03122706)

Place:

Date:

Mumbai  
April 20, 2019

Place:

Date:

Mumbai  
April 20, 2019



**Vodafone Towers Limited**

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018  
(All amounts are in INR thousands, except per share data and unless stated otherwise)

**Statement of Cash Flows**

	For the period ended December 31, 2018 (Audited)	For the period ended December 31, 2017 (Unaudited)
<b>Cash flow from operating activities</b>		
Loss before tax	(983)	(992)
<b>Adjustments for:</b>		
Finance costs	530	460
<b>Operating (loss) before working capital changes</b>	<b>(453)</b>	<b>(532)</b>
<b>Adjustments for changes in working capital</b>		
Increase in other current assets	(6)	-
(Decrease) in trade payables	(541)	(117)
(Decrease) in other current liabilities	(86)	(54)
<b>Cash (used in) operations</b>	<b>(1,086)</b>	<b>(703)</b>
Income tax paid (net)	-	-
<b>Net cash (outflow) from operating activities</b>	<b>(1,086)</b>	<b>(703)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	2,100	1,175
Interest paid	(543)	(465)
<b>Net cash inflow from financing activities</b>	<b>1,557</b>	<b>710</b>
<b>Net increase in cash and cash equivalents</b>	<b>471</b>	<b>7</b>
Cash and cash equivalents as at the beginning of the period	55	45
<b>Cash and cash equivalents as at the end of the period</b>	<b>526</b>	<b>52</b>

**Reconciliation of cash and cash equivalents as per the statement of cash flows**

	As at December 31, 2018	As at December 31, 2017
<b>Cash and cash equivalents as per above comprise of the following</b>		
Cash and cash equivalents	526	52
<b>Balance as per the statement of cash flows</b>	<b>526</b>	<b>52</b>

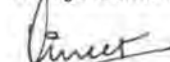
1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of cash flows' notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow.

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the statement of cash flows referred to in our report on even date.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
Firm Registration Number: 101049W/E300004



Vineet Kedia  
Partner  
Membership Number: 212230



Place: Mumbai  
Date: April 20, 2019

For and on behalf of the Board of Directors



Arun Kumar  
Director  
(DIN: 07018794)



Venkatesh Viswanathan  
Director  
(DIN: 03122706)

Place: Mumbai  
Date: April 20, 2019



## Vodafone Towers Limited

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018

(All amounts are in INR thousands, except per share data and unless stated otherwise)

Notes to Financial Statements

### Note 1

#### General information

Vodafone Towers Limited (herein referred to as "VTL" or "the Company") was incorporated in 2007 in India with a principal business of renting out passive infrastructure to telecommunication service providers for hosting their active equipments. The Company is domiciled in India with its registered office address being Vodafone House, Corporate Road, Prahlad Nagar, Off. S. G. Highway, Ahmedabad 380 051, India. The Company does not have any operations since its incorporation. The Company is in process of venturing into fibre infrastructure services.

The financial statements were approved for issue by the Board of Directors of the Company on April 20, 2019

### Note 2

#### Basis of preparation

##### (i) Purpose and Structure

These special purpose condensed interim financial statements have been prepared by the management for the purpose of circulation of the same to the members and creditors of Vodafone Idea Limited (the 'Holding Company') in compliance with Section 232(2)(e) of the Companies Act, 2013, in connection with the Scheme of Arrangement between Vodafone Idea Limited and the Company for transfer of fibre infrastructure assets and liabilities of the Holding Company to the Company.

The special purpose condensed interim financial statements have been prepared in accordance with Ind AS 34 – 'Interim Financial Reporting'. These financial statements have comparative audited balance sheet as at March 31, 2018 being end of the immediately preceding financial year. The condensed statement of profit and loss, condensed statement of change in equity ('SOCIE') and statement of cash flows have been prepared with comparative period ended December 31, 2017 being the comparable immediately preceding period. The comparative figures for the period ended December 31, 2017 are neither audited nor reviewed.

##### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention on accrual basis.

##### (iii) Going concern

The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

##### (iv) Current/Non current classification

The Company presents assets and liabilities in balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to sold or consumed in normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period,
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.





## Vodafone Towers Limited

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018

(All amounts are in INR thousands, except per share data and unless stated otherwise)

### Notes to Financial Statements

#### Note 3

##### Significant Accounting Policies

The accounting policies used in the preparation of these special purpose condensed interim financial statements are the same that the Company had followed for the preparation of its annual audited financial statements for the year ended March 31, 2018.

#### Note 4

##### Critical judgements and sources of estimation uncertainty

The preparation of the Special purpose condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no critical estimates and judgements in the Company as at December 31, 2018, March 31, 2018 and December 31, 2017.

#### Note 5

##### Current financial assets - Cash and cash equivalents

Particulars	As at	As at
	December 31, 2018	March 31, 2018
Balances with banks		
In current account	526	55
<b>Total</b>	<b>526</b>	<b>55</b>

#### Note 6

##### Other current assets

Particulars	As at	As at
	December 31, 2018	March 31, 2018
Others	6	-
<b>Total</b>	<b>6</b>	<b>-</b>

#### Note 7

##### Equity share capital

Particulars	As at	As at
	December 31, 2018	March 31, 2018
<b>[a] Authorised share capital</b>		
50,000 (March 31, 2018: 50,000) equity shares of the par value of INR 10 each	500	500
	<b>500</b>	<b>500</b>
<b>[b] Issued</b>		
50,000 (March 31, 2018: 50,000) equity shares of INR 10 each	500	500
	<b>500</b>	<b>500</b>
<b>[c] Subscribed and paid up</b>		
50,000 (March 31, 2018: 50,000) equity shares of INR 10 each fully paid up	500	500
	<b>500</b>	<b>500</b>

##### [d] Reconciliation of number of shares outstanding at the beginning and end of the period:

	As at December 31, 2018		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity:</b>				
Outstanding as at the beginning of the period	50,000	500	50,000	500
Issued during the period	-	-	-	-
<b>Outstanding as at the end of the period</b>	<b>50,000</b>	<b>500</b>	<b>50,000</b>	<b>500</b>



## Vodafone Towers Limited

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018

(All amounts are in INR thousands, except per share data and unless stated otherwise)

Notes to Financial Statements

### Note 8

#### Current financial liability-Borrowings

Particulars	As at	As at
	December 31, 2018	March 31, 2018
<b>Unsecured Loans (repayable on demand)</b>		
Loans from related parties (Refer Note 15)	10,133	8,046
<b>Total borrowing including interest</b>	<b>10,133</b>	<b>8,046</b>
Less: Interest accrued on borrowings	58	71
<b>Total current borrowings</b>	<b>10,075</b>	<b>7,975</b>

### Note 9

#### Current financial liability-Trade payables

Particulars	As at	As at
	December 31, 2018	March 31, 2018
Trade payables	454	995
<b>Total</b>	<b>454</b>	<b>995</b>

The carrying amount of trade payables as at reporting date approximates fair value.

### Note 10

#### Current financial liability-Others

Particulars	As at	As at
	December 31, 2018	March 31, 2018
Interest accrued on borrowings (Refer Note 15)	58	71
<b>Total</b>	<b>58</b>	<b>71</b>

### Note 11

#### Other current liabilities

Particulars	As at	As at
	December 31, 2018	March 31, 2018
Statutory dues (tax deducted at source)	-	86
<b>Total</b>	<b>-</b>	<b>86</b>

### Note 12

#### Financial Instruments by Category

Particulars	As at	As at
	December 31, 2018	March 31, 2018
<b>Financial assets measured at amortised cost (level 3 category)</b>		
Cash and cash equivalents (Refer Note 5)	526	55
<b>Total Financial Assets</b>	<b>526</b>	<b>55</b>
<b>Financial liabilities measured at amortised cost (level 3 category)</b>		
Borrowings (Refer Note 8)	10,075	7,975
Trade payables (Refer Note 9)	454	995
Interest accrued on borrowings (Refer Note 10)	58	71
<b>Total Financial Liabilities</b>	<b>10,587</b>	<b>9,041</b>



## Vodafone Towers Limited

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018

(All amounts are in INR thousands, except per share data and unless stated otherwise)

### Notes to Financial Statements

#### Fair Value Estimation

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Observable inputs that reflect quoted prices (un-adjusted) for identical assets or liabilities in active markets.

Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or the liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Un-observable inputs reflecting the Company's own assumptions incorporated in the valuation techniques that are used to determine the fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The above tabled financial assets and liabilities are measured at amortised cost. The carrying amounts at amortised cost of Cash and cash equivalents, borrowings, trade payables and interest accrued on borrowings approximate their fair values.

#### Note 13

##### Taxation

Currently, the Company does not have any business operations and hence, it does not have any tax losses which can be carried forward. Accordingly, no deferred tax asset has been recognised on the same.

#### Note 14

##### Earnings per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the period

Particulars	For the period ended	For the period ended
	December 31, 2018	December 31, 2017
Loss for basic and diluted earnings per share	(983)	(992)
Weighted average number of equity shares	50,000	50,000
Basic and diluted (loss) per share (INR)	(19.66)	(19.84)

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

#### Note 15

##### Related party transactions

The Company's related parties are its holding companies. The Company's related parties and transactions with those related parties are as follows:

Name of related party	Nature of relationship
Vodafone Idea Limited	Immediate holding company (effective from August 31, 2018)
Vodafone Group Plc.	Ultimate holding company (till August 30, 2018)
Vodafone International Holdings B.V.	Intermediate holding company (till August 30, 2018)
CGP India Investments Limited	Intermediate holding company (till August 30, 2018)
Vodafone India Limited	Immediate holding company (till August 30, 2018)

##### Transactions

Particulars	For the period ended	For the period ended
	December 31, 2018	December 31, 2017
<b>Transactions with Immediate Holding Company (till August 30, 2018)</b>		
Interest on borrowings	275	460
Loans taken during the period	2,100	1,175
<b>Transactions with Immediate Holding Company (effective from August 31, 2018)</b>		
Interest on borrowings	255	-





## Vodafone Towers Limited

Special Purpose Condensed Interim Financial Statements for the period ended December 31, 2018

(All amounts are in INR thousands, except per share data and unless stated otherwise)

### Notes to Financial Statements

#### Period end balances

Particulars	As at	As at
	December 31, 2018	March 31, 2018
<b>Immediate Holding Company</b>		
Outstanding loan payable	10,075	7,975
Interest accrued on borrowings	58	71

There is no transaction entered into by the Company with Directors.

#### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash (Refer note 8).

#### Note 16

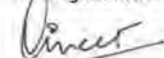
##### Significant transactions

1. On February 22, 2019, the Company has received necessary approval for change of its registered office and new registered office of the Company is situated at Vodafone House, Corporate Road, Prahlad Nagar, Off. S. G. Highway, Ahmedabad 380 051, India.
2. The Board of Directors in its meeting dated November 16, 2018 has approved the scheme of arrangement under section 230 to 232 of the Companies act, 2013 between Vodafone Idea Limited (Holding Company) and the Company for transfer of Fibre Infrastructure assets and liabilities of the Holding Company to the Company on an as is basis. The Company has subsequently filed the scheme of arrangement with National Company Law Tribunal (NCLT), Ahmedabad Bench on 29th March 2019.
3. In the month of March 2019, the Company increased its authorized share capital from INR 500,000 to INR 20,000,000 resulting into 2,000,000 equity shares of the par value of INR 10 each. The Company issued and allotted 1,750,000 Equity Shares of face value of INR 10 to Vodafone Idea Limited, immediate holding company on March 29, 2019 and now the Company has issued, subscribed and paid-up share capital of 1,800,000 equity shares of the par value of INR 10 each.

#### For S.R.Battiboi & Associates LLP

Chartered Accountants

Firm Registration Number: 101049W/E300004



**Vineet Kedia**

Partner

Membership Number: 212230



Place: *Mumbai*

Date: *April 20, 2019*

#### For and on behalf of the Board of Directors



**J Arun Kumar**

Director

(DIN: 07018794)



**Venkatesh Viswanathan**

Director

(DIN:03122706)

Place: *Mumbai*

Date: *April 20, 2019*

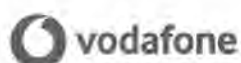


This is an abridged prospectus containing salient features of the proposed scheme of arrangement between Vodafone Idea Limited (“VIL”), the holding Company and Vodafone Towers Limited (“VTL” or “the Company”) (and the scheme of arrangement hereinafter referred to as “Scheme”), for transfer of the Fiber Infrastructure Undertaking of VIL and vesting of the same to the Company, to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Companies Act”). The Scheme is also available on the websites of the BSE Limited (at [www.bseindia.com](http://www.bseindia.com)) and the National Stock Exchange of India Limited (at [www.nseindia.com](http://www.nseindia.com)).

**THIS DISCLOSURE DOCUMENT CONTAINS 5 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

This disclosure document should be read together with the notice to the shareholders/ secured creditors/ unsecured creditors of Vodafone Idea Limited and the Scheme.

You may obtain a physical copy of the Scheme from the registered office of the Company Vodafone House, Corporate Road, Prahlad Nagar, Off S. G. Highway, Ahmedabad - 380051. You may also download the Scheme from the websites of the Company, SEBI, Stock Exchanges that is [www.vodafoneidea.com](http://www.vodafoneidea.com); [www.sebi.gov.in](http://www.sebi.gov.in); [www.nseindia.com](http://www.nseindia.com); [www.bseindia.com](http://www.bseindia.com)



#### VODAFONE TOWERS LIMITED

**Registered Office:** Vodafone House, Corporate Road, Prahlad Nagar, Off S. G. Highway, Ahmedabad – 380051

**Corporate Office:** 10<sup>th</sup> Floor Birla Centurion, Century Mills Compound, PandurangBudhkar Marg, Worli, Mumbai – 400030

**Contact Person:** J. Arun Kumar, Director

**Telephone:**+919819818009; **E-mail:**[jarun.kumar@vodafoneidea.com](mailto:jarun.kumar@vodafoneidea.com)

**Website:**[www.vodafoneidea.com](http://www.vodafoneidea.com)**CIN:**U64200GJ2007PLC106772

#### PROMOTER OF VODAFONE TOWERS LIMITED : VODAFONE IDEA LIMITED

This disclosure document has been prepared in connection with the Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

#### SCHEME DETAILS

The Scheme involves the demerger of Fibre Infrastructure Undertaking of Vodafone Idea Limited (VIL/ listed entity) into Vodafone Towers Limited (VTL), a wholly-owned subsidiary of VIL. VTL has IP-1 registration with the Department of Telecommunications, Government of India to carry on the business of passive infrastructure provisioning services in India. VIL believes that it would be beneficial to restructure its business by divesting the Fiber Infrastructure Undertaking on a going concern basis into VTL, a separate legal entity with sharper and dedicated focus on the fiber infrastructure business so as to achieve greater infrastructure sharing, operational efficiencies and cost optimization resulting in more affordable and reliable telecommunications services to its consumers.

The Scheme is subject to approvals of relevant authorities, and shall come into effect on the Effective Date, i.e., the date on which certified copies of the judgment(s) of the National Company Law Tribunal are filed with the relevant Registrars of Companies after the last of the approvals are obtained or events as specified in the Scheme have occurred or the requirement of which have been waived.

#### ELIGIBILITY FOR THE ISSUE

NOT APPLICABLE

#### INDICATIVE TIMETABLE

Bid Opening Date	NOT APPLICABLE	Initiation of refunds	NOT APPLICABLE
Bid Closing Date	NOT APPLICABLE	Credit of Equity Shares to demat accounts of Allotees	NOT APPLICABLE
Finalisation of basis of allotment with the Designated Stock Exchange	NOT APPLICABLE	Commencement of trading of Equity Shares on the Stock Exchange	NOT APPLICABLE



**GENERAL RISKS**

Specific attention of the readers is invited to "Scheme Details and Indicative Timeline" above and "Internal Risk Factors" on page 4 of this disclosure document.

**PRICE INFORMATION OF BRLM'S**

Issue Name	Name of Merchant Banker	+/- % change in closing price. (+/- % change in closing benchmark)- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price. (+/- % change in closing benchmark)- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price. (+/- % change in closing benchmark)- 180 <sup>th</sup> calendar days from listing
NOT APPLICABLE				

Name of Book Running Lead Manager's and contact details (telephone and email id) of each BRLM	NOT APPLICABLE
Name of Syndicate Members	NOT APPLICABLE
Name of Registrar to the issue and contact details (telephone and email id)	NOT APPLICABLE
Name of Statutory Auditors	M/s. S. R. Batlboi & Associates LLP, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	NOT APPLICABLE
Self Certified Syndicate Banks	NOT APPLICABLE
Non Syndicate Registered Brokers	NOT APPLICABLE
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to the issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	NOT APPLICABLE

**PAST PRICE INFORMATION OF THE LEAD MANAGERS**

Not applicable, as this is a scheme of arrangement

**NAME OF LEAD MANAGERS AND CONTACT DETAILS**

Not applicable, as this is a scheme of arrangement

**PROMOTER**

The promoter of VTL is VIL. VIL, together with its nominees, currently holds 18,00,000 equity shares of VTL, equivalent to 100% of the existing issued, subscribed and paid-up equity share capital of VTL.

VIL was incorporated on March 14, 1995 under the laws of India and its registered office is situated at Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382 011, Gujarat, India. VIL is listed on BSE Limited and National Stock Exchange of India Limited.

VIL is one of the leading telecommunications operator in India offering voice, data, enterprise services and other value added services (“VAS”), including short messaging services, digital services and mobile wallets.

The promoters of VIL are the Aditya Birla Group and the Vodafone Group. The Aditya Birla Group is one of the largest business groups in India and is a conglomerate with operations in more than 34 countries. The Aditya Birla Group has a history of over 50 years and has business interests in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, insurance, financial services and mobile telecommunications industries. The Vodafone Group is one of the world’s largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone Group has mobile operations in 25 countries, partners with mobile networks in 42 more, and fixed broadband operations in 19 markets. See also “Business Model/Business Overview and Strategy” below.

#### **BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

**Rationale for the Scheme:** VIL believes that it would be beneficial to restructure its business by divesting the Fiber Infrastructure Undertaking into VTL (a wholly owned subsidiary of VIL), a separate legal entity with sharper and dedicated focus on the fiber infrastructure business so as to achieve greater infrastructure sharing, operational efficiencies and cost optimization resulting in more affordable and reliable telecommunications services to its consumers.

The management of each of VIL and VTL believes that the Scheme will result in, inter-alia the following benefits (i) Value enhancement through increased infrastructure sharing - Dedicated management team of VTL will be better placed to enhance fiber sharing & build optimal routes with potential of higher sharing; (ii) Operational efficiency - Structured management of Fiber business will optimize resources & create operational efficiencies for VTL, as a result of operational efficiencies as stated above, VTL will be in a position to enter into agreements with customers to provide better uptime and SLAs; (iii) Funding new fiber roll-out and maintenance capex - VTL proposes to generate revenues from leasing fiber to various telecom operators and customers whereby it will fund its opex and capex for new fiber roll-out and maintenance and if required, may borrow funds for the same and (iv) Monetization - VTL being a separate legal entity coupled with structured management of Fiber business will open up opportunities for monetization.

#### **BOARD OF DIRECTORS**

S.No.	Name	Designation	Experience including current / past position held in other firms
1.	VenkateshVishwanathan	Director	He has been a director of VTL since 09 July 2010. He is finance professional from IIM Ahmedabad and has over 26 years of professional experience in financing and treasury matters and has been associate with the Vodafone India group of companies since 1996.
2.	JanardananArun Kumar	Director	He has been a Director of VTL since 19 December 2014. He hold bachelor’s degree in commerce from Delhi University & Diploma in System Management from NIIT and has over 22 years of experience in managing telecommunications businesses and tower infrastructure and has been associated with the Vodafone India group of companies since Nov 1996.
3.	SurajKalra	Director	He has been a Director of VTL since 30 December 2017. He is a Chartered Accountant and holds a Master’s degree in Business Economics from the University of Delhi. He has over 18 years of professional experience. Prior to joining Vodafone India, he was associated with Axis Capital Ltd as Senior Vice President Investment Banking.

#### **OBJECTS OF THE ISSUE**

NOT APPLICABLE

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of VTL in the preceding 10 years:** NOT APPLICABLE

**Name of Monitoring agency, if any:** NOT APPLICABLE

**Terms of Issuance Of Convertible Security, if any:** NOT APPLICABLE



Convertible securities being offered by the Company	NOT APPLICABLE
Face Value / Issue Price per Convertible security	NOT APPLICABLE
Interest on Convertible Securities	NOT APPLICABLE
Conversion Period of Convertible securities	NOT APPLICABLE
Conversion Price for Convertible securities	NOT APPLICABLE
Conversion Date for Convertible securities	NOT APPLICABLE
Details of security created for CCD	NOT APPLICABLE

#### SHAREHOLDING PATTERN PRIOR TO THE DE-MERGER:

S.No.	Particulars	Number of Shares	% Holding
1.	Promoter & Promoter Group	18,00,000	100
2.	Public	NIL	NIL
	<b>Total</b>	18,00,000	100

Number / amount of equity shares proposed to be sold by selling shareholders – if any: NOT APPLICABLE

#### AUDITED RESTATED FINANCIALS

Under Section 129(3) of the Companies Act, 2013 read with the second proviso to Rule 6 of the Companies (Accounts) Rules, 2014, VTL is not required to file consolidated financial statements. All amounts in the tables below are in INR million, except per share data.

Standalone financial information in relation to VTL:							
S. No.		Particulars <sup>1</sup> For the year / period ended (Nos in '000)					
		Nine months Period ended 31 December 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
		Ind AS (INR)	Ind AS (INR)	Ind AS (INR)	IGAAP (INR)	IGAAP (INR)	IGAAP (INR)
1	Revenue from operations	-	-	-	-	26	-
2	(Loss) before tax	(983)	(1,716)	(1,220)	(1,238)	(863)	(774)
3	(Loss)/Profit after tax	(983)	(1,716)	(1,220)	(1,238)	(863)	(774)
4	Equity share capital (issued, subscribed and paid-up share capital)	500	500	500	500	500	500
5	Reserves and surplus	(10,555)	(9,572)	(7,856)	(6,636)	(5,398)	(4,535)
6	Net worth	(10,055)	(9,072)	(7,356)	(6,136)	(4,898)	(4,035)
7	Basic earnings per share (INR)	(20)	(34)	(24)	(25)	(17)	(15)
8	Diluted earnings per share (INR)	(20)	(34)	(24)	(25)	(17)	(15)
9	Return on net worth (%)	-9.8%	-19%	-17%	-20%	-18%	-19%
10	Net asset value per share (INR)	-201	-181	-147	-123	-98	-81

Notes:

- The Information provided above for the year ended 31-Mar-2017 and 31-Mar-2018 has been taken from Audited Statutory Financial Statements of VTL prepared in accordance with IND AS notified under Section 133 of the Companies Act, 2013 (the Act) (Companies Indian Accounting Standards) and other relevant provisions of the act.
- The Information provided above for the year ended 31-Mar-2016, 31-Mar-2015 and 31-Mar-2014 has been taken from Audited Statutory Financial Statements of VTL prepared in accordance with IGAAP for the respective year.
- Net Worth has been calculated by adding the balances of Equity Share Capital (Issued, Subscribed and Paid up Share Capital) (Item 4) and Reserve and Surplus (Item 5)

4. Return on net worth has been calculated by applying the following formula : Profit/(Loss) after Tax (item3)/Net worth (item 6) x 100
5. Net asset value per share (INR) has been calculated by adding the balances of Equity Share Capital (Issued, Subscribed and Paid up share capital (item 4) and Reserve and Surplus (item 5) and dividing the same by the number of shares outstanding as appearing in the Audited Statutory Financial Statements for the respective years
6. Revenue from Operations for the year ended 31-Mar-2015 denotes Other Income on account of Liabilities / provision no longer required written back.

#### **INTERNAL RISK FACTORS**

Set out below are certain material risk factors applicable to VTL. References to “we”, “our” and “us” below are to VIL and its subsidiaries, including VTL:

1. Our growth in business is dependent on business opportunities, which has its own potential risk associated with it.
2. VTL comes under telecom Industry and the entire telecom industry has undergone massive upheaval and industry has seen major consolidation, this consolidation could affect the business of infrastructure companies and associated businesses of telecom sector
3. We may face intense competition in our infrastructure business which may result in reduced pricing and decrease in revenue growth
4. Our right of way and other permissions are subject to terms and conditions, ongoing review and varying interpretations, each of which may result in modifications, suspension, early termination, expiry of term or additional payments, which could adversely affect our business.
5. The business of company depends heavily on Key Managerial Personnel and loss of service of such KMP's could affect the performance of the company

#### **SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

**A. Total number of outstanding litigations against VTL and amount involved:**

Nature of the Cases	No. of Cases Outstanding	Amount involved (in ₹ Million)
Criminal matters	NIL	NIL
Civil matters (including consumer cases)	NIL	NIL
Direct tax matters	NIL	NIL
Indirect tax matters	NIL	NIL
Regulatory matters	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

**B. Brief details of the top five material outstanding litigations against VTL:**

NIL

**C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges in India against the Promoters of VTL in last 5 financial years including outstanding action, if any:**

NIL

**D. Brief details of outstanding criminal proceedings against Promoters of VTL, i.e., VIL:**

VIL, the Promoter of VTL is involved in various criminal proceedings in India. The majority of these cases arise in the normal course of their business operations.

#### **ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER / VTL – NIL**

#### **DECLARATION BY VTL**

We hereby declare that all applicable provisions of the format of an abridged prospectus as set out in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, have been complied with. We further certify that all statements with respect to us in this Disclosure Document are true and correct.





**VODAFONE IDEA LIMITED**  
**(Formerly Idea Cellular Limited)**

Registered office: Suman Tower, Plot No. 18, Sector-11, Gandhinagar, 382 011, Gujarat, India  
**Phone No:** +91 98246 34997 • **CIN:** L32100GJ1996PLC030976  
**E-mail:** shs@vodafoneidea.com • **Website:** www.vodafoneidea.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**  
**BENCH AT AHMEDABAD**  
**CA (CAA) NO. 50/NCLT/AHM/2019**

In the matter of the Companies Act, 2013; And In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013; And In the matter of Vodafone Idea Limited; And In the matter of Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors;

**Vodafone Idea Limited,**

a company incorporated under the provisions of }  
the Companies Act, 1956 and having its registered }  
office at Suman Tower, Plot No. 18, Sector-11, }  
Gandhinagar - 382 011, Gujarat, India. }

...Applicant Company

**UNSECURED CREDITORS (INCLUDING UNSECURED DEBENTURE HOLDERS)**  
**FORM OF PROXY**

I/We, \_\_\_\_\_, the undersigned unsecured creditor/s (including unsecured debenture holder/s) of Vodafone Idea Limited, being the Applicant Company above named, do hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the meeting of the unsecured creditors (including unsecured debenture holders) of the Applicant Company to be held at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector-25, Gandhinagar – 382 044, Gujarat, India, on Thursday, the 6<sup>th</sup> day of June 2019 at 2.00 p.m. (1400 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied Scheme of Arrangement between Vodafone Idea Limited and Vodafone Towers Limited and their respective shareholders and creditors ( the “Scheme”) and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (here, if ‘for’, insert ‘**FOR**’, if ‘against’, insert ‘**AGAINST**’, and in the latter case, strike out the words below after ‘the Scheme’) the said arrangement embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve.  
(\*Strike out whatever is not applicable)

Dated this \_\_\_\_ day of \_\_\_\_\_ 2019

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of unsecured creditor  
(including unsecured debenture holders): \_\_\_\_\_

Signature of Proxy: \_\_\_\_\_

Affix  
Re. 1/-  
revenue  
stamp

Signature \_\_\_\_\_

**Notes:**

1. The form of proxy must be deposited at the registered office of Vodafone Idea Limited Suman Tower, Plot No. 18, Sector-11, Gandhinagar, 382 011, Gujarat, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialled.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor (including unsecured debenture holders) of Vodafone Idea Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a unsecured creditor (including unsecured debenture holders), blind or incapable of writing, would be accepted if such unsecured creditor (including unsecured debenture holders) has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor (including unsecured debenture holders) before he attached his signature or mark.
8. The proxy of an unsecured creditor (including unsecured debenture holders) who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor (including unsecured debenture holders) in the language known to him, and gives the unsecured creditor's (including unsecured debenture holders) name in English below the signature.



**VODAFONE IDEA LIMITED**  
**(Formerly Idea Cellular Limited)**

Registered office: Suman Tower, Plot No. 18, Sector-11, Gandhinagar, 382 011, Gujarat, India

Phone No: +91 98246 34997 • CIN: L32100GJ1996PLC030976

E-mail: shs@vodafoneidea.com • Website: www.vodafoneidea.com

**UNSECURED CREDITORS (INCLUDING UNSECURED DEBENTURE HOLDERS)**

**ATTENDANCE SLIP**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL**  
**MEETING OF THE UNSECURED CREDITORS (INCLUDING UNSECURED DEBENTURE HOLDERS)**  
**ON THURSDAY THE 6<sup>TH</sup> DAY OF JUNE 2019 AT 2.00 P.M.**

I/We hereby record my/our presence at the meeting of the unsecured creditors (including unsecured debenture holders) of Vodafone Idea Limited, the Applicant Company, convened pursuant to the order dated 11<sup>th</sup> day of April 2019 of the NCLT at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. 22-24, Near GIDC, Opposite Hillwoods School, Sector-25, Gandhinagar – 382 044, Gujarat, India, on Thursday, the 6<sup>th</sup> day of June 2019 at 2.00 p.m. (1400 hours).

Name and address of unsecured creditor  
(including unsecured debenture holders)

**(IN BLOCK LETTERS)** : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signature : \_\_\_\_\_

Name of the Proxy\*  
**(IN BLOCK LETTERS)** : \_\_\_\_\_

Signature : \_\_\_\_\_

\*[To be filled in by the Proxy in case he/she attends instead of the unsecured creditor (including unsecured debenture holders)]

**Notes:**

1. Unsecured creditors (including unsecured debenture holders) attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Unsecured creditors (including unsecured debenture holders) who come to attend the meeting are requested to bring their copy of the Scheme with them.

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## Route Map for the Venue of the Meeting



**VODAFONE IDEA LIMITED**  
Suman Tower, Plot No. 18, Sector-11,  
Gandhinagar - 382 011, Gujarat, India  
**[www.vodafoneidea.com](http://www.vodafoneidea.com)**