



Preliminary Information Memorandum

Sale of 30.00% equity shares of

Bharti Hexacom Limited

held by

Telecommunication Consultants India Limited

March 2010

**Financial Advisor
Deloitte Touche Tohmatsu India Private Limited**

(This is neither a prospectus nor an offer/invitation to public for sale of securities)

(For private circulation only)

Disclaimer and Important Notice

The information contained herein has been prepared to assist bidders in making their own evaluation of Bharti Hexacom Limited (“the **Company**” or “**BHL**”) to submit expression of interest and does not purport to contain all the information that a prospective investor may desire. The document does not comprise an offer of shares to public or an invitation to public to subscribe for shares or an investment advice. In all cases, bidders should carry out their own evaluation and analysis of the Company and all data set forth in this preliminary information memorandum (“**PIM**”).

Deloitte Touche Tohmatsu India Private Limited (“**DTTIPL**”) has been appointed as financial advisors for the proposed sale process being conducted by Telecommunication Consultants India Limited (“**TCIL**”), a Government of India undertaking.

By acceptance of the PIM, the recipient agrees that any information herein will be superseded by any later written information on the same subject made available to the recipient by or on behalf of TCIL and DTTIPL. TCIL and DTTIPL and any of their respective officers or employees, advisors and agents undertake no obligation, among others, to provide the recipient with access to any additional information or to update the PIM or to correct any inaccuracies herein which may become apparent, and they reserve the right, at any time and without advance notice, to change the procedure for the sale of all or any part of the equity and/or terminate negotiations or the due diligence process and/or refuse the delivery of information, at any time prior to the execution of the transaction documents without any prior notice or stating any reasons thereof and without incurring any liability in respect thereof.

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The details on the economy and industry do not purport to be a complete review of the industry in which BHL carries on or proposes to carry on its business. The information set out in the chapters of the PIM has been extracted from published sources of information as available in terms of industry publications as well as discussions held with TCIL. No independent verification of such sources has been carried out. The information contained therein generally reflects the latest available data, the same may not always relate to the most recent years and is therefore not wholly up-to-date. The chapters of the PIM should therefore be read with caution.

The PIM has been prepared and issued strictly in order to provide details of BHL and its business for the limited purpose of submitting expression of interest. DTTIPL has relied upon information, both documented and oral, provided by TCIL, which TCIL has received from BHL. The information has been reviewed on a selective basis from readily available secondary data sources as mentioned in the PIM. DTTIPL has by no means carried out any audit or due diligence exercise to verify either the past or current financial data pertaining to the businesses including the balance sheet or profit and loss account as provided to us. DTTIPL may mention that its scope of work for this exercise did not include technical/ financial feasibility or market research. The PIM, is the property of DTTIPL and issued on a strictly private and confidential basis and must not be reproduced or redistributed to any other person in whole or in part.

**The PIM has not been filed, registered or approved in any jurisdiction.
Recipients of the PIM resident in jurisdictions in and outside India should
inform themselves of and observe any applicable legal requirements.**

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1. Introduction

Telecommunication Consultants India Limited (hereinafter referred to as “**TCIL**”), a Government of India (“**Gol**”) undertaking under the administrative control of Department of Telecommunications (“**DOT**”), Ministry of Communications & Information Technology, Gol, presently holding 30.00% of equity share capital in the paid equity share capital of Bharti Hexacom Limited (hereinafter referred to as “**BHL**” or “the **Company**”) intends to sell its entire 30.00% equity shareholding in BHL represented by 75.00 million equity shares of nominal value of Rs. 10 each (voting shares), to potential investors (“**Potential Investors**”) through a competitive bidding process (“**Transaction**”).

Bharti Airtel Limited, formerly known as Bharti Tele-Ventures Limited (hereinafter referred to as “**BAL**”) and TCIL respectively hold 70% and 30% equity shares in the paid equity share capital holding of BHL. BHL was incorporated at Delhi in India on April 20, 1995 to provide cellular mobile telephony services in the Rajasthan and North-East telecom circles.

Deloitte Touche Tohmatsu India Private Limited (hereinafter referred to as “**DTTIPL**”) has been appointed as financial advisors to TCIL for sale of TCIL’s shareholding in BHL.

This Preliminary Information Memorandum (**PIM**) is prepared to provide Potential Investors an overview of the opportunity and the bidding process to enable them to submit their Expression of Interest (“**Eol**”), subject to the Disclaimer and Important Notice, set out earlier.

For the purpose of the Transaction, the Potential Investors should ascertain the applicability of all laws including Indian laws. The Potential Investors shall comply with all laws including Indian laws.

1.1 Bidding process

The bidding process has been divided into two stages.

- **Stage I**

In the first stage, all interested parties satisfying the criteria, *inter-alia*, mentioned in the advertisement issued in public media can obtain the PIM, which contains the terms and conditions, pre-bid qualification criteria in detail and an overview of BHL’s operations. This would enable Potential Investors in evaluation of the opportunity and preparation of documents as specified in the PIM which would be used for pre-qualifying the bidders in accordance with the criteria specified.

- **Stage II**

In the second stage, bidders who pre-qualify at the first stage will receive the Bid Pack comprising Confidential Information Memorandum (“**CIM**”), draft Share Purchase Agreement (“**SPA**”) and the Request for Proposal (“**RFP**”) setting out the Transaction process in detail.

TCIL reserves the right to alter or cancel the bidding process at any stage, without assigning any reasons thereto.

1.2 Advertisement

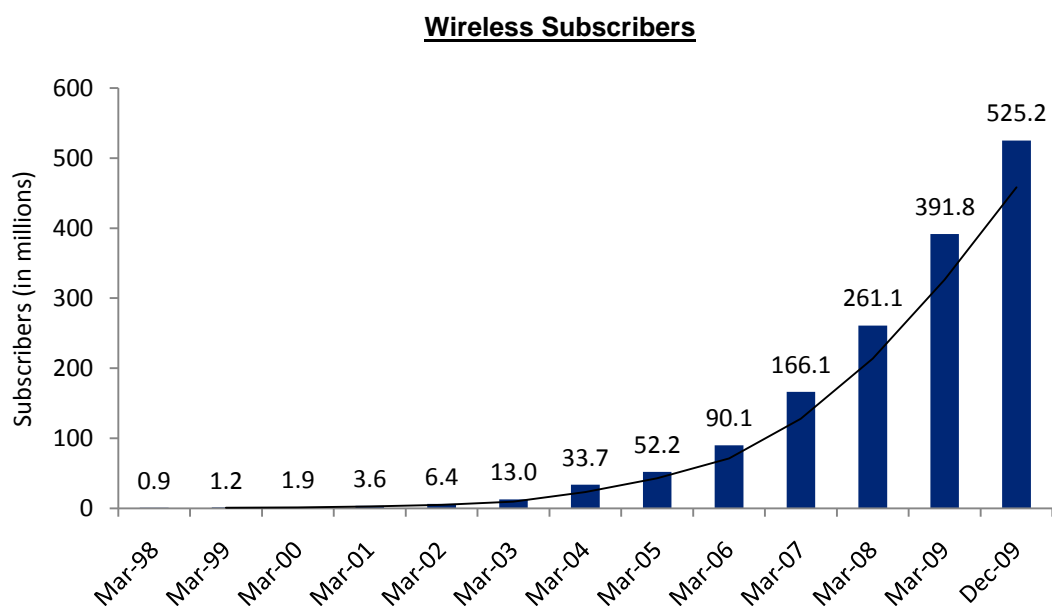
An advertisement has been issued in public media inviting interested parties to submit their Eol for qualification to participate in the proposed sale process. A copy of which is enclosed as Annexure 5.

2. An overview of Indian telecom industry and Bharti Hexacom Limited

A snapshot of the Indian telecom industry followed by overview of BHL is presented below:

2.1 Indian telecom industry

India, the second largest mobile subscribers market in the world, is also amongst the fastest growing markets globally in terms of wireless subscribers. The total number of telephone subscribers in India has reached 562.21 million with wireless subscription accounting for over 93% of the subscriber base.



Source: Telecom Regulatory Authority of India

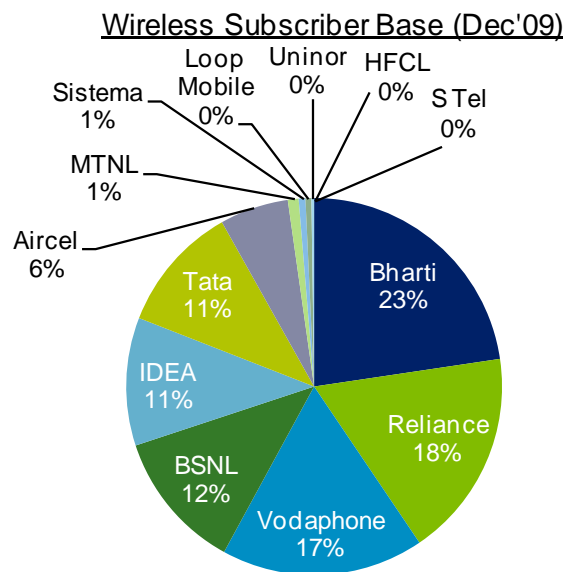
Significant increase in coverage areas and continuous decline in tariff and handset prices has contributed to the growth in the subscriber base. India's overall teledensity at 47.89 (at the end of December 2009) is still lower than the global teledensity at 76.85 at the end of December 2008. During 2009, 8-10 million new mobile subscribers were added every month. Given the moderate penetration levels, there is still a high potential for growth in the short to medium term.

Most of the additions are expected to come from the rural areas where the penetration of telecom services is much lower than urban areas. The teledensity in the urban areas has crossed 100, i.e. there are more telecom subscriptions in the urban areas than the urban population. However, the rural areas are still at a low teledensity of about 18.50.

The country is categorized into 22 telecom circles classified as Metros, A, B or C depending upon the revenue potential for the circles, with Metros and A circles expected to have the highest revenue potential. In all of these circles, there are about 5-8 telecom operators providing cellular services.

The key cellular service providers include:

- Bharti Airtel Limited and Bharti Hexacom Limited (Bharti)
- Reliance Communications Limited and Reliance Telecom Limited (Reliance)
- Vodafone Essar Group (Vodafone)
- Bharat Sanchar Nigam Limited (BSNL)
- Idea Cellular Limited, Aditya Birla Telecom Limited and Spice Communications Limited (IDEA)
- Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited (Tata)
- Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited (Aircel)
- Mahanagar Telephone Nigam Limited (MTNL)
- Sistema Shyam Teleservices Limited (Sistema)
- Loop Telecom Private Limited and Loop Mobile (India) Limited (Loop Mobile)
- Unitech Wireless Group (Uninor)
- HFCL Infotel Limited (HFCL)
- S-Tel Private Limited (S Tel)



Source: Telecom Regulatory Authority of India

Additionally, following new operators are also in the process of launching their operations:

- Datacom Solutions Private Limited
- Etisalat DB Telecom Private Limited

With the availability of the 3G spectrum, industry sources estimate that about 275 million subscribers will use 3G-enabled services. The number of 3G-enabled handsets is expected to reach close to 395 million by the end of 2013. This makes India not only the most attractive, but also the most competitive telecom industry globally.

Most of the wireless service providers are in the GSM space with its subscription constituting about 78% of the wireless market. Even the dominant players in the CDMA technology, Reliance Group and Tata Group, are in the process of launching nationwide GSM services.

2.2 Company background

BHL, formerly Hexacom India Limited, was incorporated on April 20, 1995 under the Companies Act, 1956 in New Delhi, India. It was set up with the objective of providing Cellular Mobile Telephony Services (“CMTS”) in India. In 1995, the Company submitted bids to the DOT for operating in six telecom circles. In response to the bids submitted, the Company was awarded the license to operate in two circles - the Rajasthan Circle and the North East Circle.

BHL provides CMTS in the telecom circle of North-East pursuant to the license granted by DOT, GoI, on December 19, 1995 and in Rajasthan pursuant to the license granted by DOT, GoI, on September 16, 1996. The Company has migrated w.e.f. April 10, 2006 its CMTS license in the telecom circle of Rajasthan to a Unified Access Service License (“UASL”) which allows provision of wireline as well as wireless services.

2.3 Capital structure and promoters

The authorised share capital of BHL is Rs. 2,500 million divided into 250 million equity shares of Rs. 10 each and the issued share capital of Rs. 2,500 million consisting of 250 million equity shares of Rs. 10 each. The paid up share capital of BHL is Rs. 2,500,000,000 comprising 250,000,000 equity shares of Rs.10 each fully paid up.

Hexacom India Limited, now BHL, was promoted by Shyam Telecom, TCIL and Mobile Telecommunication Co. (Kuwait) in 1995. After the initial lock in period of 3 years extended by 2 more years, Telesystem International Wireless (“TIW”), Canada entered the Joint Venture in replacement of Mobile Telecommunication Co.s’ stakes except to the extent of 2.5%. During the year 2003-04, TIW, one of the joint venture partners sold its stake of 42.5% to Shyam Telecom Group (of which 30% was held through a Mauritian affiliate of Shyam Telecom Group and 15% held through an Indian subsidiary of Shyam Telecom Group) and, as a result, the shareholding of Shyam Telecom Group increased from 25% to 67.5%. The shareholding of Shyam Telecom Group was acquired by Bharti Tele-ventures in May 2004. In October 2004, Bharti Tele-ventures acquired further 1% equity stake from M/s Ali & Fouad M.T. Al-Ghanim Trading & Cont. Co. W.L.L., Kuwait. With this acquisition, the total holding of Bharti Tele-ventures Limited in the Company increased to 68.5% and the name of the Company was changed from “Hexacom India Limited” to “Bharti Hexacom Limited” in December 2004.

In February 2009, BAL acquired Mobile Telecommunication Co.’s stake to increase its shareholding in BHL to 70%. Presently, the major shareholders of the Company are BAL and TCIL:

Shareholder	No. of Shares (as at 30 Sep 2009)	% holding
TCIL	75,000,000	30.00%
BAL	174,999,980	70.00%
Others	20*	0.00%
Total	250,000,000	100.00%

Source: TCIL

* The 20 shares are held by five (5) individual shareholders as nominees of Bharti Airtel Limited for the purpose of meeting the requirement of minimum seven (7) shareholders under the provisions of the Companies Act, 1956.

2.3.1 Telecommunications Consultants India Limited

TCIL is a Government of India undertaking incorporated in 1978 under the administrative control of DOT, Ministry of Communications & Information Technology, GoI, for making available their vast and varied telecom expertise to friendly developing countries.

Since then, TCIL has extended its telecom consultancy and turnkey project execution services to Telecom Operators, bulk users and others in India and 60 other countries in Middle East, Africa, South and South East Asia.

2.3.2 Bharti Airtel Limited

BAL is one of Asia's leading integrated telecom services providers with operations in India and Sri Lanka. It is the leading mobile services provider in India with a market share of over 23%. BAL is structured into four strategic business units:

- Mobile: Mobile business offers services in India and Sri Lanka.
- Telemedia: Telemedia business provides broadband, IPTV and telephone services in 95 Indian cities.
- Enterprise: Enterprise business provides end-to-end telecom solutions to corporate customers and national and international long distance services to telcos.
- Digital TV: Digital TV business provides Direct-to-Home TV services across India.

2.4 Shareholders Agreement

As per the shareholders agreement dated August 30, 2004 in relation to BHL, Bharti Tele-Ventures Limited (now BAL) ("Shareholders Agreement") has the First Right of Refusal on the same terms and conditions, in case TCIL receives an offer and wishes to sell any of its shares in BHL to a bona fide third party. In case, BAL chooses not to exercise its Right of First Refusal, then the successful bidder will be entitled to purchase the shares. Further, the shares of the Company cannot be transferred to any existing competitor operating in Rajasthan or to any person or entity subjected to punishment for any criminal act.

Under the Shareholders Agreement, TCIL has certain privileges/rights in respect of some important decisions of the Company.

2.5 Board representation

Under the Shareholders Agreement the Board of BHL shall comprise of nominees of BAL and TCIL in the following ratio:

Shareholder	Ratio
TCIL	1
BAL	2

Source: TCIL

Any increase or decrease in the number of directors shall be in proportion to the shareholding of BAL/TCIL.

A nominee of BAL shall preside as Chairman of meetings of the Board of Directors and general meetings of the Shareholders.

2.6 Business activities

The Company commenced commercial operations in Rajasthan in June 1997 under the brand “Oasis Cellular”. The Company launched the “Airtel” brand in the year 2004-05, which has high visibility in the cellular market in India. Today, BHL is a leading wireless services provider in the telecom circles of Rajasthan and the North East.

Rajasthan Circle

BHL had a wireless subscriber base of 9.61 million customers at the end of December 2009, making it the market leader in the Rajasthan Circle with a 31.3% share of wireless market. In addition, BHL also provided teledia services to about 35,000 subscribers in the circle of Rajasthan at that time.

At the end of September 2009, the overall teledensity in the Rajasthan circle was 44.26 with a high urban teledensity of 106.79. However, the rural teledensity is still low at 24.70, which provides a growth opportunity.

Wireless players in the Rajasthan circle:

Telecom Group	Subscribers (end Dec'09)
BHL	9,608,004
Vodafone Essar	6,978,674
Reliance	4,328,992
BSNL	3,763,229
Tata Teleservices	2,711,489
Idea	2,141,326
Sistema Shyam	1,160,142

Source: Telecom Regulatory Authority of India

In addition, the following companies have also been granted license to operate in the telecom circle of Rajasthan:

- Aircel Limited
- Loop Telecom Private Limited
- Datacom Solutions Private Limited
- Unitech Wireless Group (Unitech Telenor)
- Etisalat DB Telecom Private Limited

North-East Circle

North-East Circle comprises the states of Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland and Tripura.

BHL had a wireless subscriber base of 1.31 million customers at the end of December 2009, making it the second largest wireless services provider in the North-East Circle with a 28.3% share of wireless market.

At the end of September 2009, the overall teledensity in the North-East circle was lower than the national average at 34.62. The urban teledensity was at 81.94 and the rural teledensity was a low 19.85. Both the urban and rural areas of the circle provide good growth opportunities.

Wireless players in the North-East circle:

Telecom Group	Subscribers (end Dec'09)
Aircel	1,423,543
BHL	1,306,508
BSNL	946,773
Reliance	492,639
Vodafone Essar	388,120
Tata Teleservices	55,297
Idea	3,144

Source: Telecom Regulatory Authority of India

In addition, the following companies have also been granted license to operate in the telecom circle of North-East:

- Sistema Shyam Teleservices Limited
- Loop Telecom Private Limited
- Datacom Solutions Private Limited
- Unitech Wireless Group (Unitech Telenor)
- S-Tel Private Limited

BHL is one of the very few operators in the country who have achieved significant growth in turnover and net profit over the years. In the last four (4) years ending 2008-09, the revenues of the Company have increased over 10-fold with profits increasing over 12-fold at a compounded annual growth rate of over 80%.

The Company has been expanding its operations, particularly in rural areas, and is also strengthening its existing network to capitalize on the continuing growth potential in the two circles.

2.7 Financial performance

An abstract of the audited financial statements of BHL for the past three (3) years is presented below:

Balance Sheet

Particulars	As at March 31, 2009 (Rs. '000)	As at March 31, 2008 (Rs. '000)	As at March 31, 2007 (Rs. '000)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2,500,000	2,417,000	2,417,000
Reserves and Surplus	12,635,684	6,765,603	3,458,875
Loan Funds			
Unsecured Loans	1,722,565	1,876,023	863,140
Deferred Tax Liability (Net)	302,295	313,392	157,549
Total sources of Funds	17,160,544	11,372,018	6,896,564
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	26,101,614	18,878,343	11,729,202
Less:			
Depreciation/Amortization	6,285,616	4,347,161	2,806,378
Net Block	19,815,998	14,531,182	8,922,824
Capital Work in Progress	873,727	1,424,318	996,566
	20,689,725	15,955,500	9,919,390
Current Assets, Loans and Advances			
Inventories	51,377	36,369	30,906
Sundry Debtors	1,252,746	700,822	497,773
Cash and Bank Balances	225,490	251,916	502,966
Other Current Assets, Loans and Advances	2,531,154	1,685,960	931,860
	4,060,767	2,675,067	1,963,505
Less: Current Liabilities and Provisions			
Current Liabilities	7,269,106	6,893,363	4,751,100
Provisions	320,842	365,186	235,231
	7,589,948	7,258,549	4,986,331
Net Current Assets / (Liabilities)	(3,529,181)	(4,583,482)	(3,022,826)
Total application of Funds	17,160,544	11,372,018	6,896,564

Profit & Loss Statement

Particulars	For the year ended March 31, 2009 (Rs. '000)	For the year ended March 31, 2008 (Rs. '000)	For the year ended March 31, 2007 (Rs. '000)
INCOME			
Service revenue	22,875,651	13,297,585	6,983,452
Sale of Goods	-	2,797	45,156
Income	22,875,651	13,300,382	7,028,608
EXPENDITURE			
Access Charges	5,156,029	2,388,047	1,359,529
Network Operating	3,850,661	1,852,256	914,726
Cost of Sales of Goods	-	18,281	59,154
Personnel	568,409	459,626	408,434
Sales and Marketing	1,781,678	1,099,378	633,937
Administrative and Others	1,418,860	972,907	685,763
	12,775,637	6,790,495	4,061,543
Profit before License Fee, Other Income, Finance Expenses / (Income) (Net), Depreciation, Amortisation and Taxation	10,100,014	6,509,887	2,967,065
License Fee and Spectrum charges (revenue share)	2,142,397	1,058,679	549,346
Profit before Other Income, Finance Expenses / (Income) (Net), Depreciation, Amortisation and Taxation	7,957,617	5,451,208	2,417,719
Other Income	371,448	133,870	84,757
Finance Expenses (Net)	703,435	138,837	(45,226)
Depreciation	1,778,487	1,409,330	874,875
Amortization	231,415	219,015	57,356
Preoperative Expenditure written off	-	-	8,565
Profit before Tax	5,615,728	3,817,896	1,606,906
MAT Credit	(470,783)	(84,856)	(179,464)
Tax Expense			
-Current Tax	635,462	431,595	179,464
-Deferred tax	(11,097)	155,843	68,517
- Fringe Benefit Tax	7,065	8,586	7,414
Profit after Tax	5,455,081	3,306,728	1,530,975

3. Terms and conditions for Bidders

1. Seller	TCIL, which holds 30.00% equity in BHL
2. Company	BHL
3. Stake	TCIL shall sell its entire stake in BHL to Potential Investor
4. Bidding Entity	<p>Apart from acquiring TCIL's 30.00% equity share capital directly as a sole bidder, bidder(s) may in the alternative, hold the equity sold by TCIL through:</p> <ul style="list-style-type: none"> • a new company specially incorporated for this purpose (Special Purpose Vehicle), or • a consortium, with an identified lead bidder.
5. Financial Benchmark	Interested parties (Company(ies) / Joint Venture(s) / Consortium (s) incorporated or to be incorporated / Asset Management Companies as trustees for Trusts) with a tangible networth of at least Rs. 5 billion (Rs. 500 crore) or more according to the Audited Annual Accounts for the financial year 2008-09 or assets under management of the same value, as the case may be
6. Terms of payment	To be specified in the RFP
7. Cost of bid	<p>The bidder shall bear all costs associated with the preparation and submission of the bid. GoI/ TCIL/ DTTIPL/ BHL, in no case, shall be responsible or liable for any such costs.</p> <p>In case a bidder is declared as the Selected Bidder* and BAL exercises its Right of First Refusal, then TCIL proposes to reimburse the Selected Bidder its actual costs incurred towards preparation and submission of the bid for the Transaction, subject to a limit not exceeding the lower of a) 0.1% of the Reserve Price and b) Rs. 1 crore.</p>
8. Others	The successful offer received from Selected Bidder* would be subject to 'Right of First Refusal' of BAL in relation to purchase of TCIL stake in BHL, as specified in the PIM and in the CIM.

**Selected Bidder is the bidder whose financial bid is highest among all the financial bids received for TCIL's Stake, subject to its quote being higher than the Reserve Price (to be determined by TCIL).*

Interested parties should submit, in duplicate, the EoI accompanied by Statement of Legal Capacity, RFQ, Declaration and Confidentiality Undertaking (CU), duly signed by the interested party(ies)/designated lead bidder of the consortium. The Statement of Legal Capacity, RFQ, Declaration and CU will have to be submitted by each member of the consortium duly signed by an authorised official of the member.

The RFQ as given in Annexure 3 is to be duly filled in and accompanied with the following details:

- **In case of a sole bidder** (as indicated in the definition under the Primary Eligibility Criteria specified in the section 4 titled "Information for Bidders").
 - The Audited Balance Sheet and Profit & Loss Account of the sole bidder (Indian company/Foreign company) for the last three (3) financial years
 - Write-up on:
 - Background of the sole bidder including details of its shareholders and shareholding pattern.
 - Any other information considered material.

- **In case of a consortium bid** (as indicated in the definition under the Primary Eligibility Criteria specified in the section 4 titled “Information for Bidders”)
 - The audited Balance Sheet and the Profit & Loss Account for the last 3 financial years of the lead bidder and other member companies associated with the bid.
 - Write-up on:
 - **Lead bidder**
 - ⇒ Background of the lead bidder including details of its shareholders and shareholding pattern.
 - ⇒ Any other information considered material by the lead bidder.
 - **Other member companies**
 - ⇒ Background of member companies in the consortium including details of the shareholders and shareholding pattern of each member.
 - ⇒ Any other information considered material.

Each of the EoI, Statement of Legal Capacity, RFQ, Declaration and CU must be in English and should be submitted in duplicate and each copy shall be bound in a separate volume. Submission of the aforesaid documents by electronic means and/or facsimile will not be accepted. The EoI, Statement of Legal Capacity, RFQ, Declaration and CU duly completed along with the details should be submitted not later than **1700 hours** (Indian Standard Time) on **25 March, 2010** in a sealed envelope super scribed “**Private and Confidential- Expression of Interest for BHL**” at the following address:

Kalpna Jain
Senior Director
Deloitte Touche Tohmatsu India Private Limited
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II
Gurgaon 122 002, India

Any change by way of withdrawal/substitution of any member of the consortium or any change affecting the composition of the consortium or formation of consortium by a sole bidder may be permitted upto the stage of submission of financial bid. TCIL/ DTTIPL have the sole discretion to determine the impact of the change in membership on the quality of the consortium and reject a proposal for such reason.

The EoI submitted by interested parties shall be evaluated on the basis of the criteria specified in Section 4 titled “Information for Bidders” in this document. If at any time during the evaluation process, TCIL/ DTTIPL require any clarification, it reserves the right to request such information from any or all of the companies/consortium and the companies/consortium will be obliged to provide the same within reasonable time frame.

TCIL reserves the right to accept or reject any EoI without assigning any reasons thereof.

4. Information for Bidders

4.1 General restrictions

- The bidder should not be an existing telecommunication operator in Rajasthan or North-East circle.
- The bidder should not hold license to provide telecommunication services in Rajasthan or North-East circle.
- The bidder (any person or entity) should not have been subjected to punishment for any criminal act.
- The bidder shall not be an existing shareholder in any licensee providing the same services as BHL in Rajasthan or North-East circle with an equity of 10% or more as per the following DOT guideline:

“No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one LICENSEE Company in the same service area for the Access Services namely; Basic, Cellular and Unified Access Service. ‘Substantial equity’ herein will mean ‘an equity of 10% or more’. A promoter company/ Legal person cannot have stakes in more than one LICENSEE Company for the same service area.”

4.2 Primary eligibility criteria

EoI may be submitted by domestic/international companies / firms (whether currently existing or to be formed specifically to participate in the joint venture formation process) or Asset Management Companies as trustees for Trusts, either individually or as a consortium, for buying TCIL’s 30.00% equity shareholding in BHL, subject to terms and conditions stated in the PIM and any subsequent additions and modifications.

4.3 Financial benchmarks

The interested parties must satisfy the following eligibility criterion to be eligible as Bidder(s) for the proposed sale process:

Sole Bid*	Net worth of Rs. 5 billion (Rs. 500 crore) or more for the financial year 2008-09
Consortium Bid*	Net worth of Rs. 5 billion (Rs. 500 crore) or more for the consortium as a whole for the financial year 2008-09 and the net worth of the lead bidder must be at least Rs. 2.5 billion (Rs. 250 crore).

**In case, the sole bidder or a member of consortium is an Asset Management Company, then its Assets under Management (AUM) would be considered for calculation of Net Worth.*

Definitions

Net Worth = Equity Share Capital + free Reserves & Surplus (excluding Revaluation Reserve)

Asset under Management = Lower of Book Value or Mark to Market value of investments made + cash amount available and yet to be invested + commitments received from partners but cash equivalent amounts yet to be called

Where the financial statement is expressed in currency other than Indian Rupees, the eligible amount as described above shall be computed by taking the equivalent amount at the exchange rates prevailing on the date(s) of such financial statement. In the event that the date(s) are not co terminus, the latest available audited statements or the closest exchange rates shall be reckoned for the purpose.

In case of a consortium bid, there will be a Lead Bidder, who will be singly required:

- In the case of direct shareholding of BHL shares by the consortium members – the lead bidder shall in no event hold less than one-third of the 30% equity shareholding offered by TCIL in BHL; or
- In the case of company promoted / to be promoted by the consortium members for acquiring TCIL's 30% equity shareholding in BHL – the lead bidder shall be the single largest shareholder of such company and shall in no event hold less than one-third of the equity share capital of such company

4.4 Disqualification

Without prejudice, a company/consortium may be disqualified and its EoI dropped from further consideration for any (but not limited to) of the reasons listed below:

- (i) Such bidder / member of the consortium have a proven criminal record;
- (ii) Such bidder being an existing telecom operator or telecom license holder in Rajasthan or North-East;
- (iii) Such bidder being an existing shareholder in any licensee providing the same services as BHL in Rajasthan or North-East circle with an equity of 10% or more;
- (iv) Such bidder / member of consortium has been charge-sheeted by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party;
- (v) Material misrepresentation by such company/member of consortium in the EoI and/or RFQ;
- (vi) Failure by such company/consortium to provide the information required to be provided in the EoI and RFQ and / or Statement of Legal Capacity;
- (vii) Submission of EoI and RFQ in respect of any party, where such party had already submitted an EoI or is a member of a consortium that has already submitted an EoI;
- (viii) The EoI and the accompanying documents submitted by any party, not being substantially responsive to the requirements of this PIM;
- (ix) Failure to provide satisfactory declaration as per Annexure 4.

The sole bidder / consortium not satisfying the eligibility and requisite qualification criteria specified in the above sections are not eligible. In case of a consortium bid, TCIL may disqualify the entire consortium for any of the reasons (but not limited to) specified above, even if it applied to only one member of the consortium. It must be noted that the sole bidder, lead bidder, member of a consortium and the consortium as a whole must be eligible, as per criteria mentioned above, on the date of submission of the EoI and shall continue to be eligible throughout the Transaction.

4.5 Governing Law / Jurisdiction

The entire sale process shall be governed by Indian Law. All disputes arising out of the sale process shall be subject to courts in Delhi, India only.

Expression of Interest

(To be forwarded on the letterhead of the interested party/ lead bidder/ member(s) of the consortium submitting the EOI)

Reference number _____

Date _____

The Senior Director
Deloitte Touche Tohmatsu India Private Limited
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II
Gurgaon 122 002, India

INVITATION OF EXPRESSIONS OF INTEREST FOR ACQUIRING TELECOMMUNICATION CONSULTANTS INDIA LIMITED'S 30% EQUITY SHAREHOLDING IN BHARTI HEXACOM LIMITED

Madam,

This is with reference to the advertisement dated _____, inviting Expression of Interest for acquiring Telecommunication Consultants India Limited's ("TCIL") 30% equity shareholding in Bharti Hexacom Limited ("BHL").

As specified in the advertisement, we have read and understood the contents of the Preliminary Information Memorandum ("PIM") and are desirous of participating in the above sale process, and for this purpose:

- We propose to submit our Eol in individual capacity as _____(insert name of party) *

OR

- We have formed/propose to form a consortium comprising of _____ members as follows: *
 1. _____
 2. _____
 3. _____

We understand that 30% equity shareholding of TCIL in BHL is proposed to be sold by TCIL and we are interested in bidding to acquire the same.

We confirm that we/our consortium/proposed consortium satisfies the eligibility criteria set out in relevant sections of the PIM.

We certify that in regard to matters other than security and integrity of India, we have not been convicted by a Court of law or indicted or adverse orders passed by a regulatory authority which would cast a doubt on our ability to be a shareholder of BHL when we become the shareholders of BHL or which relates to a grave offence that outrages the moral sense of the community.

We further certify that in regard to matters relating to security and integrity of India, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our sister concerns.

We further certify that no investigation by a regulatory authority is pending either against us or against our sister concerns or against our CEO or any of our Directors/ Managers/ employees.

We undertake that in case due to any change in facts or circumstances during the pendency of the sale process, we are attracted by the provisions of disqualification in terms of the PIM and the subject guidelines and/or such other communication as may be addressed to us by TCIL/ Deloitte Touche Tohmatsu India Private Limited, we would intimate TCIL of the same immediately.

The Statement of Legal Capacity, Request for Qualification, Declaration and Confidentiality Undertaking as per formats indicated hereinafter, duly signed by us/respective members, who jointly satisfy the eligibility criteria, are enclosed.

We shall be glad to receive further communication on the subject.

Yours faithfully,

Authorised Signatory
For and on behalf of the party/consortium

Enclosure:

1. Statement of Legal Capacity
2. Request for Qualification
3. Declaration
4. Confidentiality Undertaking

**Strike off whichever clause is not applicable*

Statement of Legal Capacity

(To be forwarded on the letterhead of the interested party / each member of the consortium submitting the EOI)

Reference number _____

Date _____

The Senior Director
Deloitte Touche Tohmatsu India Private Limited
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II
Gurgaon 122 002, India

**INVITATION OF EXPRESSIONS OF INTEREST
FOR ACQUIRING TELECOMMUNICATION CONSULTANTS INDIA LIMITED'S 30% EQUITY
SHAREHOLDING IN BHARTI HEXACOM LIMITED**

Madam,

This is with reference to the advertisement dated _____ inviting Expression of Interest for acquiring Telecommunication Consultants India Limited's 30% equity shareholding in Bharti Hexacom Limited.

We have read and understood the contents of the PIM and the advertisement and pursuant to this hereby confirm that:

We satisfy the eligibility criteria laid out in the Preliminary Information Memorandum/ the advertisement.

We are a member of the consortium (constitution of which has been described in the Expression of Interest) which collectively satisfies the eligibility criteria as detailed in the PIM and the advertisement.*

We have agreed that _____(insert member's name) will act as the lead member of our consortium.*

We have agreed that _____(insert individual's name) will act as our representative on our behalf and has been duly authorized to submit the Expression of Interest. Further, the authorized signatory is vested with requisite powers to furnish such letter and Request for Qualification, Financial Bid and authenticate the same.*

Yours faithfully,

Authorised Signatory
For and on behalf of (party/member)

**Strike off whichever clause is not applicable*

Request for Qualification

(To be submitted in respect of interested party/each member of the consortium)

Name of the interested Party(ies) / Member(s) _____

1. Constitution (Tick, wherever applicable)

- i. Public Limited Company
- ii. Private Limited Company
- iii. Others, if any (Please Specify)

If the interested party is a foreign company/ OCB, specify list of statutory approvals from Government of India/ Reserve Bank of India/ Foreign Investment Promotion Board applied for/ obtained/ awaiting:

2. Sector (Tick, where applicable)

- i. Public Sector
- ii. Joint Sector
- iii. Others, if any (Please Specify)

3. Details of Shareholding :

4. Role / Interest of each Member in the Consortium (if applicable) :

5. Nature of business/products dealt with :

6. Date & Place of incorporation :

7. Date of commencement of business :

8. Full address including phone No./fax No. :

i. Registered office :

ii. Head office :

9. Address for correspondence :

10. Salient features of financial performance for the last three years :

11. Basis of eligibility for participation in the process (Please mention details of your eligibility) as under:

Please attach most recent Audited Statement of Accounts/Annual Report. Additionally, please provide a chartered accountant/ statutory auditor certificate certifying the Net Worth or Assets under Management as defined in the eligibility criteria (Financial benchmarks) of the Preliminary Information Memorandum.

12. Please provide details of all contingent liabilities that, if materialized, that have or would reasonably be expected to have a material adverse affect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the Company, or other similar business combination or transaction.

13. Contact Person(s):

- i. Name:
- ii. Designation:
- iii. Phone No.:
- iv. Mobile No.:
- v. Fax No.:
- vi. Email:

Yours faithfully,

Authorised Signatory
For and on behalf of the (party/member)

Authorised Signatory
For and on behalf of the consortium

Place:

Date:

Note: Please follow the order adopted in the Format provided. If the interested party is unable to respond to a particular question/ request, the relevant number must be nonetheless be set out with the words **“No response given”** against it.

Declaration

(To be submitted in respect of interested party/each member of the consortium)

- 1) We solemnly declare that we or our Director(s), CEO or other employee(s) are not convicted by any court of law or are indicted or have received any adverse order from any regulatory authority relating to a grave offense with regard to matters other than the security and integrity of the country.

Grave offense for this purpose shall include:

- a) What constitutes 'Fraud' under The Securities and Exchange Board of India Act, 1992, and regulations made there under;
 - b) Securities and Exchange Board of India ("**SEBI**") orders on the bidder casting doubt on the ability of the bidder to hold the stake in Bharti Hexacom Limited;
 - c) Any conviction by a Court of Law in India or abroad; and
 - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by Court of Law in India.
- 2) We further declare that we or our sister companies have not been issued a charge sheet by any agency of the Government or convicted by a Court of Law in India or abroad for any offense with regard to matters relating to the security and integrity of the country.
 - 3) We further declare that we, our Director(s), CEO, Manager(s) / Employee(s) are not under investigation pending before any regulatory authority or other authority.
 - 4) We declare that complete information as required is provided in the Expression of Interest and Request for Qualification and /or Statement of Legal Capacity.

Bidder Name

Bidder Address

In case any bidder is unable to give the above declaration in view of any conviction, indictment, order or investigation as above, full details of the same shall be provided including names of persons involved, designation, charge/offense, ordering/investigating agency, status/outcome and with supporting/relevant documents. Any entity, which is disqualified from participating in the sale process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

Copy of Advertisement



Telecommunications Consultants India Ltd
A Government of India Enterprise

IS/ISO 9001 2000



**Invitation for “Expression of Interest” towards
Sale of TCIL’s entire equity shareholding in
Bharti Hexacom Limited**

This announcement is neither a prospectus nor an offer or invitation for sale to public of securities

Telecommunications Consultants India Limited (TCIL), a Government of India undertaking intends to disinvest its equity represented by 75,000,000 equity shares of nominal value of Rs. 10 each aggregating 30% of the total paid up equity share capital in Bharti Hexacom Limited (“BHL” or “Company”), to an Investor.

Deloitte Touche Tohmatsu India Private Limited (DTTIPL) has been appointed as financial advisors (“Advisors”) to TCIL for the proposed sale process.

BHL, formerly known as Hexacom India Limited, was incorporated in 1995 under the Companies Act, 1956 and has Unified Access Service license in the circle of Rajasthan and Cellular Mobile Telephone Service license in North-East circle. BHL provides cellular telephony services in these circles under the brand “Airtel”. In Rajasthan circle, BHL is currently the market leader in wireless services with 9.61 million subscribers and also provided telemedia services to about 35,000 subscribers at the end of December 2009. It is one of the leading wireless players in North-East circle with 1.31 million subscribers at the end of December 2009. During the year 2008-09, BHL achieved gross revenue of Rs. 23.25 billion (Rs. 2,324.70 crore) with a profit after tax of Rs. 5.45 billion (Rs. 545.50 crore).

The Preliminary Information Memorandum (“PIM”) can be obtained from the Advisors at the address mentioned below or accessed at the website www.tcil-india.com and / or www.deloitte.com/in/TCIL_PIM. Interested parties (Company(ies) / Joint Venture(s) / Consortium(s) incorporated or to be incorporated/ Asset Management Companies as trustees for Trusts) with a tangible networth of at least Rs. 5 billion (Rs. 500 crore) or more according to the financial year 2008-09 / Calendar year 2009 or assets under management of the same value, as the case may be, may submit their Expression of Interest (Eoi) along with a Request for Qualification (RFQ), a Statement of Legal Capacity, Declaration and Confidentiality Undertaking in the format and process specified in the PIM in a sealed envelope super scribed “**Private and Confidential- Expression of Interest for BHL**” at the under mentioned address not later than 1700 hours (Indian Standard Time) on **25 March 2010**.

Kalpna Jain, Senior Director, Deloitte Touche Tohmatsu India Private Limited, 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurgaon 122 002, India, Email: tcil@deloitte.com

Further clarifications, if any, may be sought from the Advisors.

In case of any corrigendum/ further amendments in this regard, the same may be accessed at the website www.tcil-india.com and / or www.deloitte.com/in/TCIL_PIM.

Only the parties that are found eligible, at the sole discretion of TCIL will be informed of the same, and provided further information.

This advertisement does not constitute, and will not be deemed to constitute, any commitment on the part of TCIL, Bharti Hexacom Limited or DTTIPL. Furthermore, this advertisement confers neither any right nor expectation on any party to participate in the sale process.

TCIL reserves the right to withdraw from the process or any part thereof, to accept or reject any or all offers at any stage of the process and/or modify the process or any part thereof or to vary any terms at any time without giving reasons. No financial obligation will accrue to TCIL, Bharti Hexacom Limited or the Advisors in such an event. Neither TCIL nor the Advisors shall be responsible for non-receipt of correspondences sent by post/email/fax/courier.

[NOTE: In Delhi, the Confidentiality Undertaking ('CU') is to be executed on a non judicial stamp paper of Rs. 200 by the bidder / in case of consortium, the CU is to be executed by the lead party and each member of the consortium]

DEED OF CONFIDENTIALITY UNDERTAKING

This **DEED OF CONFIDENTIALITY UNDERTAKING** ("**Undertaking**") is made on this _____ day of _____, 2010

BY:

_____, a company incorporated under the laws of _____, with its registered office at _____ (hereinafter referred to as the "**Bidder**")

*(In case of a consortium, the term "**Bidder**" means collectively the lead consortium member of the consortium and the consortium members unless the context otherwise requires reference to only the lead consortium member or the consortium member(s))*

IN FAVOUR OF:

TELECOMMUNICATIONS CONSULTANTS INDIA LIMITED, a company existing under the provisions of the (Indian) Companies Act, 1956 with its registered office at TCIL Bhawan, Greater Kailash -1, New Delhi – 110 048 (hereinafter referred to as "**TCIL**" which expression shall include its successors and permitted assigns);

And

DELOITTE TOUCHE TOHMATSU INDIA PRIVATE LIMITED, a company existing under the provisions of the (Indian) Companies Act, 1956, with its registered office at 12, Dr. Annie Besant Road, Opposite Shiv Sagar Estate, Worli, Mumbai – 400 018, India and its office at 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurgaon 122 002 (hereinafter referred to as "**DTTIPL**" which expression shall include its successors and permitted assigns).

WHEREAS

- A. The Bidder has submitted an expression of interest for participation in the proposed sale by TCIL of its 30.00% equity shareholding in Bharti Hexacom Limited ("**BHL**") (such proposed transaction hereinafter referred to as the "**Transaction**"); and
- B. In the context of the Bidder's interest in the Transaction, the Disclosing Party (*as defined herein below*) may disclose Confidential Information, which TCIL has received from BHL. (*as defined herein below*) to the Receiving Party (*as defined herein below*) to enable the Bidder to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the Bidder hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein.

- 1. In this Undertaking (including the recitals) the following words shall have the respective meaning given to them below:

“Confidential Information” means and includes any and all information, whether written, oral or otherwise, concerning the business, operations, prospects, finances, or other affairs of BHL, its affiliates, associates or subsidiaries and TCIL (which includes, without limitation, documents delivered or shown to the Receiving Party, in connection with the due diligence investigation, product specifications, data, know-how, compositions, designs, sketches, photographs, graphs, drawings, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials), and any confidential information memorandum, bid document, draft of share purchase agreement or other documents and materials and/or information relating to BHL and TCIL, (however such information is documented) that has been or may hereafter be provided or shown to the Receiving Party (*as defined herein below*) by the Disclosing Party (*as defined herein below*) or is otherwise obtained for review from the Disclosing Party’s documents or property or discussions with the Disclosing Party, by the Receiving Party irrespective of the form of communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute “Confidential Information” for purposes of this Undertaking:

- (a) Information which the Receiving Party can prove was already in its possession and was available with the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving Party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of TCIL on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, and binding.

“Disclosing Party” means the TCIL, DTTIPL and / or their respective Representatives.

“Governmental Authority” means any governmental or regulatory authority, government department in India or other rule or regulation-making entity having jurisdiction on behalf of the Republic of India or any political subdivision thereof.

“Person” shall mean any individual, company, firm, association, trust, or any other organisation or entity, including any governmental or political subdivision, ministry, department, or agency thereof.

“Receiving Party” means the Bidder and/or its respective Representatives whether jointly or severally.

“Representative(s)” of any Person includes the directors, officers, employees, agents, consultants, advisors, or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

“**Transaction**” shall have the meaning ascribed to such term in Recital A hereof.

2. The Confidential Information divulged by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential and the Receiving Party shall not, without TCIL’s prior written consent or as expressly permitted herein, disclose in any manner whatsoever, in whole or in part, to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the Bidder wishes to proceed with the Transaction and the Receiving Party will not use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party.
4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, the Bidder by execution of this Undertaking agrees on behalf of the Receiving Party, that all of the Confidential Information shall be held and treated by the Receiving Party in confidence. The Bidder agrees **(A)** to disclose Confidential Information only to those of its Representatives who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Representative of the Bidder will be informed and advised by the Bidder of the confidential nature of such information and the obligations of this Undertaking and **(B)** the Bidder shall satisfy itself that each such Representatives of the Bidder will hold and treat the Confidential Information in confidence and act in accordance therewith.

At TCIL’s, or DTTIPL’s request, the Bidder shall procure from its Representatives a written confidentiality agreement or undertaking in the form annexed to this Undertaking with confidentiality and other obligations no less restrictive than those contained herein, and the Representative of the Bidder shall undertake to treat the Confidential Information in accordance with the terms of this Undertaking. Notwithstanding any such agreement or undertaking, the Bidder agrees that it shall continue to be responsible and liable for any breach of this Undertaking by it or any of its Representatives and shall indemnify and hold TCIL, BHL and DTTIPL harmless (including in accordance with Clause 14 set forth below) from any breach of this Undertaking.

The Bidder recognizes and acknowledges the competitive value and confidential nature of the Confidential Information and the resultant damage to BHL and TCIL if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The Bidder acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

Notwithstanding any agreement or undertaking to the contrary, the Bidder agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Representative of the Bidder and shall indemnify and hold DTTIPL, TCIL and BHL harmless from any breach of this Undertaking or consequences and claims arising therefrom. In case of a consortium, it is agreed that for the purpose of this Undertaking, the liability of each member of the consortium, shall be joint and several.

5. In the event that a consortium member, is required to be changed, the Bidder shall take prior permission of TCIL and upon receipt of such confirmation from TCIL, the Bidder agrees that it shall ensure that within seven (7) days it will take a written undertaking identical in form and content as this Undertaking from the new consortium member in favour of TCIL and DTTIPL and furnished the same to TCIL and a copy to DTTIPL.
6. Except as otherwise provided in this Undertaking, in the event of change of a Bidder (in case of consortium), the Bidder who is removed from the consortium hereby agrees to be bound by the terms of this Undertaking for a period of five (5) years from the date it is removed from the consortium of Bidder.

7. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable laws, and the Bidder shall indemnify and hold TCIL, BHL and DTTIPL harmless (including in accordance with Clause 14 set forth below) against any consequences arising from any violation by the Receiving Party of such applicable laws.
8. If the Receiving Party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a regulatory body to make any disclosure that is prohibited or otherwise constrained by this Undertaking, the Receiving Party will provide DTTIPL and TCIL with prompt written notice of such request so that DTTIPL and/or TCIL may seek an appropriate protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the Bidder's counsel reasonably acceptable to DTTIPL and TCIL, the Bidder is legally compelled or is otherwise required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
9. The confidentiality obligations contained in this Undertaking may be amended, modified or superceded upon the Bidder, being selected by TCIL in consultation with DTTIPL as the selected bidder for the purposes of acquiring 30% equity shareholding of TCIL in BHL, by executing a definitive share purchase agreement for the acquisition of 30% equity shareholding of TCIL in BHL, but shall be without prejudice to any of DTTIPL's and/or TCIL's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession. However, in any other case, the confidentiality obligations herein shall remain in force for a period of five (5) years from the date hereof.

In case the Bidder decides (for any reason whatsoever) not to proceed with the Transaction or if DTTIPL, or TCIL disqualify the Bidder from further participation in the Transaction or upon not emerging as the successful bidder and consequently not being selected as the purchaser or otherwise not executing the definitive share purchase agreement, the provisions of this Undertaking shall still survive for a period of five (5) years from the date of execution of this Undertaking.

Furthermore, where the Bidder/ Receiving Party is or will be engaged in a business similar to or competing with that of BHL, the Bidder / Receiving Party hereby undertakes to act in good faith and not take undue advantage of the commercial benefits derived from such Confidential Information.

10. The Bidder agrees and acknowledges that TCIL reserves the right, in its sole discretion not to proceed with the Transaction, modify the process of the Transaction in any part, vary any terms of the Transaction at any time without prior notice to the Bidder and/or to reject any or all proposals made by the Bidder with regard to the Transaction. Further, TCIL may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the Bidder in connection with its evaluation of the Transaction. The Bidder agrees that after any such termination by TCIL or after the decision to not proceed with the Transaction, (i) the Bidder will **(a)** promptly deliver to the concerned Disclosing Party, all documents or other materials in any form, furnished by such Disclosing Party to the Receiving Party constituting Confidential Information, together with all copies, extracts and summaries thereof in the possession or under the control of the Receiving Party, **(b)** will delete from the Receiving Party's computer systems all files, data or programmes constituting Confidential Information and **(c)** will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material; or (ii) alternatively, if DTTIPL or TCIL request or give prior written consent to the Bidder's request, the Bidder will destroy all documents or other matters (including deleting files, data or programmes from the

- computer systems) constituting Confidential Information in the possession or under the control of the Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by the Bidder in writing to DTTIPL and TCIL (such confirmation must include a list of the destroyed and deleted materials). The Bidder acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information shall not release the Receiving Party from its obligations under this Undertaking.
11. The Receiving Party shall not deal (except in the ordinary course of the business) with any officer, director or employee of TCIL and BHL regarding the business, operations, prospects or finances of BHL, without DTTIPL's and/or TCIL's express written consent, unless otherwise agreed to in an executed share purchase entered into in connection with the Bidder's purchase of TCIL's equity shares in BHL. It is understood that DTTIPL will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by DTTIPL in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to DTTIPL. However, if the Receiving Party is called upon by TCIL for some discussion, the Receiving Party will inform DTTIPL with respect to such meetings.
 12. TCIL reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party, at any time. Without limiting the scope of the preceding sentence, nothing in this Undertaking (i) requires either the Bidder or TCIL to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires DTTIPL and/or TCIL to enter into an agreement or an understanding, or prohibits DTTIPL and/or TCIL from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
 13. The Bidder understands, acknowledges and agrees that TCIL retain the right to determine, in its sole discretion, the information, properties and personnel of BHL, that they wish to make available to the Receiving Party and the Disclosing Party does not make any representations or warranties, express or implied, as to the accuracy or completeness of the Confidential Information and shall have no liability to the Receiving Party resulting from their use of the Confidential Information. The Bidder also agrees that if it determines to proceed with the Transaction, its determination will be based solely on the terms of a definitive share purchase agreement and on its own investigation, analysis, and assessment of its investment and the Transaction. Moreover, unless and until such a definitive written share purchase agreement is entered into, neither TCIL nor the Bidder is under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed agreement.
 14. The Bidder agrees to indemnify and hold DTTIPL, TCIL and BHL harmless from any damages (other than indirect and consequential damages), loss, cost or liability (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by the Receiving Party of the Confidential Information or other violation of this Undertaking. In addition, because an award of money, damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the Bidder also agrees that, in the event of any breach or threatened breach of this Undertaking, DTTIPL and/or TCIL will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to DTTIPL and/or TCIL.
 15. The Bidder agrees that no failure or delay by TCIL and/or DTTIPL in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial

- exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
16. The Bidder understands, acknowledges and agrees that DTTIPL and TCIL are beneficiaries under this Undertaking. The Bidder further agrees that DTTIPL and TCIL will be entitled to enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
 17. The terms of this Undertaking may be varied only with TCIL's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
 18. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
 19. The Parties shall make good faith efforts to resolve any disputes arising in connection with the confidentiality obligations contained herein through negotiation. In case no settlement can be reached within thirty (30) days of one of the party's receipt of a written notice of dispute from the other party, such disputes shall be finally settled in accordance with the Arbitration and Conciliation Act, 1996 or any modification or re-enactment thereof which may be in force in India. The venue of arbitration shall be New Delhi and the Arbitration shall be conducted in English language only.
 20. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by, postage prepaid, registered mail or courier under certificate of posting or facsimile as follows :

If notice is to TCIL:

Attn: The Company Secretary
TCIL Bhawan,
Greater Kailash -1,
New Delhi – 110 048
(Fax: +91 – 11 - 2624 2323)

If notice is to DTTIPL:

Attn: Kalpana Jain
Senior Director
Deloitte Touche Tohmatsu India Private Limited
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II
Gurgaon 122 002
(Fax: +91 - 124 – 679 2012)

If the notice is to the Bidder:

Attn:
(Name and Address)
(Fax: _____)

Any of the parties to this Undertaking, i.e. Bidder or TCIL or DTTIPL may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by postage prepaid, registered mail or courier under certificate of posting or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorised representative of the Bidder on the date and year first hereinabove written.

(Name of Sole Bidder)

By: _____

Name: _____

Designation: _____

Witnessed by:

Name: _____

Address: _____

(Name of Lead Consortium Member)

By: _____

Name: _____

Designation: _____

Witnessed by:

Name: _____

Address: _____

(Name of Consortium Member)

By: _____

Name: _____

Designation: _____

Witnessed by:

Name: _____

Address: _____

[On the letterhead of the advisors to the Bidder]

Confidentiality Undertaking by advisors to the Bidders

To,

Dated:

The Company Secretary
Telecommunication Consultants India Limited
TCIL Bhawan,
Greater Kailash -1,
New Delhi – 110 048

The Senior Director
Deloitte Touche Tohmatsu India Private Limited
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II
Gurgaon 122 002

Dear Sirs,

Re: Proposed sale by Telecommunication Consultants India Limited (“TCIL”) of its 30.0% shareholding in Bharti Hexacom Limited (“Company”)

M/s. _____, a Qualified Interested Party (‘QIP’) has by way of its letter number _____ dated _____ appointed our company/firm to act as advisors and representatives in connection with the proposed sale by TCIL of 30.00% shareholding in **Bharti Hexacom Limited (“Transaction”)** such that we may assist the QIP to evaluate the Transaction.

The QIP has submitted an Expression of Interest for participation in the Transaction and in light of the foregoing prior to any information being disclosed to the QIP, a Deed of Confidentiality Undertaking has been executed by the QIP in favour of (1) Telecommunications Consultants India Limited, with its registered office at TCIL Bhawan, Greater Kailash -1, New Delhi – 110 048 (“TCIL”); (2) Deloitte Touche Tohmatsu India Private Limited, with its office at 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurgaon 122 002 (“DTTIPL”) (and the said deed of Confidentiality Undertaking is hereinafter referred to as ‘Undertaking’). A copy of the said Undertaking has been provided to us and for the purposes of reference is enclosed herewith as Exhibit ‘A’ which Undertaking shall be read, construed and treated as a part hereof.

We hereby certify that we have perused and understood the various terms, conditions, covenants and obligations contained in the said Undertaking and in consideration of receiving the Confidential Information (as defined in the Undertaking) hereby undertake and confirm that we shall treat all Confidential Information in accordance with the terms of the said Undertaking. In addition, we unequivocally agree to be bound by and remain subject to all the terms, conditions, covenants and obligations contained in the said Undertaking that have to be discharged and or performed by the QIP.

For the purposes of clarity and for the avoidance of doubt we hereby agree and undertake that any modifications, amendments or variations to the said Undertaking shall be read, construed and treated as part hereof and confirm to be bound by the terms of such modified, amended or varied Undertaking.

In case any notice or information is required to be delivered to ourselves by TCIL and/or DTTIPL the same should be marked to Mr. _____, and sent at the following address with a copy to the QIP.

Yours sincerely,

(Name)
(Address)
(Telephone and Fax nos.)

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