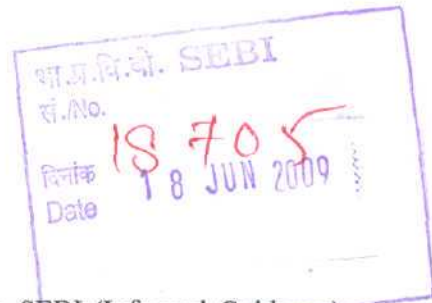


June 18, 2009

To

Dy. General Manager
Division of Corporate Restructuring
Securities & Exchange Board of India
Mumbai



Sub: Request for Interpretative Letter under the SEBI (Informal Guidance) Scheme, 2003 regarding issuance of GDRs by Indian listed companies and applicability of below mentioned regulations/guidelines

Dear Madam/Sir,

1. This is a request for Interpretative Letter under the SEBI (Informal Guidance) Scheme, 2003.

A. Background

2. As a part of the publicly announced transaction, Bharti Airtel Limited ("Bharti") is proposing to enter into a significant partnership with the MTN Group Limited ("MTN") which will mark a significant foray by an Indian company into the telecom market in Africa and Middle East. The proposed transaction contemplates the issuance of Global Depository Receipts ("GDRs") by Bharti to MTN and its shareholders. In accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 ("Scheme"), the shares underlying the GDRs will be issued to the overseas depository bank and shall rank *pari passu* with the other issued shares of Bharti.
3. The transaction also envisages that Bharti will acquire, directly or through its affiliates, 49% of the share capital of MTN through a combination of subscription of fresh shares issued by MTN and sale of MTN shares by existing shareholders of MTN to Bharti.
4. In consideration of acquiring shares of MTN (as per Para 3) above, MTN would receive GDRs which if exchanged for underlying ordinary shares of Bharti would constitute approximately 25% of the share capital of Bharti. Further, the public shareholders of MTN would receive GDRs which if exchanged for underlying ordinary shares of Bharti would constitute in the aggregate, approximately 11% of the share capital of Bharti.
5. In the present case, customary agreements will be entered into with the overseas depository bank in respect of, among others, the right of the GDR holders to issue instructions to the overseas depository bank concerning the exercise of voting rights in relation to the underlying shares.

B. Applicable Regulations

6. It is our understanding that the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**Takeover Regulations**") specifically exempts the acquisition of GDRs from the open offer requirements prescribed under the Takeover Regulations, without limitation. The relevant regulation, i.e., Regulation 3(2) is extracted below:

"Nothing contained in Chapter III of the Regulations shall apply to the acquisition of Global Depository Receipts or American Depository Receipts so long as they are not converted into shares carrying voting rights".


7. Consistent with the exemption from Chapter III provided in the Takeover Regulations, the Securities and Exchange Board of India ("SEBI") through an informal guidance note dated May 31, 2004 ("**SEBI Clarification**"), has clarified that even the disclosure requirements under Chapter II of the Takeover Regulations would also be triggered only at the time that the GDRs are converted into the underlying shares with voting rights and not at the time of the acquisition of the GDRs. The relevant Regulation 7 of Chapter II of the Takeover Regulations requires that an acquirer of voting rights in a listed company to make certain disclosures upon reaching certain levels of shareholding/voting rights in a listed company. A copy of the SEBI Clarification is enclosed herewith for your ready reference.

B. Clarifications Sought

1. Whether in light of the exemption under Regulation 3(2) of the Takeover Regulations, MTN and/or its shareholders will be required to comply with the requirements of Chapter III only upon exchange of the GDRs for underlying ordinary shares of Bharti.
2. Whether in light of the previous SEBI Clarification (as referred above in this letter), MTN and/or its shareholders will be required to comply with the disclosure requirements of Chapter II of the Takeover Regulations only upon exchange of the GDRs for underlying ordinary shares of Bharti.
3. Whether in light of the previous SEBI Clarification (as referred above in this letter), MTN and/or its shareholders will be required to comply with the disclosure requirements prescribed in Regulations 13(1) and 13(3) of the Insider Trading Regulations only upon exchange of the GDRs for underlying ordinary shares of Bharti.

D. Request for Confidentiality

Given the sensitivities involved in a transaction of this nature, we request you to keep this request and your response confidential and not be made available to the public for a period of **90 days** from your response.

 We enclose a Demand Draft for Rs.25,000/- in favour of 'Securities Exchange Board of India', payable at Mumbai, towards the prescribed fee.



We request you to kindly provide us the guidance on the aforesaid at the earliest. We will be happy to provide any further information or meet with you in person, as required. The contact details of the undersigned are given below. You may also contact our legal advisors at the address detailed below:

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Yours Sincerely,

For Bharti Airtel Limited

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