



Ascend Telecom Infrastructure Pvt. Ltd.

06 January 2024,

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Dear Sir / Ma'am,

Company : Ascend Telecom Infrastructure Private Limited ('the Company')

Subject : Filing of Scheme of Amalgamation under Regulation 59A

Reference : Scheme of Amalgamation of Tower Vision India Private Limited with Ascend Telecom Infrastructure Private Limited ('merger scheme') filed under Regulation 59A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We write to you in connection with the queries received with respect to the merger scheme filed before your goodselves. In response to your queries vide mail dated 28th December 2023, we wish to submit as below:

1. In schedule of the draft scheme

a. Please clarify why safeguard for the protection of holders NCDs is not mentioned.

Kindly refer note 1 to the Schedule I of the merger scheme wherein, we have captured the safeguards for the protection of holders of NCD.

b. Please clarify why exit offer to the dissenting holders of NCDs is mentioned as NA?

The NCDs of Ascend Telecom Infrastructure Private Limited (i.e., amalgamated company) was subscribed by one person i.e., GIP EM Ascend 2 Pte Ltd. We wish to submit that we had obtained the NOC from them for the merger scheme and the same has been provided to your goodselves vide doc no. 27 in part 13 of the mail dated 22nd December 2023 and the same has been attached vide *Annexure 1* for your goodselves ready reference. Accordingly, there are no dissenting NCD holders.





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- c. ***Why latest audited financial statements along with notes to accounts and any audit qualifications are not provided?***

We had provided the latest audited financial statements along with notes to accounts vide doc no. 17 in part 11 and 12 of the mail dated 22nd December 2023. However, we inadvertently missed to update the same in Schedule I of the merger scheme. Accordingly, we have updated the Schedule I to the merger scheme and enclosed herewith vide *Annexure 2*.

- d. ***Why an auditors certification for the payment/ repayment capacity of the Transferee Company is not provided? with whom the same is discussed?***

We had provided the statutory auditors certificate on the payment / repayment capacity of the transferee company vide doc no. 10 in part 10 of the mail dated 22nd December 2023. However, we inadvertently missed to update the same in Schedule I of the merger scheme. Accordingly, we have updated the Schedule I to the merger scheme and enclosed herewith vide *Annexure 2*.

- e. ***Why fairness report is not provided? with whom the same is discussed?***

We had provided the fairness opinion report vide doc no. 6 in part 2 of the mail dated 22nd December 2023. However, we inadvertently missed to update the same in Schedule I of the merger scheme. Accordingly, we have updated the Schedule I to the merger scheme and enclosed herewith vide *Annexure 2*.

2. ***After carrying out the abovementioned change in the draft scheme, kindly submit a report containing para-wise changes carried out in the draft scheme along with an undertaking stating that other than the changes mentioned in the report, no other change has been carried out in the draft scheme.***

The same is enclosed vide *Annexure 3*.

3. ***Valuation for the listed debentures of Ascend is not provided in the Valuation report dated 13.12.2023. Please clarify from the valuer.***

The effect of values of listed debentures of Ascend has been duly considered in the valuation report dated 13th December 2023. The clarification from registered valuer to this effect is enclosed vide *Annexure 4*.





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4. ***There is no reference of the valuation of the listed debentures of Ascend in the fairness opinion of the Merchant Banker. Please clarify from the MB.***

The effect of values of listed debentures of Ascend has been duly considered in the fairness opinion report dated 14th December 2023. The clarification from merchant banker to this effect is enclosed vide *Annexure 5*.

5. ***It is observed that Board of Directors at their meeting held on 15.12.2023, inter alia took on record Draft Certificate of Statutory Auditors confirming compliance of the Accounting Treatment. In this regard, kindly clarify as to whether there were any changes in the draft reports taken on record by the Board of directors and final reports issued. Further, kindly also clarify on whether the final reports were taken on record by the Board. If so, kindly submit copy of resolutions passed by Board of the Company inter alia taking the same on record.***

The statutory auditors informed that as per the practice, they will issue the final certificate only upon receipt of approval from Board of Directors on the merger scheme. Accordingly, in the board meeting dated 15th December 2023 the Board has approved the merger scheme and thereafter the statutory auditors issued the duly signed certificate.

Further, the copy of the draft certificate and final certificate issued by the statutory auditor's is enclosed vide *Annexure 6 and 7* for your goodselves reference. As it can be observed that there are no changes between the draft certificate and the final certificate issued by the statutory auditors.

6. ***Pre and Post scheme NCDs/NCRPS holding pattern for all the companies involved in the scheme- please incorporate the % as per the format of Annexure II.***

The NCDs holding pattern along with % is enclosed vide *Annexure 8*.

7. ***Please provide consolidated financial summary as per the format of Annexure III of the checklist for Ascend and Tower vision. Limited reviewed report of consolidated financials are not provided by Ascend.***

The details as per Annexure III of the checklist is already provided vide doc no. 8 details of financial statements_part 1 (page no. 1) in part 3 of the mail dated 22nd December 2023 for Ascend Telecom Infrastructure Private Limited and doc no. 8 details of financial statements_part 2 (page no. 47) in part 4 of the mail dated 22nd December 2023 for Tower Vision India Private Limited. However, we are attaching the same vide *Annexure 9* for your goodselves ready reference.





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We draw your goodselves kind reference to the checklist for the documents to be submitted along with application under Regulation 59A of the LODR Regulations, wherein para 8 reads as under;

Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old of unlisted company) as per Annexure III. Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor.

We have duly complied with the above-mentioned provisions of the Circular.

8. *Details of financial statements of Tower Vision as per the format of Annexure III of the checklist is not submitted.*

The details of financial statements of Tower Vision India Private Limited is provided vide doc. No 8 details of financial statements_part 2 (page no. 47) in part 4 of the mail dated 22nd December 2023. However, we are attaching the same vide *Annexure 9* for your goodselves ready reference.

9. *Audited financials not being more than 6 months old of unlisted company- not submitted.*

Tower Vision India Private Limited (unlisted Company) being the Private Limited Company and amalgamating company is not required to obtain any quarterly, half yearly and year to date Audited Financial Statements or Limited Review Report on the financial statements in accordance with the provisions of the Companies Act, 2013. Hence the company had submitted only the latest audited financial statements for the year ended March 31, 2023 which are also filed with the Registrar of Companies.

We further submit that the NCDs listed on BSE were issued by Ascend Telecom Infrastructure Private Limited i.e., amalgamated company and the amalgamated company is duly complying with obligation to publish quarterly, half yearly and year to date results. The unlisted company involved in the scheme (i.e., Tower Vision India Private Limited), being the amalgamating company has no securities listed on BSE or any other stock exchange and hence, it is not required to obtain any audited financial statements for interim period.

Also, the company has relied on the NSE Circular Ref No: NSE/CML/2022/61 Dated December 20, 2022, which states that wherein exchange shall seek an undertaking from the listed entity stating that it shall ensure that the financials of the unlisted company(ies) shall not be more than 6 months old at





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the time of submission of the scheme papers to NCLT, and the amalgamated company undertakes to submit the audited financial statements not older than 6 months, if the same is directed by the Hon'ble NCLT during the proceedings.

10. ***In the Independent Auditor's Report on the accounting treatment in the proposed Scheme of arrangement submitted as per the format of Annexure IV, please clarify why it is mentioned that The Company, after the amalgamation (the "Resultant Company") is not capable of payment of interest and / or repayment of principal of its unsecured, redeemable, listed, rated, fully paid non-convertible debentures?***

The relevant extract of the statutory auditor's certificate is captured below:

Based on the procedures performed by us as referred to in paragraph 9 of Annexure I and according to the information and explanations received and management representations obtained, we, the statutory auditors of Ascend Telecom Infrastructure Private Limited, (hereinafter referred to as "the Company") **inter-alia conclude that nothing has come to our attention that causes us to believe that:**

- i. The Company, after the amalgamation (the "Resultant Company") is not capable of payment of interest and / or repayment of principal of its unsecured, redeemable, listed, rated, fully paid non-convertible debentures; and

As can be seen from the above, the statutory auditor's has provided the certificate stating that **nothing has come to their attention** that causes them to believe that the Company, after the amalgamation (the "Resultant Company") is not capable of payment of interest and / or repayment of principal of its unsecured, redeemable, listed, rated, fully paid non-convertible debentures.

In other words, the statutory auditors provided the certificate that the Company, after the amalgamation (the "Resultant Company") is capable of payment of interest and / or repayment of principal of its unsecured, redeemable, listed, rated, fully paid non-convertible debentures.

11. ***please provide Auditor's Certificate as per Chapter XII of operational circular dated July 29, 2022 (updated as on December 01, 2022) certifying: a. the payment/ repayment capability of the resultant entity b. accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013. c. Compliance with prescribed norms for accounting treatment of items in the financial statements contained in the scheme Companies where the regulatory authorities of the respective sector have prescribed any.***

The Company has already provided the statutory auditor's certificate on above mentioned points vide



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doc no. 10 in part 10 of the mail dated 22nd December 2023. However, attaching herewith the same vide *Annexure 10* for your goodselves ready reference.

We further submit that no other Regulators have prescribed any accounting treatment which would prevail over the accounting treatment specified in the Scheme of Amalgamation as mentioned in our report dated 15th December 2023.

12. *In compliance report dated 22.12.2023, why the Provision of approval of holders of NCDs/ NCRPS through e-voting is mentioned as NA? Please provide clarification whether the meetings of stakeholders shall be conducted as per the directions of NCLT Order?*

We wish to submit that the Company is being the private limited company and not listed its equity shares on any recognized stock exchange, the provisions of e-voting is not mandatory as per the Companies Act, 2013. Further, we had obtained the NOC from the holders of NCDs for the merger scheme and the same is already submitted before your goodselves vide doc no. 27 in part 13 of the mail dated 22nd December 2023. However, the Company will ensure to conduct the meeting of the stakeholders as per the directions of the NCLT.

13. *The compliance report is not signed by Company secretary and Managing Director of the Company as per the format of the checklist. please clarify.*

The Company submits that the Compliance report submitted before your goodselves vide doc no. 11 in part 10 of the mail dated 22nd December 2023 is duly signed by the Company Secretary of the Company, Mr. Rajagopalan Jayaraman and one of the directors of the Company.

Further, the Company submits that as per section 2(52) of the Companies Act, 2013 read with rule 2A of the Companies (Specification of Definitions Details) Rules, 2014, the private limited companies which have listed their non-convertible debt securities on private placement basis will not be regarded as listed companies for the purposes of the Companies Act, 2013.

Being Ascend Telecom Infrastructure Private Limited listed its NCDs on private placement basis, the Company will not be regarded as listed company for the purposes of the Companies Act, 2013 and consequently, the Company is not required to appoint the Managing Director as per provision of sub-section (1) of section 203 of the Companies Act, 2013 read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, as on date of this application, the Company is not having a Managing Director. Accordingly, the Compliance report is signed by one of the directors of the Company, along with Company Secretary.



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14. *If the Net worth of Ascend is deteriorating from Rs. 1965 crores to Rs. 164 Crores post scheme of amalgamation, how the scheme is beneficial for the stakeholders of Ascend?*

We wish to submit before your goodselves the provisional net worth of the Company post amalgamation with Tower Vision India Private Limited amounts to Rs. 22,869 Mn. Enclosing herewith the clarification letter vide *Annexure 11* provided by the independent chartered accountant to his certificate dated 21st December 2023.

Without prejudice to the above, we wish to submit before your goodselves that the merger results in substantial increase of towers serviced by the Company (approx. towers will go up to 18,000 vs. existing 8,500 towers operated by Ascend). Consequently, there would be substantial increase in the operating revenue of Ascend post-merger (almost twice) and also would result in substantial increase in accumulated earnings of the Company. This would in effect result in consistent higher earnings per share to the shareholders in future. In addition, following are the direct benefits accruing to Ascend consequent to merger:

- a. consolidation of the Passive Telecom Infrastructure business of the Companies resulting in expansion of such Companies' business allowing the merged entity to capitalize on the geographic coverage to cater to the growing demand of passive infrastructure services which will assist in achieving higher long term returns thereby creating greater value for shareholders/stakeholders of the merged entity;
- b. enhance future business potential, achieve cost reduction and efficiencies, productivity gains and logistical advantages by pooling the technologies and resources of the Transferor and Transferee Companies thereby significantly contributing to future growth and maximizing shareholders value;
- c. availability of the combined resources and assets together with the synergies in the operational processes which can be utilized for improved quality of services to the telecom operators/license holders under Indian Telegraph Act by establishing consistently high service standards across the business leading to economies of scale, rationalization of network infrastructure, creation of efficiencies and optimization of capital and operational expenditure;
- d. building a strong and robust infrastructural capability for improved network quality and greater coverage to effectively meet future challenges in the ever-evolving telecom business and a strategic fit for serving existing market; and
- e. bring about environmental benefits like reduction in diesel consumption, conservation of resources, energy savings, reduced pollution etc., due to enhanced sharing, improved tenancy ratio etc.





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21. ***Undertaking from the Company that unlisted entity involved in the Scheme, shall submit an abridged prospectus in the format as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs while seeking their approval for the Scheme in connection with the creditors meeting to be held in accordance with the directions issued by NCLT and disclosure shall be certified by a SEBI Registered Merchant Banker after adequate due diligence***

The same is enclosed vide *Annexure 16*.

We request your goodselves to kindly take the above on record and oblige.

We are pleased to provide further information / clarifications upon hearing from your goodselves.

Thanking you,

Yours faithfully,

for Ascend Telecom Infrastructure Private Limited

Authorized signatory