

Certificate

To,
The Board of Directors,
Tata Communications Limited
VSB, Mahatma Gandhi Road,
Fort, Mumbai- 400 001

We, the statutory auditors of Tata Communications Limited (the 'Company'), have examined the accounting treatment specified in paragraph 5.7(b) of the scheme of arrangement and reconstruction, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 between Tata Communications Limited (the 'Transferor Company') and Hemisphere Properties India Limited (the 'Transferee Company') and their respective shareholders and creditors as approved by the board of directors of the Transferor Company vide its meeting dated December 13, 2017 (the 'scheme'). We understand that this certificate and the accompanying 'Statement of journal entries to be accounted in the books of the Company pursuant to accounting treatment prescribed for demerger of surplus land as per the para 5.7(b) to the proposed scheme of arrangement and reconstruction under Sections 230 to 232 of the Companies Act, 2013, between Tata Communications Limited and Hemisphere Properties India Limited and their respective shareholders and creditors' (the 'Statement') is required by the Company as part of its filing the scheme with the National Company Law Tribunal ('NCLT') as per the requirements of the Companies Act, 2013; is prepared by the Company and initialed by us for identification purposes only.

Management responsibility

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Auditor responsibility

Our responsibility is to examine and report whether the Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles.

Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, nothing has come to our attention that causes us to believe that the proposed journal entries as given in the para (C) to the Statement and which is as per para 5.7(b) to the Scheme, is in violation with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the Indian accounting standards notified under the Companies Act, 2013.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Limited

Page 2 of 2

This Certificate is issued at the request of the Tata Communication Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited and National Stock Exchange of India Ltd. This Certificate should not be used for any other purpose without our prior written consent.

This certificate should be read together with the appendix attached herewith which forms an integral part of this report.

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


per Hormuz Master
Partner

Membership Number: 110797



Place: Mumbai

Date: December 21, 2017

Appendix**Appendix to our report on the Statement of accounting entries to be accounted in the books of the Company pursuant to land demerger under the scheme of arrangement and reconstruction**

The Board of Directors,
Tata Communications Limited
VSB, Mahatma Gandhi Road,
Fort, Mumbai- 400 001

1. This report is issued in accordance with the terms of the service scope letter dated June 28, 2017 and master engagement agreement dated June 28, 2017 with Tata Communications Limited (hereinafter the 'Company').
2. The attached 'Statement of journal entries to be accounted in the books of the Tata Communications Limited (the 'Company') pursuant to accounting treatment prescribed for demerger of surplus land as per the para 5.7(b) to the scheme of arrangement and reconstruction under Sections 230 to 232 of the Companies Act, 2013, between Tata Communications Limited ("Transferor Company") and Hemisphere Properties India Limited ("Transferee Company") and their respective shareholders and creditors', which is as approved by the board of directors vide its meeting dated December 13, 2017 (the 'scheme') (hereinafter referred as the 'Statement'), which is required by the Company as part of its filing the scheme with the National Company Law Tribunal ('NCLT') as per the requirements of the Companies Act, 2013; is prepared by the Company and initialed by us for identification purposes only.

Management's Responsibility

3. The preparation of the Statement to this report is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation.
4. The Management is also responsible for ensuring that the Company provides all relevant information required as part of the Scheme.

Auditor's Responsibility

5. Our responsibility is to express a reasonable assurance that nothing has come to our attention that causes us to believe that the proposed journal entries as given in the para (C) to the Statement and which is as per para 5.7(b) to the Scheme, is not in violation with the Indian accounting standards notified under the Companies Act, 2013.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole, included in the Scheme. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.




8. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the Reporting criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures in relation to the Statement:
- (a) We have obtained the Scheme of arrangement and reconstruction, which is as approved by the board of directors vide its meeting dated December 13, 2017, (attached to this certificate and signed for our identification purposes only), which is executed with the Hemisphere Properties India Limited ('transferee entity'), for transfer of the surplus land to the transferee entity. We have not performed a detailed review of the Scheme; and
 - (b) We have noted the accounting treatment in the books of the Transferor, as mentioned in para 5.7(b) of the scheme, and traced the same to the accounting treatment as mentioned in para (B) to the Statement; and
 - (c) We have verified the 'journal entries in the books of Tata Communications Limited' as given in para (C) to the Statement, that has been prepared by the Company based on the accounting treatment mentioned in para 5.7(b) to the scheme and as given in para (B) to the Statement.

Restriction on Use

9. The report along with the appendix has been issued at the specific request of the management of the Company in order to be appended as part of the Scheme documents to be submitted to NCLT and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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


per Hermuz Master
Partner
Membership Number: 110797



Place: Mumbai
Date: December 21, 2017



Statement of journal entries to be accounted in the books of the Tata Communications Limited (the 'Company') pursuant to accounting treatment prescribed for demerger of surplus land as per the para 5.7(b) to the scheme of arrangement and reconstruction under Sections 230 to 232 of the Companies Act, 2013, between Tata Communications Limited ("Transferor Company") and Hemisphere Properties India Limited ("Transferee Company") and their respective shareholders and creditors (the 'scheme')

A. Background of the Scheme

Tata Communications Limited (the "Transferor Company" or "Company") (formerly known as Videsh Sanchar Nigam Limited) was incorporated on March 19, 1986. The Government of India vide its letter no. G-25015/6/86OC dated March 27, 1986 transferred all assets and liabilities of the Overseas Communications Service (part of the Department of Telecommunications, Ministry of Communications) as appearing in its balance sheet as at March 31, 1986 to the Company with effect from April 1, 1986. In 2002, the Gol conducted a disinvestment exercise in respect of 25% of its equity holding in the Company wherein the terms of the bid for the disinvestment required the bidders to take into account the value of the lands which would remain with the Company and to exclude the value of certain surplus lands of the Company. Pursuant to the disinvestment under the terms of the share purchase agreement (SPA) and shareholders' agreements (SHA) signed between inter alia the Gol and Panatone Finvest Limited ('Panatone'), being the successful bidder, it was agreed that such surplus land would be demerged into a separate entity. Further, in accordance with the terms of the said SPA, the SHA and the letter of offer issued by Panatone dated March 27, 2002 ("Letter of Offer"), Panatone is required to gift, sell or transfer, as the case may be, without further consideration, the shares of the Company, as allotted to Panatone under this scheme of arrangement and reconstruction to: (a) Gol, to the extent of 25% of the Transferee Company's issued shares; and (b) the shareholders of the Transferor Company who tendered equity shares to Panatone pursuant to the Letter of Offer, to the extent their tender was accepted by Panatone, but not exceeding the maximum extent of 20% of the total issued capital of the Transferee Company.

To accomplish the demerger of the surplus land in accordance with the SHA and SPA, Panatone incorporated Hemisphere Properties India Limited (HPIL) in 2005-06. In March 2014, the Gol acquired 51.12% of the shares in HPIL making it a Government company.

To give effect to the terms and conditions of SPA and SHA, the Company proposes to undertake the Scheme.

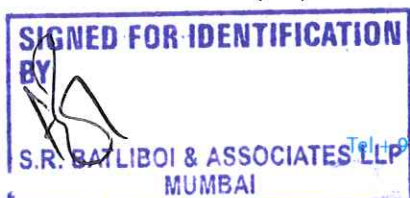
The Scheme provides for a demerger by way of reconstruction or splitting up of the Company by way of transfer of the Surplus Land (as defined in the Scheme) to Transferee Company and the consequent issue of equity shares by Transferee Company to the shareholders of Company, followed by a transfer of equity shares of Transferee Company allotted to Panatone Group Companies (collectively, Panatone, Tata Sons Limited and Tata Power Company Limited) to the erstwhile shareholders of Company who had tendered shares in the open offer by Panatone and to the Government of India, in the manner set out in the Scheme and various other matters consequential to or otherwise integrally connected with the above.

B. Relevant extract from the scheme for the accounting treatment for transfer of the surplus land

Paragraph 5.7(b) of the scheme prescribes the accounting treatment for the demerged land in the books of the transferor Company as below:

Upon the Scheme becoming effective, the Transferor Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

- i. The accounts representing the assets and liabilities of the splitting up or reconstruction of the Transferor Company by way of transfer of Surplus Land shall accordingly stand reduced / closed on splitting up or reconstruction to the Transferee Company.
- ii. Any transfer of the assets and liabilities to the Transferee Company shall be adjusted by the Transferor Company in its General reserve in Reserves and Surplus



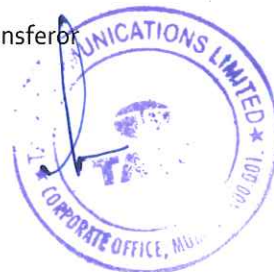
TATA COMMUNICATIONS

Tata Communications Limited

Regd Office : VSB Mahatma Gandhi Road Fort Mumbai 400 001 India

Tel : +91 22 6659 2266 Fax : +91 22 6639 5162 Website www.tatacommunications.com

CIN No. L64200MH1986PLC039266





C. Journal entries in the books of Tata Communications Limited:

As the Company did not hold any beneficial rights in the surplus land, and only held the land in trust for it to be transferred to the erstwhile shareholders of Videsh Sanchar Nigam Limited as per the SHA, it proposes to record the following accounting entries in its books upon demerger of the surplus land with effect from the appointed date, as the transfer does not result in any profit or loss to the Company:

SN	Account caption	General ledger	Debit / (Credit)	Amount
1	General reserve	110600	Dr	at Book value
2	Freehold land	260100	Cr	at Book value

For and on behalf of Tata Communications Limited

A handwritten signature in blue ink, appearing to be 'S. R. Batliboi', written over a horizontal line.

Name:

Designation:

Date: December 21, 2017

Sr. Vice President

