



**31<sup>ST</sup> ANNUAL REPORT  
2015-2016**

**BHARTI TELECOM LIMITED**

**BOARD OF DIRECTORS**

**CHAIRMAN**

Mr. Sunil Bharti Mittal

**DIRECTORS**

Ms. Chua Sock Koong

Mr. Mark Chong Chin Kok

Mr. Rajan Bharti Mittal

Mr. Ravinder Arora

Mr. Sunil Kumar Goyal

Mr. Devendra Khanna – Managing Director

**COMPANY SECRETARY**

Mr. Rohit Krishan Puri

**STATUTORY AUDITORS**

M/s. S. R. Batliboi & Associates LLP,  
Chartered Accountants

**SECRETARIAL AUDITORS**

M/s. Chandrasekaran Associates,  
Company Secretaries

**REGISTERED OFFICE**

Airtel Centre, Plot No. 16,  
Udyog Vihar, Phase – IV,  
Gurgaon, Haryana – 122001,  
India.

**CORPORATE OFFICE**

Bharti Crescent, 1, Nelson Mandela Road,  
Vasant Kunj, Phase – II,  
New Delhi – 110070,  
India.

**CORPORATE IDENTIFICATION NUMBER**

U32039HR1985PLC032091

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## BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting the 31<sup>st</sup> Board's Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2016.

### Financial performance, results of operations and company overview

#### Standalone

(₹ '000)

Particulars	For the year ended March 31	
	2016	2015
Gross income	4,718,361	6,168,812
Profit/(loss) before finance expenses, depreciation and tax	4,690,567	6,167,024
Profit/(loss) before tax	4,690,563	6,167,024
Less: Tax expenses	283,765	12,509
Profit/(loss) after tax	4,406,798	6,154,515
Add: Profit brought forward from earlier years	15,077,600	8,923,085
Profit/(loss) carried forward to balance sheet	19,484,399	15,077,600

#### Consolidated

(₹ '000)

Particulars	For the year ended March 31, 2016
Gross income	4,718,361
Profit/(loss) before finance expenses, depreciation and tax	4,690,567
Profit/(loss) before tax	4,690,563
Less: Tax expenses	283,765
Profit/(loss) after tax (before consolidation)	4,406,798
Profit/(loss) after tax (after consolidation)	24,500,074
Add : Profit brought forward from earlier years	178,517,465
Profit/(loss) carried forward to balance sheet	203,017,539

The Company holds investment in Bharti Airtel Limited. During the year, the Company received a sum of Rs. 3,886.36 million as dividend from such investments. The aggregate holding of the Company in Bharti Airtel Limited is 1,802,318,492 (45.09%) equity shares of Rs. 5/- each as on March 31, 2016.

#### Dividend

The Board of directors does not recommend any dividend for the financial year 2015-16.

#### Share capital

The authorised share capital and paid-up share capital of the Company as on March 31, 2016 was Rs. 50,000,000,000 divided into 5,000,000,000 Equity Shares of Rs. 10/- each and Rs. 25,253,241,760 divided into 2,525,324,176 equity shares of Rs. 10/- each respectively.

**Deposits**

The Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet closure date.

**General Reserve**

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2016.

**Directors and Key Managerial Personnel**

In compliance with the provisions of section 152 of the Companies Act, 2013, Mr. Sunil Bharti Mittal has offered himself for re-appointment as Director liable to retire by rotation at the ensuing annual general meeting. Brief resume, nature of expertise, details of directorships held in other companies of Mr. Sunil Bharti Mittal along with the shareholding in the Company, as stipulated under Secretarial Standard 2 is appended as an Annexure to the Notice of the ensuing AGM. The Board recommends his re-appointment.

The Company's "Nomination and Remuneration Policy" including criteria for determining qualifications, positive attributes and independence of a director and other matters as provided under section 178(3) of the Companies Act, 2013 is annexed as **Annexure A** to this report.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149 of the Companies Act, 2013.

**Material changes and commitments affecting the financial position between the end of financial year and date of report after the balance sheet date**

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Board's Report.

**Board Evaluation**

In compliance with the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and the Managing Director. The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors had completed the evaluation process, which included evaluation of the Board as a whole, the Board Committees and individual Directors including the Chairman and the Managing Director.

All Directors participated in the evaluation survey and review was carried out through peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on April 27, 2016.

**Board and Committee Meetings**

The Composition of the Board of Directors of the Company is in conformity with all the requirements under the Companies Act, 2013. The Board of Directors met four times during the financial year 2015-16, i.e. April 28, 2015, August 04, 2015, October 25, 2015 and January 28, 2016. The requisite details regarding composition of the Board, number of board meetings held and attended by each director are provided in the **Annexure B** to this report.

**Audit Committee**

In compliance with the requirements of Section 177 of the Companies Act, 2013, the Company has a committee of the Board known as the Audit Committee. All recommendations made by the Committee were accepted by the Board. During the year 2015-16, the Committee met two times i.e. on April 28, 2015 and January 28, 2016. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

**Nomination and Remuneration Committee**

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Company has a committee of the Board known as the Nomination and Remuneration Committee. During the year 2015-16, the Committee met two times i.e. on April 28, 2015 and January 28, 2016. The composition and the attendance of the members at the meetings are provided in the **Annexure B** to this report.

**Stakeholders' Relationship Committee**

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Company has a committee of the Board known as the Stakeholders' Relationship Committee. During the year 2015-16, the Committee met seven times i.e. on April 28, 2015, August 04, 2015, October 14, 2015, November 17, 2015, December 11, 2015, January 03, 2016, and January 28, 2016. The composition and the attendance of the members at the meetings are provided in the **Annexure B** to this report.

**Corporate Social Responsibility (CSR) Committee**

In compliance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a committee of the Board known as the Corporate Social Responsibility Committee. During the year 2015-16, the Committee met once i.e. on January 28, 2016. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

During FY 2015-16, the Company has spent over Rs. 1 Mn towards the CSR activities. Being the initial years, the Company is in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

The Report on Corporate Social Responsibility for the financial year 2015-16 u/s 135 of the Companies Act, 2013 is annexed as **Annexure C** to this Report.

**BTL Committee of Directors**

During the year, the Company had constituted a committee of the Board known as the BTL Committee of Directors. During the year 2015-16, the Committee met once i.e. on February 19, 2016. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

**Extract of Annual Return**

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in form MGT-9 is annexed herewith as **Annexure D** to this Report.

**Particulars of loans, guarantees or investments**

Particulars of loans, guarantees or investments forms part of notes to the financial statements provided on page no. 30 of the Annual Report.

**Related Party Transactions**

All arrangements / transactions entered into by the Company with related parties during the year were in ordinary course of business and on arm's length basis. Details of such transactions have been included in the Notes to Accounts section of the Annual Report.

During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material, accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

**Subsidiary / Joint Venture / Associate Companies**

As on March 31, 2016, the Company has one associate namely Bharti Airtel Limited. During the financial year there was no change in the subsidiary / joint venture or associate companies.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statements including details of performance and financial position of Bharti Airtel Limited is annexed in form AOC-1 as **Annexure E** to this Report.

The audited financial statements of Bharti Airtel Limited is available for inspection at the Company's registered office as well as the corporate office and also at the registered office of Bharti Airtel Limited. The annual report of Bharti Airtel Limited can also be viewed online by using the following link <http://www.airtel.in>.

In terms of the provisions of the Companies Act, 2013, the Company has prepared consolidated financial statements for the financial year 2015-16 in addition to standalone financial statements.

**Auditors and Auditor's Report**Statutory Auditor

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. S. R. Batliboi & Associates, LLP, Chartered Accountants, (Registration no. 101049W) were appointed as the Statutory Auditors of the Company by the shareholders in the Annual General Meeting (AGM) held on September 19, 2014, for a period of three years i.e. till the conclusion of 32<sup>nd</sup> AGM.

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of M/s. S. R. Batliboi & Associates, LLP, Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members. The Company has received a certificate of eligibility from the Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes forming part of the annual accounts. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

Secretarial Auditor

The Board had appointed M/s. Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2016. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Audit Report is annexed as **Annexure F** to this report.

The Board has re-appointed M/s. Chandrasekaran Associates, Company Secretaries, as Secretarial Auditor of the Company for FY 2016-17.

**Risk Management**

The management of the Company keeps evaluating the risks which the Company is exposed to on a continuous basis, to ensure consistent, efficient and effective assessment of risks and its timely mitigation. The management provides an update to the Board on the risks which are critical for the operation of the Company, if any.

The Board of Directors of the Company is ultimately responsible for the risk management process and focus on the most significant risks that may affect the Company viz. Strategic, Operational, Reputational, Financial, and Legal & Compliance.

**Internal Financial Controls**

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The Company does not carry on any manufacturing activity and accordingly the provisions to furnish information, as per Section 134 of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, relating to Conservation of Energy and Technology Absorption are not required to be complied with.

During the year under review, there were nil Foreign Exchange Earnings and Outgo.

**Prevention of sexual harassment**

The Company is committed to provide a protective environment at workplace to all its women employees, to ensure that every woman employee is treated with dignity and respect.

During the year, since there were no women employees on the role of Company, there was no complaint regarding sexual harassment.

**Directors' responsibility statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

1. In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements sets out in Schedule III to the Act, have been followed and there are no material departures from the same;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a 'going concern basis';
5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and were operating effectively.

**Acknowledgement**

Your directors express their gratitude for the co-operation and support received from various agencies / departments of the Government of India, State Governments, Company's Bankers and Financial Institutions.

**For and on behalf of the Board**

Place: Gurgaon  
Date: April 27, 2016

**Sunil Bharti Mittal**  
**Chairman**

**Annexure A****Bharti Telecom Limited – Nomination & Remuneration Policy****Preamble**

The Board of Directors (the "Board") on the recommendation of the Nomination & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder.

**Objectives**

The main objectives of this Policy are:-

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (executive and non-executive including Independent directors), Key Managerial Personnel ("KMP") and persons who may be appointed in senior management positions.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration of directors, KMPs.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Company's targets.

**Attributes, qualifications and diversity****Directors and Key Managerial Personnel**

The Committee shall be responsible for identifying suitable candidate for appointment as directors or as KMPs of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Telecom Limited, subject to compliance with the provisions of the Companies Act, 2013, Articles of Association of the Company and the Shareholders Agreement. The Board shall strive to have an appropriate combination of Executive, Non-Executive and Independent Directors.

While evaluating a person for appointment / re-appointment as director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience and functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed director satisfies the following additional criteria:-

- Eligible for appointment as a director on the board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act, 2013.
- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an independent director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:-

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and other applicable laws.



- Should not hold any board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

The reappointment / extension of term of any board members shall be on the basis of their performance evaluation.

### **Senior Management**

While evaluating a person for appointment / re-appointment in a senior management position, the management shall consider various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the executive directors, including all functional heads.

### **Remuneration Policy**

The overall limits of remuneration of the board members including executive board members (i.e. managing director, whole-time director, executive directors etc.), if paid, will be governed by the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and shall be approved by the shareholders of the Company, except the payment of sitting fees, and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.

### **Non-executive directors including independent directors**

- Profit-linked commission – NIL**
- Sitting Fees –** An independent director will be entitled to INR 25,000 for every board meeting and all committee meetings (including meetings attended through video conferences) held in a single day.

The Board, upon recommendation of the Nomination and Remuneration Committee, may revise the sitting fees / commission payable to all or any one of the independent directors.

### **Executive Board Members**

The remuneration (including revision in the remuneration) of executive board members, if any, shall be approved by the Board on the basis of the recommendation of the Nomination & Remuneration Committee.

### **Remuneration to Key Managerial Personnel (other than Managing Director and Whole-Time Director) and other employees in Senior Management**

The remuneration of Key Managerial Personnel (other than managing director and whole time director) shall be decided on case to case basis.

### **Disclosures by the Company**

This Policy shall be disclosed in the Company's annual report.

### **General**

The Managing Directors and the Company Secretary are jointly and severally authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs w.r.t. any matter covered by this policy.

The amended policy shall be placed before the Board for noting and ratification.

**Annexure B****Composition, Meetings and Attendance of the Board and Board Committees****Board Meetings**

Name	Category	No. of Board Meetings attended (held during their tenure)
Mr. Sunil Bharti Mittal	Chairman	4 (4)
Mr. Akhil Kumar Gupta <sup>1</sup>	Non-Executive Director	1 (1)
Ms. Chua Sock Kong <sup>2</sup>	Non-Executive Director	3 (4)
Mr. Mark Chin Chong Kok	Non-Executive Director	4 (4)
Mr. Rajan Bharti Mittal	Non-Executive Director	4 (4)
Mr. Ravinder Arora	Independent Director	4 (4)
Mr. Sunil Kumar Goyal	Independent Director	3 (4)
Ms. Tan Yong Choo <sup>3</sup>	Non-Executive Director	1 (1)
Mr. Devendra Khanna	Managing Director	3 (4)

**Audit Committee Meetings**

Name	Category	Number of meetings attended (held during their tenure)
Mr. Sunil Kumar Goyal	Chairman	2 (2)
Mr. Rajan Bharti Mittal	Non-Executive Director	2 (2)
Mr. Ravinder Arora	Independent Director	2 (2)

**Stakeholders' Relationship Committee Meetings**

Name	Category	Number of meetings attended (held during their tenure)
Mr. Rajan Bharti Mittal	Chairman	6 (7)
Mr. Ravinder Arora	Independent Director	7 (7)
Mr. Devendra Khanna	Managing Director	7 (7)

**Corporate Social Responsibility Committee Meetings**

Name	Category	Number of meetings attended (held during their tenure)
Mr. Rajan Bharti Mittal	Chairman	1 (1)
Mr. Ravinder Arora	Independent Director	1 (1)
Mr. Devendra Khanna	Managing Director	1 (1)

**Nomination and Remuneration Committee Meetings**

Name	Category	Number of meetings attended (held during their tenure)
Mr. Ravinder Arora	Chairman	2 (2)
Mr. Sunil Kumar Goyal	Independent Director	2 (2)
Mr. Mark Chin Kok Chong	Non-executive Director	2 (2)

**BTL Committee of Directors Meetings**

Name	Category	No. of meetings attended (held during their tenure)
Mr. Rajan Bharti Mittal	Chairman	0 (1)
Mr. Devendra Khanna	Managing Director	1 (1)
Mr. Mark Chin Kok Chong	Non-executive Director	1 (1)
Mr. Ravinder Arora	Independent Director	1 (1)

**Notes:**

1. Mr. Akhil Kumar Gupta ceased to be the director w.e.f. April 28, 2015.
2. One meeting was attended by Ms. Tan Yong Choo, alternate director.
3. Ms. Tan Yong Choo ceased to be the director w.e.f. April 28, 2015.

### **Annexure C**

#### **The Annual Report on Corporate Social Responsibility (CSR) Activities**

##### **1. Brief Outline of Company's CSR Policy**

At Bharti Telecom, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavored to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

At Bharti Telecom, the CSR and welfare activities centers around the following areas:

- I. Promoting education including special education, employment enhancing vocation skills especially among children and livelihood enhancement projects;
- II. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- III. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

##### **2. Composition of CSR Committee**

<b>Name</b>	<b>Category</b>
Rajan Bharti Mittal, Chairman	Non-Executive Director
Ravinder Arora	Independent Director
Devendra Khanna	Managing Director

**3. Average net profit before tax of the Company for last three financial years** 119.7 Mn.

**4. Prescribed CSR Expenditure (2% of the amount as above)** 2.3 Mn.

##### **5. Details of CSR spent during the year**

- a) Total amount to be spent for the financial year 2.3 Mn.
- b) Amount Unspent 1.3 Mn.
- c) Manner in which amount spent during the financial year:

<b>S. No.</b>	<b>CSR project or activity identified</b>	<b>Sector in which the project is covered</b>	<b>Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken</b>	<b>Amount outlay (budget) project or programs wise (Mn.)</b>	<b>Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Mn.)</b>	<b>Cumulative expenditure up to the reporting period (Mn.)</b>	<b>Amount spent: Direct or through implementing agency</b>
1.	Satya Bharti School Program	Promotion of education	Jodhpur, Rajasthan	1.0	1.0	1.0	Bharti Foundation

##### **6. Reason for not spending the prescribed 2% amount**

During the FY 2015-16, the Company has spent Rs. 10,00,000 towards the CSR activities. Being the initial years, the Company was in the process of evaluating the focus areas/locations for intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

##### **7. Responsibility statement of the CSR Committee**

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**Devendra Khanna**  
Managing Director

**Rajan Bharti Mittal**  
Chairman, CSR Committee

**Annexure - D****Form No. MGT-9****Extract of Annual Return****As on the financial year ended on March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and other details:**

CIN	U32039HR1985PLC032091
Registration Date	July 29, 1985
Name of the Company	Bharti Telecom Limited
Category of the Company	Limited by shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered office and contact details	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana-122001 Phone: +91 124 422222
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agents	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India. Phone: +91 040 6716 2222

**II. Principal business activities of the Company**

Businesses contributing 10% or more of the total turnover of the company are given below:-

Sl. No.	Name and Description of main products/services	NIC Code of the product/service*	% to total turnover of the company
1	Investment	643	92.29%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation.

**III. Particulars of holding, subsidiary and associate companies –**

Sr. No.	Name and address of the Company	CIN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section of the Companies Act, 2013
1.	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road Vasant Kunj, Phase – II, New Delhi - 110070	L74899DL1995PLC070609	Associate	45.09	2(6)

**IV. Shareholding pattern (Equity share capital breakup as percentage of total equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2015				No. of Shares held at the end of the year i.e. March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I) (II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A) PROMOTER AND PROMOTER GROUP</b>									
(1) INDIAN									
(a) Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	11,003,376	0	11,003,376	50.54	1,305,587,259	0	1,305,587,259	51.69	1.15
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total A(1) :</b>	<b>11,003,376</b>	<b>0</b>	<b>11,003,376</b>	<b>50.54</b>	<b>1,305,587,259</b>	<b>0</b>	<b>1,305,587,259</b>	<b>51.69</b>	<b>1.15</b>

(2) FOREIGN									
(a) Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total A=A(1)+A(2)</b>	<b>11,003,376</b>	<b>0</b>	<b>11,003,376</b>	<b>50.54</b>	<b>1,305,587,259</b>	<b>0</b>	<b>1,305,587,259</b>	<b>51.69</b>	<b>1.15</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
(1) INSTITUTIONS									
(a) Mutual Funds /UTI	0	1600	1600	0.01	0	1600	1600	0.01	0.00
(b) Financial Institutions /Banks	0	300	300	0.00	0	300	300	0.00	0.00
(c) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) Foreign Institutional Investors	0	100	100	0.00	0	100	100	0.00	0.00
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total B(1) :</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0.01</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0.01</b>	<b>0.00</b>
(2) NON-INSTITUTIONS									
(a) Bodies Corporate	128,628	4,887	133,515	0.61	2,318,779	318,423	2,637,202	0.10	-0.51
(b) Individuals									
(i) holding nominal share capital upto Rs.1 lakh	120,989	161,078	282,067	1.30	1,423,307	825,192	2,248,499	0.09	-1.21
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	17,150	0	17,150	0.08	14,145,491	6,184,481	20,329,972	0.81	0.73
(c) Others									
FOREIGN BODIES	1,518,538	0	1,518,538	6.98	176,150,408	0	176,150,408	6.98	0.00
FOREIGN COMPANIES	4,765,859	3,985,140	8,750,999	40.20	1,011,067,839	3,985,140	1,015,052,979	40.19	0.00
NON RESIDENT INDIANS	10,538	31,942	42,480	0.20	744,939	261,242	1,006,181	0.04	-0.16
TRUSTS	19,911	0	19,911	0.09	2,309,676	0	2,309,676	0.09	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	6,581,613	4,183,047	10,764,660	49.45	1,208,160,439	11,574,478	1,219,734,917	48.30	-1.15
Total B=B(1)+B(2) :	6,581,613	4,185,047	10,766,660	49.46	1,208,160,439	11,576,078	1,219,736,917	48.30	-1.16
Total (A+B) :	17,584,989	4,185,047	21,770,036	100.00	2,513,747,698	11,576,478	2,525,324,176	100.00	0.00
(C) Shares held by custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group									
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A+B+C) :</b>	<b>17,584,989</b>	<b>4,185,047</b>	<b>21,770,036</b>	<b>100.00</b>	<b>2,513,747,698</b>	<b>11,576,478</b>	<b>2,525,324,176</b>	<b>100.00</b>	

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding
		No. of shares	% of total shares	% of pledged / encumbered to total shares	No. of shares	% of total shares	% of pledged / encumbered to total shares	
1	Bharti Infotel Private Limited	7,977,667	36.65%	Nil	925,409,372	36.65%	Nil	Nil
2	Bharti Enterprises (Holding) Private Limited	3,025,709	13.90%	Nil	380,177,887	15.05%	Nil	1.15%
	<b>Total</b>	<b>11,003,376</b>	<b>50.55%</b>	<b>Nil</b>	<b>1,305,587,259</b>	<b>51.70%</b>	<b>0.00%</b>	<b>1.15%</b>

**(iii) Change in Promoters' Shareholding**

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Increase / during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Bharti Infotel Private Limited	7,977,667	36.65	917,431,705	Rights Issue	925,409,372	36.65
2.	Bharti Enterprises (Holding) Private Limited	3,025,709	13.90	377,152,178*	Rights Issue & purchase from existing shareholders	380,177,887	15.05

\*Since the shares were acquired / sold in the dematerialized form through NSDL / CDSL, it is not feasible for the Company to provide date wise changes in the shareholding and therefore consolidated changes during the year 2015-16 has been provided.

**(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Pastel Limited</b>				
	At the beginning of the year	7,141,676	0.28	7,141,676	0.28
	Bought during the year	821,292,740	32.52	828,434,416	32.81
	Sold during the year	-	-	828,434,416	32.81
	At the end of the year	828,434,416	32.81	828,434,416	32.81
2	<b>Macritchie Investments Pte. Ltd.</b>				
	At the beginning of the year	1,608,776	0.06	1,608,776	0.06
	Bought during the year	185,009,240	7.33	186,618,016	7.39
	Sold during the year	-	-	186,618,016	7.39
	At the end of the year	186,618,016	7.39	186,618,016	7.39
3	<b>Singtel International Investments Private Limited</b>				
	At the beginning of the year	1,518,538	0.06	1,518,538	0.06
	Bought during the year	174,631,870	6.92	176,150,408	6.98
	Sold during the year	-	-	176,150,408	6.98
	At the end of the year	176,150,408	6.98	176,150,408	6.98
4	<b>Shri Parasram Holdings Pvt. Ltd.</b>				
	At the beginning of the year	1,907	0.00	1,907	0.00
	Bought during the year	219,305	0.01	221,212	0.01
	Sold during the year	-	-	221,212	0.01
	At the end of the year	221,212	0.01	221,212	0.01
5	<b>Yatish Trading Co. Pvt. Ltd.</b>				
	At the beginning of the year	107,190	0.00	107,190	0.00
	Bought during the year	12,326,850	0.49	12,434,040	0.49
	Sold during the year	12,434,040	0.49	-	-
	At the end of the year	0	0.00	0	0
6	<b>Pannalal Bhansali</b>				
	At the beginning of the year	17,150	0.00	17,150	0.00
	Bought during the year	2,378,316	0.09	2,395,466	0.09
	Sold during the year	-100	0.00	2,395,366	0.09
	At the end of the year	2,395,366	0.09	2,395,366	0.09
7	<b>Custodian (Special Court) A/C Rasila S Mehta</b>				
	At the beginning of the year	16,811	0.00	16,811	0.00
	Bought during the year	1,933,265	0.08	1,950,076	0.08
	-Sold during the year	-	-	1,950,076	0.08
	At the end of the year	1,950,076	0.08	1,950,076	0.08

8	<b>PFIL Securities Limited</b>				
	At the beginning of the year	8,500	0.00	8,500	0.00
	Bought during the year	977,500	0.04	986,000	0.04
	Sold during the year	-	-	986,000	0.04
	At the end of the year	986,000	0.04	986,000	0.04
9	<b>Anil Arya</b>				
	At the beginning of the year	2,250	0.00	2,250	0.00
	Bought during the year	258,750	0.01	261,000	0.01
	Sold during the year	-	-	-	-
	At the end of the year	261,000	0.01	261,000	0.01
10	<b>Archana R Kasat</b>				
	At the beginning of the year	2,225	0.00	2,225	0.00
	Bought during the year	267,575	0.01	269,800	0.01
	Sold during the year	100	0.00	269,700	0.01
	At the end of the year	269,700	0.01	269,700	0.01
11	<b>Devinder Prakash Kalra</b>				
	At the beginning of the year	2,100	0.00	2,100	0.00
	Bought during the year	241,500	0.01	243,600	0.01
	Sold during the year	-	-	-	-
	At the end of the year	243,600	0.01	243,600	0.01

Notes:

- The paid up share capital of the Company was increased during the financial year, therefore, '% of total shares of the Company' has been calculated on basis of paid up share capital as on March 31, 2016.
- Since the shares were acquired / sold in the dematerialized form through NSDL / CDSL, it is not feasible for the Company to provide date wise changes in the shareholding and therefore consolidated changes during the year 2015-16 has been provided.

**(v) Shareholding of Director and Key Managerial Personnel:**

SI No.	For each of the Director or KMP	Shareholding at the beginning of the year / at the end of the year		Date	Increase / decrease during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Rajendra Chopra*	1	0.00	April 01, 2015	Nil	Nil movement during the year	1	0.00
2	Rohit Krishan Puri#	1	0.00	April 01, 2015	Nil	Nil movement during the year	1	0.00

\*ceased to be Company Secretary w.e.f. April 28, 2015.

#Appointed as Company Secretary w.e.f. April 28, 2015.

No Director and any other KMP held any share of the Company during the financial year 2015-16.

**V. Indebtedness** : Nil**VI. Remuneration of Directors and Key Managerial Personnel :****Sitting fees :**

Ravinder Arora : ₹ 225,000

Sunil Kumar Goyal : ₹ 75,000

**VII. Penalties / Punishment/ Compounding of Offences** : Nil

**Annexure E****Form AOC-1****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies**

<b>Name of Associate</b>	Bharti Airtel Limited
<b>1. Latest audited Balance Sheet Date</b>	March 31, 2016
<b>2. Shares of Associate held by the company on the year end</b>	
No.	1,802,318,492
Amount of Investment in Associates	Rs. 37,657.09 Mn
Extent of Holding (in percentage)	45.0873%
<b>3. Description of how there is significant influence</b>	% of share capital
<b>4. Reason why the associate is not consolidated</b>	N.A.
<b>5. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	Rs. 369,438 Mn
<b>6. Profit/Loss for the year</b>	
i. Considered in Consolidation	Rs. 34,025 Mn
ii. Not Considered in Consolidation	Rs. 41,440 Mn

1. Names of associates or joint ventures which are yet to commence operations: N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.



**Annexure F****Secretarial Audit Report**

For the Financial Year ended March 31, 2016

The Members,  
**Bharti Telecom Limited**  
Airtel Centre, Plot No. 16,  
Udyog Vihar, Phase - IV,  
Gurgaon -122001  
Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharti Telecom Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
  - d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued; Not Applicable

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable, and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors / Businesses in which it operates. The management has confirmed that the Company is a Core Investment Company (CIC) pursuant to the Regulatory Framework for Core Investment Companies (CICs) issued by the Reserve Bank of India.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, being effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being effective from 01.12.2015; Not Applicable

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has made Rights Issue of 2,50,35,54,140 Equity Shares of face value Rs. 10/- each for cash at par for an amount aggregating to Rs. 25,035,541,400/-.

Date: April 18, 2016

Place: New Delhi

Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Partner  
Membership No. ACS No.: 16302  
Certificate of Practice No.: 5673

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and form an integral part of this report.

**Annexure A**

The Members,  
**Bharti Telecom Limited**  
Airtel Centre, Plot No. 16,  
Udyog Vihar, Phase - IV,  
Gurgaon -122001  
Haryana

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: April 18, 2016  
Place: New Delhi

Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Partner  
Membership No. ACS No.: 16302  
Certificate of Practice No.: 5673

## INDEPENDENT AUDITOR'S REPORT

To the Members of Bharti Telecom Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Bharti Telecom Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purpose of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W

Place of Signature: Gurgaon

Date: April 27, 2016

**per Nilangshu Katriar**

Partner

Membership Number: 58814

**Annexure 1****Annexure referred to in paragraph 1 of our report of even date****Re: [Bharti Telecom Limited] ('the Company')**

- (i) The Company has no fixed assets and therefore the provisions of clause 3(i) of the Order are not applicable on the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under sections 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central government has not prescribed maintenance of cost records under clause 148(1) of the Companies Act, 2013 for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues relating to income tax and cess. The provisions relating to provident fund, employee's state insurance, sales-tax, service tax, duty of customs, duty of excise and value added tax are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there are no dues of income tax, and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any dues to financial institution, bank, government or debenture holders during the year.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W

**per Nilangshu Katriar**  
Partner  
Membership No.:58814

Place of Signature: Gurgaon  
Date : April 27, 2016

**Annexure 2**

Annexure referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements'

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**To the Members of Bharti Telecom Limited**

We have audited the internal financial controls over financial reporting of Bharti Telecom Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W

**per Nilangshu Katriar**  
Partner  
Membership No.:58814

Place of Signature: Gurgaon  
Date : April 27, 2016

**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Notes	As at March 31, 2016 (₹'000)	As at March 31, 2015 (₹'000)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	25,253,242	217,700
Reserves and surplus	5	30,155,571	25,748,773
		<b>55,408,813</b>	<b>25,966,473</b>
<b>Non-current liabilities</b>			
Long-term provisions	6	16,857	13,235
		<b>16,857</b>	<b>13,235</b>
<b>Current liabilities</b>			
Trade payables	7		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		932	942
Other current liabilities	8	273	107
		<b>1,205</b>	<b>1,049</b>
<b>Total</b>		<b>55,426,875</b>	<b>25,980,757</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	9	37,657,091	19,729,732
		<b>37,657,091</b>	<b>19,729,732</b>
<b>Current assets</b>			
Current investments	9	-	6,250,693
Cash and bank balances	10	16,113,996	332
Short-term loans and advances	11	1,655,788	-
		<b>17,769,784</b>	<b>6,251,025</b>
<b>Total</b>		<b>55,426,875</b>	<b>25,980,757</b>
<b>Summary of significant accounting policies</b>	3	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S. R. Batliboi & Associates LLP**  
 Firm Registration No: 101049W  
 Chartered Accountants

For and on behalf of the Board of Directors of  
 Bharti Telecom Limited

**per Nilangshu Katriar**  
 Partner  
 Membership No: 58814

**Rajan Bharti Mittal**  
 Director

**Devendra Khanna**  
 Managing Director

**Rohit Krishan Puri**  
 Company Secretary

**Sanjay Berry**  
 Chief Financial Officer

Place : Gurgaon  
 Date : April 27, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Notes	For the year ended March 31, 2016 (₹'000)	For the year ended March 31, 2015 (₹'000)
<b>Income</b>			
Revenue from Operations	12	4,718,361	6,168,812
		<u><b>4,718,361</b></u>	<u><b>6,168,812</b></u>
<b>Expense</b>			
Administrative and Other Expenses	13	27,794	1,788
Finance Expenses	14	4	0
		<u><b>27,798</b></u>	<u><b>1,788</b></u>
<b>Profit before tax</b>		<u><b>4,690,563</b></u>	<u><b>6,167,024</b></u>
<b>Tax expense</b>			
Current tax			
- For the year		283,765	12,395
- For the earlier years		-	114
<b>Profit for the year</b>		<u><b>4,406,798</b></u>	<u><b>6,154,515</b></u>
<b>Earnings per equity share with face value of Rs 10 each</b>			
Basic and Diluted in (Rs.)		14.37	282.71
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Firm Registration No: 101049W

Chartered Accountants

**per Nilangshu Katriar**

Partner

Membership No: 58814

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**Rajan Bharti Mittal**

Director

**Devendra Khanna**

Managing Director

**Rohit Krishan Puri**

Company Secretary

**Sanjay Berry**

Chief Financial Officer

Place : Gurgaon

Date : April 27, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

PARTICULARS	For the year ended March 31, 2016 (₹'000)	For the year ended March 31, 2015 (₹'000)
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	4,690,563	6,167,024
<b>Adjustments for:</b>		
Profit on sale of Investment	(224,467)	-
Dividend Received	(3,902,459)	(6,129,736)
<b>Operating profit before working capital changes</b>	<b>563,637</b>	<b>37,288</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Short Term Loans & Advances	(1,655,788)	-
- Increase/(Decrease) in Trade Payables	(10)	628
- Increase/(Decrease) in Other Current Liabilities	166	62
<b>Cash generated from operations</b>	<b>(1,091,995)</b>	<b>37,978</b>
- Taxes Paid	(280,143)	(12,770)
<b>Net cash flow from operating activities</b>	<b>(1,372,138)</b>	<b>25,208</b>
<b>B. Cash flow from Investing activities:</b>		
<b>Adjustments for changes in :</b>		
Profit on sale of Investment	224,467	-
Dividend received	3,902,459	6,129,736
Investment in Associates	(17,927,359)	-
Proceeds from sale of Investment	24,198,826	4,210,900
Purchase of Investment	(17,948,132)	(10,366,055)
<b>Net cash flow from investing activities</b>	<b>(7,549,739)</b>	<b>(25,420)</b>
<b>C. Cash flow from financing activities:</b>		
Issue of Right Shares	25,035,541	-
<b>Net cash flow from in financing activities</b>	<b>25,035,541</b>	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>16,113,664</b>	<b>(211)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>332</b>	<b>543</b>
<b>Closing cash and cash equivalents</b>	<b>16,113,996</b>	<b>332</b>
<b>Cash and cash equivalents comprise</b>		
Cash in hand	-	-
Balance with Banks in Current Accounts	<b>16,113,996</b>	<b>332</b>

**Notes :**

- Figures in brackets indicate cash outflow.
- The above cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statement' notified under the Companies (Accounting Standard) Rules, 2006 (as amended)
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Firm Registration No: 101049W  
Chartered Accountants

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**per Nilangshu Katriar**  
Partner  
Membership No: 58814

**Rajan Bharti Mittal**  
Director

**Devendra Khanna**  
Managing Director

**Rohit Krishan Puri**  
Company Secretary

**Sanjay Berry**  
Chief Financial Officer

Place : Gurgaon  
Date : April 27, 2016

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****1. Corporate Information**

Bharti Telecom Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is a part of Bharti Group with its primary activity being holding investment in Bharti Airtel Limited.

**2. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 (the 'Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006, vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Company believes, as the original erstwhile notification dated December 7, 2006 states that the accounting standards shall come into effect in respect of accounting periods commencing on or after the publication of these Accounting Standards, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after March 30, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**3. Summary of Significant Accounting Policies****(a) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Revenue Recognition**

Income on account of interest and other activities is recognized on accrual basis.

Dividend income is recognized when the Company's right to receive dividend is established by the balance sheet date.

**(c) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(d) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(e) Taxation**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(f) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(g) Contingent Liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(h) Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

PARTICULARS	As at March 31, 2016 (₹'000)	As at March 31, 2015 (₹'000)
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**4. SHARE CAPITAL**
**Authorised**

5,000,000,000 (March 31, 2015- 40,000,000)

Equity Shares of Rs.10 each	50,000,000	400,000
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**Issued, Subscribed and Paid up**

2,525,324,176 (March 31, 2015- 21,770,036)

Equity shares of Rs.10 each	25,253,242	217,700
	25,253,242	217,700

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	As at March 31, 2016		As at March 31, 2015	
	No.	(₹'000)	No.	(₹'000)
At the beginning of the year	21,770,036	217,700	21,770,036	217,700
Issued during the year	2,503,554,140	25,035,542	-	-
Outstanding at the end of the year	<b>2,525,324,176</b>	<b>25,253,242</b>	<b>21,770,036</b>	<b>217,700</b>

**(b) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Bharti Infotel Private Limited	925,409,372	36.65%	7,977,667	36.65%
Pastel Limited	828,434,416	32.81%	7,141,676	32.81%
Bharti Enterprises (Holding) Private Limited	380,177,887	15.05%	3,025,709	13.90%
Macritchie Investments Pte Ltd.	186,618,016	7.39%	1,608,776	7.39%
Singtel International Investments Private Limited (formerly Cyan Private Limited)	176,150,408	6.98%	1,518,538	6.98%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(c) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	As at March 31, 2016 (₹ '000)	As at March 31, 2015 (₹ '000)		
<b>5. RESERVES AND SURPLUS</b>				
Securities Premium Reserve	10,647,415	10,647,415		
General Reserve	23,758	23,758		
<b>Surplus in Statement of Profit and Loss</b>				
Balance brought forward	15,077,600	8,923,085		
Add: Profit during the year	4,406,798	6,154,515		
Net Surplus in the Statement of Profit and Loss	<u>19,484,399</u>	<u>15,077,600</u>		
	<b><u>30,155,571</u></b>	<b><u>25,748,773</u></b>		
<b>6. LONG TERM PROVISIONS</b>				
Provision for taxation [Net of advance tax/TDS receivable of Rs 465,347 thousand (March 31, 2015 : 185,204 thousand )]	16,857	13,235		
	<u><b>16,857</b></u>	<u><b>13,235</b></u>		
<b>7. TRADE PAYABLES</b>				
Trade Payable				
- total outstanding dues of micro enterprises and small enterprises	-	-		
- total outstanding dues of creditors other than micro enterprises and small enterprises	932	942		
	<u><b>932</b></u>	<u><b>942</b></u>		
<b>8. OTHER LIABILITIES</b>				
- Statutory Liability Payable	273	107		
	<u><b>273</b></u>	<u><b>107</b></u>		
<b>9. INVESTMENTS</b>	<b>Non-current</b>	<b>Current</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>₹ ('000)</b>	<b>₹ ('000)</b>	<b>₹ ('000)</b>	<b>₹ ('000)</b>
<b>Trade investments (valued at cost unless stated otherwise)</b>				
<b>Investment in equity instruments (quoted)</b>				
1,802,318,492 (March 31, 2015: 1,747,545,460) equity shares of Rs 5 each fully paid-up in Bharti Airtel Limited	37,657,091	19,729,732	-	-



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	Non-current		Current	
	March 31, 2016 ₹ ('000)	March 31, 2015 ₹ ('000)	March 31, 2016 ₹ ('000)	March 31, 2015 ₹ ('000)
<b>Current Investments (valued at lower of cost and fair value, unless stated otherwise)</b>				
<b>Unquoted mutual funds</b>				
AXIS Liquid Fund - Nil units (March 31, 2015 - 401,255 units)	-	-	-	401,379
Birla Sun Life Cash Plus Mutual Fund- Nil units (March 31, 2015 - 527,117 units)	-	-	-	52,814
DWS Insta Cash Plus Fund - Nil units (March 31, 2015 - 3,007,941 units)	-	-	-	301,708
ICICI Prudential Money Market Fund - Nil units (March 31, 2015 - 81,894 units)	-	-	-	8,200
IDFC Cash Fund - Nil units (March 31, 2015 - 8,186 units)	-	-	-	8,189
JM High Liquidity Fund - Nil units (March 31, 2015 - 49,586,703 units)	-	-	-	517,199
Kotak Liquid Scheme Plan - Nil units (March 31, 2015 - 2,150 units)	-	-	-	2,629
Reliance Liquid Fund - Nil units (March 31, 2015 - 54,555 units)	-	-	-	54,583
Religare Invesco Liquid Fund - Nil units (March 31, 2015 - 516,482 units)	-	-	-	517,064
TATA Money Market Fund - Nil units (March 31, 2015 - 145,290 units)	-	-	-	145,510
UTI Liquid Cash Plan - Nil units (March 31, 2015 - 5,313 units)	-	-	-	5,416
<b>- Growth Mutual Fund</b>				
Birla Sun Life Cash Manager Mutual Fund - Nil units (March 31, 2015 - 1,525,207 units)	-	-	-	500,000
Birla Sun Life Floating Rate Short Term Coll - Nil units (March 31, 2015 - 109,839 units)	-	-	-	20,000
ICICI Prudential Flexible Income - Nil units (March 31, 2015 - 2,694,082 units)	-	-	-	710,000
IDFC Ultra Short Term Fund - Nil units (March 31, 2015 - 26,272,923 units)	-	-	-	500,000

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	Non-current		Current	
	March 31, 2016 ₹ ('000)	March 31, 2015 ₹ ('000)	March 31, 2016 ₹ ('000)	March 31, 2015 ₹ ('000)
JM High Liquidity Fund - Nil units (March 31, 2015 - 159,625 units)	-	-	-	6,000
Reliance Money Manager Fund - Nil units (March 31, 2015 - 268,023 units)	-	-	-	500,000
Reliance Money Manager Fund - Nil units (March 31, 2015 - 259,497 units)	-	-	-	500,000
Religare Invesco Ultra Short Term Fund - Nil units (March 31, 2015 - 266,348 units)	-	-	-	500,000
TATA Floater Fund - Nil units (March 31, 2015 - 244,384 units)	-	-	-	500,000
UTI Treasury Advantage Fund - Nil units (March 31, 2015 - 270,622 units)	-	-	-	500,000
	<b>37,657,091</b>	<b>19,729,732</b>	-	<b>6,250,693</b>
Aggregate cost of quoted investments	37,657,091	19,729,732		
Aggregate market value of quoted investments	632,253,169	687,309,629		
Aggregate cost of unquoted investments (Liquid Mutual Fund)	-	-	-	2,014,693
Aggregate cost of unquoted investments (Growth Mutual Fund)	-	-	-	4,315,880
Aggregate cost of unquoted investments			-	6,330,574

PARTICULARS	As at	As at
	March 31, 2016 (₹ '000)	March 31, 2015 (₹ '000)
<b>10. CASH AND BANK BALANCES</b>		
Balances with banks:		
– On current accounts	96	332
– On Fixed Deposits	16,113,900	-
	<b>16,113,996</b>	<b>332</b>
<b>11. SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless stated otherwise)		
Interest Accrued on Investment	150,608	-
Others	1,505,000	-
Trade Advances	180	-
	<b>1,655,788</b>	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

<b>PARTICULARS</b>	<b>For the year ended March 31, 2016 (₹'000)</b>	<b>For the year ended March 31, 2015 (₹'000)</b>
<b>12. REVENUE FROM OPERATIONS</b>		
Profit on Sale of Current Investments	224,467	-
Interest Income on		
- Bank Fixed Deposits	227,590	-
- Inter Corporate Deposits (ICD) to related party	363,845	39,076
Dividend income on		
Non Current Investments	3,886,362	5,994,081
Current Investments	16,097	135,655
	<b><u>4,718,361</u></b>	<b><u>6,168,812</u></b>
<b>13. ADMINISTRATIVE AND OTHER EXPENDITURE</b>		
Legal and Professional	25,779	1,587
Communication Expenses	286	23
Printing and Stationery	220	64
Meetings and Conferences	509	114
Charity & Donation	1,000	-
	<b><u>27,794</u></b>	<b><u>1,788</u></b>
<b>14. FINANCE EXPENSES</b>		
Bank Charges	4	0
	<b><u>4</u></b>	<b><u>0</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 15. Contingent liabilities

Claims against the Company not acknowledged as debts: Rs. Nil (March 31, 2015-Rs. Nil)

16. Company has given an undertaking to financial institutions for non-disposal of its shareholding in The Bharti Airtel Limited (BAL) to the extent of 26% of the total outstanding share capital of BAL in consideration of financial assistance given to BAL by financial institutions.

### 17. Auditors' Remuneration

	Year ended March 31, 2016 (In ₹'000)	Year ended March 31, 2015 (In ₹'000)
Audit Fees*	200	200
Reimbursement of Expenses*	15	15
	<u>215</u>	<u>215</u>

\*Excluding Service Tax

### 18. Earnings per Share (Basic and Diluted):

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Basic and Diluted Earnings per Share:</u>		
a) Profit/(loss) attributable to Equity Shareholders (Rs.'000) (A)	4,406,798	6,154,515
b) Weighted Average Number of Equity Shares Outstanding during the year (B)	306,564,933	21,770,036
c) Nominal Value of Equity Shares (Rs.)	10/-	10/-
d) Basic and Diluted Earnings per Share (Rs.) (A) / (B)	14.37	282.71

### 19. Segment Reporting:

Since the Company's business activity falls within a single business and geographical segment of holding investments, there are no additional disclosure to be provided under Accounting Standard- 17 'Segment reporting' other than those already provided in financial statement.

20. Based on the information available with the Company, none of the suppliers have confirmed that they are registered under The Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED'), as at March 31, 2016. Hence, the Company is not required to give disclosures specified under the Act.

### 21. Related Party Disclosures:

In accordance with the requirement of Accounting Standard (AS-18) on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationship, as identified and certified by the management are:

Name of the Related Party	Relationship
Bharti Infotel (Pvt.) Limited	Associate Company
Bharti Airtel Limited	Associate Company
Bharti Ventures Limited	Fellow Subsidiary
Bharti Insurance Holdings Private Limited	Group Company*
Bharti Foundation	Trust

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

\*"Group Company" though not 'Related Parties' as per the definition under AS 18, have been included by way of a voluntary disclosure, following the best corporate governance practices

**Related Party transactions for the year ended March 31, 2016 (₹ in'000)**

Nature of Transaction	Amount for the year ended March 31, 2016					Amount for the year ended March 31, 2015				
	Bharti Airtel Limited	Bharti Infotel (Pvt.) Limited	Bharti Ventures Limited	Bharti Insurance Holdings Private Limited	Bharti Foundation	Bharti Airtel Limited	Bharti Infotel (Pvt.) Limited	Bharti Ventures Limited	Bharti Insurance Holdings Private Limited	Bharti Foundation
ICD given	-	-	-	7,515,000	-	-	-	500,000	674,000	-
Repayment of ICD	-	-	-	6,010,000	-	-	-	500,000	674,000	-
Interest Income	-	-	-	363,845	-	-	-	28,027	11,049	-
Dividend Income	3,886,362	-	-	-	-	5,994,081	-	-	-	-
Security Deposit given	100	(200)	-	-	-	800	-	-	-	-
Refund of security deposit	100	(200)	-	-	-	800	-	-	-	-
CSR Donation	-	-	-	-	(1000)	-	-	-	-	-
<b>Closing balance</b>	-	-	-	<b>1,508,734</b>	-	-	-	-	-	-
ICD Receivable outstanding	-	-	-	1,505,000	-	-	-	-	-	-
Interest Receivable	-	-	-	3,734	-	-	-	-	-	-

22. Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to the current year's classification.

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

Firm Registration No: 101049W  
Chartered Accountants

**per Nilangshu Katriar**

Partner  
Membership No: 58814

Place : Gurgaon  
Date : April 27, 2016

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**Rajan Bharti Mittal**  
Director

**Rohit Krishan Puri**  
Company Secretary

**Devendra Khanna**  
Managing Director

**Sanjay Berry**  
Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT****To the Members of Bharti Telecom Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Bharti Telecom Limited (hereinafter referred to as "Company") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes ('the consolidated financial statements').

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 . The respective Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the

Company and its associate as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2016 taken on record by the Board of Directors of the Company and the reports of the auditors who are appointed under Section 139 of the Act, its associate company incorporated in India, none of the directors of the Company and its associates is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company and associate company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Company and its associate entity – Refer Note 15 to the consolidated financial statements;
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts, however, share of net profits of its associate's includes material foreseeable losses, if any, on long-term contracts including derivative contracts under applicable law or accounting standards and have been considered in these consolidated financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate incorporated in India.

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

**per Nilangshu Katriar**  
Partner  
Membership Number: 58814

Place: Gurgaon  
Date: April 27, 2016

**ANNEXURE 1**

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****To the Members of Bharti Telecom Limited**

In conjunction with our audit of the consolidated financial statements of Bharti Telecom Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Company and its associate company, which is companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its associate company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are



being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company and its associate company, which is company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**per Nilangshu Katriar**  
Partner  
Membership Number: 58814

Place: Gurgaon  
Date: April 27, 2016

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Notes	As at March 31, 2016 (₹'000)
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	4	25,253,242
Reserves and surplus	5	194,273,484
		<b><u>219,526,726</u></b>
<b>Non-current liabilities</b>		
Long-term provisions	6	16,857
		<b><u>16,857</u></b>
<b>Current liabilities</b>		
Trade payables	7	
- total outstanding dues of micro enterprises and small enterprises		-
- total outstanding dues of creditors other than micro enterprises and small enterprises		932
Other current liabilities	8	273
		<b><u>1,205</u></b>
<b>Total</b>		<b><u>219,544,788</u></b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associates	9	201,775,004
		<b><u>201,775,004</u></b>
<b>Current assets</b>		
Cash and bank balances	10	16,113,996
Short-term loans and advances	11	1,655,788
		<b><u>17,769,784</u></b>
<b>Total</b>		<b><u>219,544,788</u></b>
<b>Summary of significant accounting policies</b>	3	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Firm Registration No: 101049W

Chartered Accountants

**per Nilangshu Katriar**

Partner

Membership No: 58814

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**Rajan Bharti Mittal**

Director

**Rohit Krishan Puri**

Company Secretary

**Devendra Khanna**

Managing Director

**Sanjay Berry**

Chief Financial Officer

Place : Gurgaon

Date : April 27, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Notes	For the year ended March 31, 2016 (₹'000)
<b>Income</b>		
Revenue from Operations	12	4,718,361
		<u><b>4,718,361</b></u>
<b>Expense</b>		
Administrative and Other Expenses	13	27,794
Finance Expenses	14	4
		<u><b>27,798</b></u>
<b>Profit before tax</b>		<u><b>4,690,563</b></u>
<b>Tax expense</b>		
Current tax		
- For the year		283,765
- For the earlier years		-
<b>Profit after tax before share of profits of an Associates</b>		<u><b>4,406,798</b></u>
Share of net profit of an Associates	9	20,093,276
<b>Profit for the year</b>		<u><b>24,500,074</b></u>
<b>Earnings per equity share with face value of Rs 10 each</b>		
Basic and Diluted in (Rs.)		79.92
Summary of significant accounting policies	3	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Firm Registration No: 101049W

Chartered Accountants

**per Nilangshu Katriar**

Partner

Membership No: 58814

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**Rajan Bharti Mittal**

Director

**Rohit Krishan Puri**

Company Secretary

**Devendra Khanna**

Managing Director

**Sanjay Berry**

Chief Financial Officer

Place : Gurgaon

Date : April 27, 2016

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

PARTICULARS	For the year ended March 31, 2016 (₹'000)
<b>A. Cash flow from operating activities:</b>	
Net profit before tax	4,690,563
<b>Adjustments for:</b>	
Profit on sale of Investment	(224,467)
Dividend Received	(3,902,459)
<b>Operating profit before working capital changes</b>	<b>563,637</b>
<b>Adjustments for changes in working capital :</b>	
- (Increase)/Decrease in Short Term Loans & Advances	(1,655,788)
- Increase/(Decrease) in Trade Payables	(10)
- Increase/(Decrease) in Other Current Liabilities	166
<b>Cash generated from operations</b>	<b>(1,091,995)</b>
- Taxes Paid	(280,143)
<b>Net cash flow from operating activities</b>	<b>(1,372,138)</b>
<b>B. Cash flow from Investing activities:</b>	
<b>Adjustments for changes in :</b>	
Profit on sale of Investment	224,467
Dividend received	3,902,459
Investment in Associates	(17,927,359)
Proceeds from sale of Investment	24,198,826
Purchase of Investment	(17,948,132)
<b>Net cash flow from investing activities</b>	<b>(7,549,739)</b>
<b>C. Cash flow from financing activities:</b>	
Issue of Right Shares	25,035,541
<b>Net cash flow from in financing activities</b>	<b>25,035,541</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>16,113,664</b>
<b>Opening Cash and Cash Equivalents</b>	332
<b>Closing cash and cash equivalents</b>	<b>16,113,996</b>
<b>Cash and cash equivalents comprise</b>	
Cash in hand	-
Balance with Banks in Current Accounts	<b>16,113,996</b>

**Notes :**

- Figures in brackets indicate cash outflow.
- The above cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statement' notified under the Companies (Accounting Standard) Rules, 2006 (as amended)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
Firm Registration No: 101049W  
Chartered Accountants

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**per Nilangshu Katriar**  
Partner  
Membership No: 58814

**Rajan Bharti Mittal**  
Director

**Devendra Khanna**  
Managing Director

**Rohit Krishan Puri**  
Company Secretary

**Sanjay Berry**  
Chief Financial Officer

Place : Gurgaon  
Date : April 27, 2016

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****1. Corporate Information**

Bharti Telecom Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is a part of Bharti Group with its primary activity being holding investment in Bharti Airtel Limited.

Its associates (namely Bharti Airtel Limited) is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia, and is engaged primarily in the business of rendering services in the telecommunication systems and services, tower infrastructure services and direct to home digital services.

The Company along with its associate, hereinafter collectively referred to "the Group".

**2. Basis of Preparation of Consolidated Financial Statements**

The consolidated financial statements of the Company have been prepared in terms of 129(3) of the Companies Act 2013 and in accordance with the generally accepted accounting principles in India (Indian GAAP). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis to comply in all material respect with the accounting standard notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and consolidated as per sub-point 3(a) below for the year ended March 31, 2016. The accounting principles had been consistently applied by the Group.

The Group accounts for its share of post acquisition changes in net assets of associate, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associate's Statement of Profit and Loss and through its reserves for the balance based on available information.

The financial statements are presented in Indian rupees rounded off to the nearest rupees in Thousands, except as stated otherwise.

This is the first occasion that consolidated financial statements are presented by Group, accordingly the comparative figures for the previous period has not be presented in accordance with the transitional provision of AS 21.

**3. Summary of Significant Accounting Policies****(a) Principles of Consolidation**

The consolidated financial statements include the financial statements of the Company and its associates.

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of cash flows and notes to the consolidated financial statements that form an integral part thereof.

- (i) The Group's Investments in its Associates are accounted for using the Equity Method. Under the Equity Method, investment in associates are carried in the consolidated financial statements at cost as adjusted for post acquisition changes in the group's share of the net assets of the associates. On acquisition of an associate, the goodwill/capital reserve arising from such acquisition is included in the carrying amount of investment and also disclosed separately.
- (ii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.

(iii) The particulars of associate, which is included in consolidation and the Company's holding therein, are as under:

Entity	Country of Incorporation	Principal Activity	Relationship	Period of financial year	Shareholding as at March 31, 2016
Bharti Airtel Limited	India	Telecommunication Services	Associates	April-March	45.0873%

#### (b) Use of Estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (c) Revenue Recognition

Income on account of interest and other activities is recognized on accrual basis.

Dividend income is recognized when the Company's right to receive dividend is established by the balance sheet date.

#### (d) Intangible Assets

Identifiable intangible assets are recognized when the group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the group and the cost of the asset can be reliably measured. At initial recognition the intangible assets are recognized at cost.

At initial recognition, the separately acquired intangible assets are recognized at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

#### Goodwill

Goodwill represents the excess of purchase consideration over share of net asset value of associates on the respective dates of such acquisition.

Goodwill is carried at cost less accumulated amortisation and impairment, if any and is amortised on a straight-line basis over the period of 15 years from the date of acquisition.

#### (e) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment.

The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(f) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(g) Taxation**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(h) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(i) Contingencies**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**(j) Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**
**PARTICULARS**
**As at  
March 31, 2016  
(₹'000)**
**4. SHARE CAPITAL**
**Authorised**

5,000,000,000 Equity Shares of Rs.10 each **50,000,000**
**Issued, Subscribed and Paid up**

2,525,324,176 Equity shares of Rs.10 each 25,253,242

**25,253,242**
**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	As at March 31, 2016	
	No.	(₹'000)
At the beginning of the year	21,770,036	217,700
Issued during the year	2,503,554,140	25,035,542
Outstanding at the end of the year	<b>2,525,324,176</b>	<b>25,253,242</b>

**(b) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2016	
	No. of Shares	% holding
Bharti Infotel Private Limited	925,409,372	36.65%
Pastel Limited	828,434,416	32.81%
Bharti Enterprises (Holding) Private Limited	380,177,887	15.05%
Macritchie Investments Pte Ltd.	186,618,016	7.39%
Singtel International Investments Private Limited (formerly Cyan Private Limited)	176,150,408	6.98%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(c) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	<b>As at March 31, 2016 (₹ '000)</b>
<b>5. RESERVES AND SURPLUS</b>	
<b>Securities Premium Reserve</b>	10,647,415
<b>Capital Reserve</b>	
Opening balance	1,286,834
Add: Addition during the year	(1,286,834)
<b>Closing balance</b>	<u>-</u>
<b>General Reserve</b>	23,758
<b>Other Reserve</b>	
Opening balance	(10,563,188)
Add: Addition during the year	(8,852,040)
<b>Closing balance</b>	<u><b>(19,415,228)</b></u>
<b>Surplus in Statement of Profit and Loss</b>	
Balance brought forward	178,517,465
Add: Profit during the year	24,500,074
Net Surplus in the Statement of Profit and Loss	<u>203,017,539</u>
	<u><b>194,273,484</b></u>
<b>6. LONG TERM PROVISIONS</b>	
Provision for taxation [Net of advance tax/TDS receivable of Rs 465,347 thousand]	16,857
	<u><b>16,857</b></u>
<b>7. TRADE PAYABLES</b>	
Trade Payable	
- total outstanding dues of micro enterprises and small enterprises	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	932
	<u><b>932</b></u>
<b>8. OTHER LIABILITIES</b>	
- Statutory Liability Payable	273
	<u><b>273</b></u>
<b>9. INVESTMENTS IN AN ASSOCIATES</b>	
The Group has a 45.0873% interest in Bharti Airtel Limited, which is accounted for using the equity method in the consolidated financial statements. The following table is the summarised financial information of the Group's investment in Bharti Airtel Limited:	
Non-current assets	1,891,373,421
Current assets	208,065,494
Non-current liabilities	(1,007,711,646)
Current liabilities	(594,286,363)
<b>Equity</b>	<u><b>497,440,906</b></u>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	<b>As at March 31, 2016 (₹ '000)</b>
Less: Minority interest	(74,464,890)
Proportion of the Group's ownership	45.0873%
Group share of net assets	190,708,330
Goodwill included in carrying amount of investment	11,066,675
<b>Carrying amount of the investment</b>	<b><u>201,775,004</u></b>
<b>Profit and Loss Account</b>	
Revenue	1,020,471,074
Operating expenses	(642,337,860)
Finance costs	(87,017,947)
Depreciation and amortisation	(213,674,187)
<b>Profit before exceptional items and tax</b>	<b>77,441,080</b>
Exceptional items	(29,235,898)
<b>Profit before tax</b>	<b>106,676,978</b>
Tax Expense (including tax on exceptional items)	
Current tax	50,908,445
MAT credit	(17,640,598)
Deferred tax	19,104,956
<b>Profit after tax</b>	<b>54,304,175</b>
Profit attributable to minority interest	9,738,876
Profit attributable to equity shareholders	<b><u>44,565,299</u></b>
Proportion of the Group's ownership	45.0873%
<b>Group share of profit for the year</b>	<b>20,093,276</b>
<b>10. CASH AND BANK BALANCES</b>	
<b>Cash and cash equivalents</b>	
Balances with banks:	
– On current accounts	96
– On Fixed Deposits	16,113,900
	<b><u>16,113,996</u></b>
<b>11. SHORT TERM LOANS &amp; ADVANCES</b>	
(Unsecured, considered good unless stated otherwise)	
Interest Accrued on Investment	150,608
Others	1,505,000
Trade Advances	180
	<b><u>1,655,788</u></b>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

<b>PARTICULARS</b>	<b>For the year ended March 31, 2016 (₹'000)</b>
<b>12. REVENUE FROM OPERATIONS</b>	
Profit on Sale of Current Investments	224,467
Interest Income on	
Bank Fixed Deposits	227,590
Inter Corporate Deposits (ICD) to related party	363,845
Dividend income on	
Non Current Investments	3,886,362
Current Investments	16,097
	<b>4,718,361</b>
<b>13. ADMINISTRATIVE AND OTHER EXPENDITURE</b>	
Legal and Professional	25,779
Communication Expenses	286
Printing and Stationery	220
Meetings and Conferences	509
Charity & Donation	1,000
	<b>27,794</b>
<b>14. FINANCE EXPENSES</b>	
Bank Charges	4
	<b>4</b>

**15. Contingent liabilities and commitments**

- (i) Claims against the Company not acknowledged as debts: Rs. Nil
- (ii) In addition to the above, Contingencies and commitments to the extent of proportionate share of investment in associates has been disclosed as below:

<b>S.No.</b>	<b>Particulars</b>	<b>Year ended March 31, 2016 (In Rs '000)</b>
1	Capital Commitments	33,393,956/-
2	Guarantees	47,910,442/-
3	Contingencies	45,983,233/-

The contingent liabilities mentioned in the table above represent disputes with various government authorities in the respective jurisdiction where the operations of associates are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities.

**16. Auditors' Remuneration**

	<b>Year ended March 31, 2016 (In Rs '000)</b>
Audit Fees*	200
Reimbursement of Expenses*	15
	<b>215</b>

\*Excluding Service Tax

**17. Earnings per Share (Basic and Diluted):**

	<b>For the year ended March 31, 2016</b>
Basic and Diluted Earnings per Share:	
a) Profit / (Loss) attributable to Equity Shareholders (Rs.'000) (A)	24,500,074/-
b) Weighted Average Number of Equity Shares Outstanding during the year (B)	306,564,933/-
c) Nominal Value of Equity Shares (Rs.)	10/-
d) Basic and Diluted Earnings per Share (Rs.) (A) / (B)	79.92/-

**18. Segment Reporting:**

Since the Company's business activity falls within a single business and geographical segment of holding investments, there are no additional disclosure to be provided under Accounting Standard- 17 'Segment Reporting' other than those already provided in financial statement.

**19. Related Party Disclosures:**

In accordance with the requirement of Accounting Standard (AS-18) on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationship, as identified and certified by the management are:

<b>Name of the Related Party</b>	<b>Relationship</b>
Bharti Infotel (Pvt.) Limited	Associate Company
Bharti Airtel Limited	Associate Company
Bharti Insurance Holdings Private Limited	Group Company*
Bharti Foundation	Trust

**Related Party transactions for the year ended March 31, 2016****(Rs in'000)**

<b>Particulars</b>	<b>Bharti Airtel Limited</b>	<b>Bharti Infotel (Pvt.) Limited</b>	<b>Bharti Insurance Holdings Private Limited</b>	<b>Bharti Foundation</b>
ICD given	-	-	7,515,000	-
Repayment of ICD	-	-	6,010,000	-
Interest Income	-	-	363,845	-
Dividend Income	3,886,362	-	-	-
Security Deposit given	100	(200)	-	-
Refund of security deposit	100	200	-	-
CSR Donation	-	-	-	(1,000)
<b>Closing balance</b>	-	-	<b>1,508,734</b>	-
ICD Receivable outstanding	-	-	1,505,000	-
Interest Receivable	-	-	3,734	-

\*"Group Company" though not 'Related Parties' as per the definition under AS 18, have been included by way of a voluntary disclosure, following the best corporate governance practices

**20.** Additional information, as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as associates

		As at March 31, 2016		For the year 2015-16	
		Net assets, i.e. total assets minus total liabilities		Share in profit and loss	
S.No.	Entity Name	As % of Consolidated net assets	Amount (Rs in '000.)	As % of Consolidated profit and loss	Amount (Rs in '000.)
<b>(A)</b>	<b>Parent</b>				
1	Bharti Telecom Limited	25%	55,408,813	18%	4,406,798
<b>(B)</b>	<b>Indian Associates</b>				
2	Bharti Airtel Limited	75%	164,117,913	82%	20,093,276
	<b>Total(A+B)</b>	<b>100%</b>	<b>219,526,726</b>	<b>100%</b>	<b>24,500,074</b>

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

Firm Registration No: 101049W  
Chartered Accountants

**per Nilangshu Katriar**

Partner  
Membership No: 58814

Place : Gurgaon  
Date : April 27, 2016

For and on behalf of the Board of Directors of  
Bharti Telecom Limited

**Rajan Bharti Mittal**

Director

**Rohit Krishan Puri**

Company Secretary

**Devendra Khanna**

Managing Director

**Sanjay Berry**

Chief Financial Officer







## **BHARTI TELECOM LIMITED**

**Registered Office :**

Airtel Center, Plot No. 16,  
Udyog Vihar, Phase - IV, Gurgaon,  
Haryana - 122 001, India.

**Corporate Office :**

Bharti Crescent,  
1, Nelson Mandela Road,  
Vasant Kunj, Phase - II,  
New Delhi - 110 070, India.

## **BOOK POST**



**BHARTI TELECOM LIMITED**

Bharti Crescent, 1, Nelson Mandela Road,  
Vasant Kunj, Phase - II, New Delhi - 110 070,  
India.