

# **ANNUAL REPORT**

## **WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

**2012 - 2013**

Certified True Copy  
For Airtel Broadband Services Private Limited

Authorised Signatory



**CERTIFIED TRUE COPY**

**For BHARTI AIRTEL LIMITED**

  
Rajendra Chopra  
Dy. Company Secretary

(61)

# WIRELESS BUSINESS SERVICES PRIVATE LIMITED

Registered Office : Platina Building - Unit No 1102, G Block, 11<sup>th</sup> Floor, Plot No. C-59, Bandra Kurla Complex, Bandra East, Mumbai 400051. INDIA.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of Wireless Business Services Private Limited will be held on Monday, the 30<sup>th</sup> day of September 2013 at 2.00 p.m. at Platina Building, Unit No. 1102, G Block, 11<sup>th</sup> Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (East), Mumbai 400050 at shorter notice to transact the following business(es).

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013, Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (in place of M/s. Price Waterhouse & Co., Chartered Accountants who have expressed their unwillingness to continue) as Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 21, 16 and 31 and all other applicable provisions of the Companies Act, 1956 (including any amendment or re-enactment thereof) and subject to the approval of the Central Government/Registrar of Companies, the name of the Company, be and is hereby changed from **"Wireless Business Services Private Limited"** to **"Airtel Broadband Services Private Limited"** or any other name as may be approved by the Central Government/Registrar of Companies, Mumbai.

**RESOLVED FURTHER THAT** the name **"Wireless Business Services Private Limited"**, wherever it appears in the Memorandum and Articles of Association of the Company, be substituted by the new name **"Airtel Broadband Services Private Limited"** or any other name as may be approved by the Central Government/Registrar of Companies.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to prepare, file, execute, sign any application, form, explanations, documents, papers etc. in physical/electronic mode and to make any amendment/ alteration/ addition/ deletion/ in the application/ form/ explanation/ documents/ papers to be filed with and to obtain necessary approvals, consents, grants, permission from the Central



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## WIRELESS BUSINESS SERVICES PRIVATE LIMITED

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Government/ Registrar of Companies, Mumbai and do all such acts, deeds & things as may be necessary in this regard."

4. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Mr. Inderjit Walia, who was appointed as an Additional Director on June 25, 2013 and who holds office as such upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

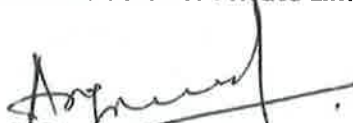
"**RESOLVED THAT** Mr. Srikanth Balachandran, who was appointed as an Additional Director on June 25, 2013 and who holds office as such upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Mr. Gopal Vittal, who was appointed as an Additional Director on July 12, 2013 and who holds office as such upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

Date: 30.09.2013

By order of the Board  
For Wireless Business Services Private Limited

  
Authorised Signatory

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.



## **WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

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### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 3**

The Company has become subsidiary of Bharti Airtel Limited. In view of the same, it is therefore proposed to change the name of the Company from **"Wireless Business Services Private Limited"** to **"Airtel Broadband Services Private Limited"** or any other name as may be approved by the Central Government/Registrar of Companies to reflect the holding-subsidary relationship. The Company has filed e-Form No. 1A with the Registrar vide SRN: B85444297 on 26<sup>th</sup> September, 2013 which is still pending for necessary approval. Steps will be taken to file e-Form No. 23 & 1B for change of name, once the name is allowed by the Registrar.

Therefore, directors recommended the resolution as set out in Item No. 3 of the notice, for the approval of members.

It is further proposed to change the name of Company wherever it is appearing in the Memorandum of Association and Articles of Association subject to approval of Central Government.

A draft of the New Memorandum & Articles of Association of the Company is open for inspection at the registered office of the Company.

The approval of shareholders of company is sought by way of above special resolution for the change of name of Company.

None of the Directors, key managerial personnel and their relatives, is in any way concerned or interested in the resolution.

#### **Item No. 4**

Mr. Inderjit Walia was appointed as an Additional Director on the Board w.e.f. June 25, 2013. Mr. Inderjit Walia holds office upto the date of forthcoming Annual General Meeting. In view of their rich and varied experience, it is proposed that Mr. Inderjit Walia be appointed as Director of the Company not liable to retire by rotation.

The Board therefore recommends the resolution as set out under item no. 4 of the Notice for approval of the Shareholders.

None of the Directors (except Mr. Inderjit Walia for his own appointment), key managerial personnel and their relatives, is in any way concerned or interested in the resolution.



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## **WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

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Bandra East, Mumbai 400051.INDIA.

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### **Item No. 5**

Mr. Srikanth Balachandran was appointed as an Additional Director on the Board w.e.f. June 25, 2013. Mr. Srikanth Balachandran holds office upto the date of forthcoming Annual General Meeting. In view of their rich and varied experience, it is proposed that Mr. Srikanth Balachandran be appointed as Director of the Company not liable to retire by rotation.

The Board therefore recommends the resolution as set out under item no. 5 of the Notice for approval of the Shareholders.

None of the Directors (except Mr. Srikanth Balachandran for his own appointment), key managerial personnel and their relatives, is in any way concerned or interested in the resolution.

### **Item No. 6**

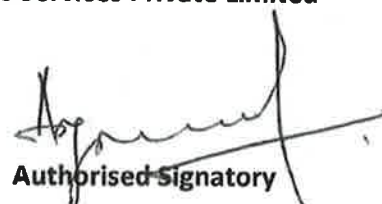
Mr. Gopal Vittal was appointed as an Additional Director on the Board w.e.f. July 12, 2013. Mr. Gopal Vittal holds office upto the date of forthcoming Annual General Meeting. In view of their rich and varied experience, it is proposed that Mr. Gopal Vittal be appointed as Director of the Company not liable to retire by rotation.

The Board therefore recommends the resolution as set out under item no. 6 of the Notice for approval of the Shareholders.

None of the Directors (except Mr. Gopal Vittal for his own appointment), key managerial personnel and their relatives, is in any way concerned or interested in the resolution.

**Date: 30.09.2013**

**By order of the Board  
For Wireless Business Services Private Limited**

  
**Authorised Signatory**



## WIRELESS BUSINESS SERVICES PRIVATE LIMITED

Registered Office: Platina Building, Unit No. 1102, G Block, 11<sup>th</sup> Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (East), Mumbai 400050.

### DIRECTORS' REPORT

To,  
The Members,  
Wireless Business Services Private Limited

Your Directors are delighted to present the Sixth Directors' Report of the Company together with the audited accounts for the financial year ending March 31, 2013.

### FINANCIAL RESULTS

(Rupees in Thousands)		
Financial Results	March 31, 2013	March 31, 2012
Profit/(Loss) before Tax	(744,698)	(2,135,482)
Profit/(Loss) after Tax	(810,528)	(2,206,625)
Loss brought forward from previous period	(3,832,989)	(1,626,364)
Balance Transferred pursuant to the Scheme of Amalgamation	(4,340,445)	
Loss carried to the Balance Sheet	(8,983,962)	(3,832,989)

### OPERATIONS

The Company has incurred a loss of Rs 8,105.28 Lacs as against loss of Rs 22,066.25 Lacs in the previous year. The loss is incurred mainly on account of interest and commitment charges on term loans and debentures.

#### Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation (hereinafter referred to as 'Scheme') approved by the High Court of Delhi and High Court of Bombay, Wireless Broadband Business Services (Kerala) Private Limited, Wireless Broadband Business Services (Delhi) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (together referred to as "transferor companies") have been merged with the Company with an appointed date as July 6, 2010. The approved Scheme has been filed with the Registrar of Companies on August 5, 2013.

#### Allocation of Broadband Wireless Access (BWA) Spectrum

The Company has been assigned the Broadband Wireless Access (BWA) Spectrum for BWA operations in Delhi, Mumbai, Kerala and Haryana service area vide letter No. L-14035/10/2010 dated May 8, 2012 by Government of India, Ministry of Communications and IT, Department of Telecommunications (DoT), WPC Wing read with Telecom Disputes Settlement and Appellate Tribunal (TDSAT) Order dated October 10, 2012 and Petition No. 341/2012/5605 for a period of 20 years. The Company also has an obligation under this order to roll out BWA network by May 7, 2017.

### CHANGES IN THE CAPITAL STRUCTURE

The authorized share capital of the Company stands increased to Rs. 6,000 Crores as on date. Pursuant to the share purchase agreements inter alia between Qualcomm Asia Pacific Pte. Ltd ("Qualcomm") and Bharti Airtel Limited ("Airtel") as amended, Airtel has acquired & subscribed to an aggregate of 5295,864,065 equity shares of the Company. Consequently, as on date Airtel and Qualcomm holds 5295,864,065 equity shares (93.45 %) and 371,273,844 equity shares (6.55%) respectively of the Company.





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**FIXED DEPOSITS**

The Company has not yet accepted any Fixed Deposits and, as such, no amount of principal or interest was outstanding as of the date of Balance Sheet.

**DIVIDEND**

Your Directors do not recommend any dividend for the year ending March 31, 2013.

**DIRECTORS**

During the period under review, Mr. Narender Gupta, Mr. Inderjit Walia, Mr. Srikanth Balachandran, Mr. Srinivas Kondethimmanapalli and Mr. Ravi Kumar Kaushal were appointed as Additional Director(s) on June 25, 2013. Further, Mr. Gopal Vittal was appointed as Additional Director(s) on July 12, 2013.

Ms. Rhonda Meyer and Mr. Narender Gupta resigned from the Board with effect from June 25, 2013 and July 12, 2013 respectively. Further, Mr. Sanjay Somani, Mr. Paul W. Fiskness, Mr. Srinivas Kondethimmanapalli and Mr. Ravi Kumar Kaushal resigned from the Board on August 30, 2013. The Board places on record its sincere appreciation for the guidance rendered by them during their tenure on the Board.

Thus, Mr. Inderjit Walla, Mr. Srikanth Balachandran and Mr. Gopal Vittal, Directors will hold the office until the conclusion of forthcoming Annual General Meeting of the Company. Board recommends their re-appointment at the ensuing annual general meeting.

**AUDITORS**

The Statutory Auditors of the Company M/s. Price Waterhouse & Co., Chartered Accountants, (FRN 007567S) have expressed their unwillingness for the re-appointment as Statutory Auditors of the Company. In view of the above, your Directors recommend to appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company from the conclusion of forthcoming annual general meeting to the conclusion of the next annual general meeting.

Further, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have confirmed their willingness and eligibility for appointment and have also confirmed that the appointment, if made, will be within the limits as prescribed under Section 224 (1B) of the Companies Act, 1956.

**AUDITORS' REPORT**

The Board has duly examined the statutory auditors' report on accounts and clarifications, wherever necessary, have been included in the Notes to Accounts Section of the Annual Report.



*[Handwritten signature]*

**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

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**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility, the Board of Directors of the Company confirms that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) we have 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 ended March 31, 2013 and of the loss of the Company for that period;
- (iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) we have prepared the annual accounts on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOINGS**

The Statutory provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 as amended are not applicable to the Company. However, the information so far as is applicable has been given in Annexure to this report.

**PARTICULARS OF EMPLOYEES**

There are no employees during the period under review whose particulars are to be provided in terms of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**ACKNOWLEDGEMENTS**

The Board of Directors wish to place on record their appreciation to the Central Government, the State Government, its employees and the Bankers for their continued support.

**Date: September 30, 2013**

**Place: New Delhi**

**By order of the Board  
For Wireless Business Services Private Limited**



  
Director

  
Director



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

Registered Office: Platina Building, Unit No. 1102, G Block, 11<sup>th</sup> Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (East), Mumbai 400050.

**Annexure**

**INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988.**

**(A) Conservation of Energy**

The operations of the Company are not energy intensive and costs incurred on power as compared to the income are very nominal.

**(B) Technology Absorption**

Details of efforts made in Technology Absorption are given in "Form B" hereunder, as specified in the Annexure to the aforesaid Rules.

**FORM – B**

- (a) Research and Development (R & D) - NIL
- (b) Technology absorption, adaptation and innovation - Nil

**(C) Foreign Exchange Earnings and Outgo**

- (a) Activities Relating to Exports, initiatives taken to increase Exports, and Export Plans: Nil
- (b) Foreign Exchange Earnings and Outgo:
  - (a) Total Foreign Exchange Earning: Nil
  - (b) Total Foreign Exchange Outgo (Expenditure) : Nil

**Date: September 30, 2013**  
**Place: New Delhi**

**By order of the Board**  
**For Wireless Business Services Private Limited**

  
Director

  
Director



## INDEPENDENT AUDITORS' REPORT

### To the Members of Wireless Business Services Private Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Wireless Business Services Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and 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, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**INDEPENDENT AUDITORS' REPORT**

To the Members of Wireless Business Services Private Limited  
Report on the Financial Statements  
Page 2 of 2

**Emphasis of Matter**

7. We draw your attention to Note 21 to the financial statements, regarding the preparation of these financial statements to give effect to the Scheme of Amalgamation, referred to therein, which became effective on August 5, 2013. The appointed date of Amalgamation being July 6, 2010, the financial statements of the Company, as on and for the year ended March 31, 2013, have been prepared to include the financial results, and assets and liabilities, of the transferor companies as on and for the year ended March 31, 2013 in accordance with the Scheme of Amalgamation. Accordingly, the current year figures are not comparable with the corresponding figures as on and for the year ended March 31, 2012. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
- (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S  
Chartered Accountants



Neeraj Gupta  
Partner  
Membership Number: 055158

Place: Mumbai  
Date: August 30, 2013



## **Annexure to Independent Auditors' Report**

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Wireless Business Services Private Limited on the financial statements as of and for the year ended March 31, 2013

- i. The Company's fixed assets comprise of Intangible assets and Capital work in Progress only. Accordingly, as explained to us, no fixed assets register has been maintained during the year and no physical verification process has been established during the year. Therefore, the provisions of the Clause 4(i) of the said Order are not applicable to the Company.
- ii. The Company did not hold any inventory as at and during the year ended March 31, 2013. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (b), (c) and (d) of the said Order are not applicable to the Company.  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system. The operations of the Company did not involve purchase of inventories and sale of goods and services during the year.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act. Therefore, the provisions of the Clause 4(v) (b) of the said Order are not applicable to the Company.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, for its business. However, the Company has not commenced commercial operations and therefore, as explained to us, the prescribed accounts and records were not required to be maintained during the year.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- x. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2013 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.





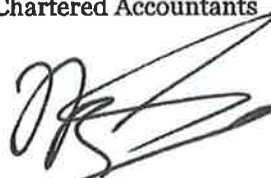
**Annexure to Independent Auditors' Report**

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Wireless Business Services Private Limited on the financial statements for the year ended March 31, 2013

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- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company issued unsecured 10.25% redeemable non-convertible debentures, aggregating Rs. ('000) 26,500,000 which are outstanding at the year-end, in respect of which it is not required to create security or charge.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S  
Chartered Accountants



Neeraj Gupta  
Partner  
Membership Number: 055158

Place: Mumbai  
Date: August 30, 2013



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

**Balance Sheet as at March 31, 2013**

(All amounts in Rs. Thousand, unless otherwise stated)

Particulars	Note	As at March 31, 2013	As at March 31, 2012
<b>Equity and Liabilities</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	7,279,997	5,015,228
Reserves and Surplus	4	(624,396)	(3,819,367)
<b>Non-Current Liabilities</b>			
Long term Borrowings	5	4,103,641	-
<b>Current Liabilities</b>			
Trade Payables	6	10,663	710
Other Current Liabilities	7	53,969,915	27,034,094
Short-term Provisions	8	281	3,504
<b>Total</b>		<b>64,740,101</b>	<b>28,234,169</b>
<b>Assets</b>			
<b>Fixed Assets</b>			
Capital Work in Progress		382,153	-
Intangible Assets under development	9	54,049,941	-
<b>Non-current assets</b>			
Long term Loans and Advances	10	8,962,352	27,033,141
Other non-current Assets	11	-	20,000
<b>Current assets</b>			
Cash and Bank balances	12	1,339,350	1,134,289
Other Current Assets	13	6,305	46,739
<b>Total</b>		<b>64,740,101</b>	<b>28,234,169</b>


The accompanying notes are integral part of financial statements

**Summary of Significant Accounting Policies**

2


In terms of our report of even date

For Price Waterhouse & Co., Bangalore  
Firm Registration Number : 007567S  
Chartered Accountants

  
Neeraj Gupta  
Partner  
Membership Number : 055158

For and on behalf of the Board of Directors

  
Parag Kar  
Director

  
Sanjay Somani  
Director

Place: Mumbai  
Date: August 30, 2013

Place: Gurgaon  
Date: August 30, 2013





**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2013**

(All amounts in Rs. Thousand, unless otherwise stated)

Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
<b>Income</b>			
Other Income	14	253,519	211,866
<b>Total Revenue</b>		<b>253,519</b>	<b>211,866</b>
<b>Expenses</b>			
Finance Costs	15	970,571	2,340,715
Other Expenses	16	27,646	6,633
<b>Total Expenses</b>		<b>998,217</b>	<b>2,347,348</b>
<b>Loss Before Tax</b>		<b>(744,698)</b>	<b>(2,135,482)</b>
<b>Tax Expense</b>			
Current tax		65,830	71,143
Deferred tax		-	-
<b>Loss for the year</b>		<b>(810,528)</b>	<b>(2,206,625)</b>
<b>Loss Per Equity Share</b>			
Basic and Diluted (Face value of Rs 10 per share)	17	(1.17)	(4.40)
The accompanying notes are integral part of financial statements			
Summary of Significant Accounting Policies	2		

In terms of our report of even date

For Price Waterhouse & Co., Bangalore  
Firm Registration Number : 007567S  
Chartered Accountants

Neeraj Gupta  
Partner  
Membership Number : 055158

For and on behalf of the Board of Directors

Parag Kar  
Director

Sanjay Somani  
Director

Place: Mumbai  
Date: August 30, 2013

Place: Gurgaon  
Date: August 30, 2013



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

**Cash flow Statement for the year ended March 31, 2013**

(All amounts in Rs. Thousand, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
<b>A Cash Flow from Operating Activities :</b>		
Loss before taxation	(744,698)	(2,135,482)
Adjustments for :		
Finance Cost	970,571	2,340,715
Interest Income from Bank Deposits	(202,869)	(211,866)
<b>Operating Profit/ (Loss) before working capital changes</b>	<b>23,004</b>	<b>(6,633)</b>
Adjustments for increase / (decrease) in Trade Payables	8,198	(564)
Adjustments for increase / (decrease) in Other Current Liabilities	(704)	(6,220)
Adjustments for (increase) / decrease in Long term Loans and Advances	(66,030)	(4,103,641)
Adjustments for (increase) / decrease in Other current Assets	20,000	(20,000)
<b>Cash From / (used In) Operating Activities before Tax</b>	<b>(15,532)</b>	<b>(4,137,058)</b>
Taxes Paid	(73,574)	(74,578)
<b>Net Cash used in Operating Activities</b>	<b>A (89,106)</b>	<b>(4,211,636)</b>
<b>B Cash Flow from Investing Activities :</b>		
Interest on Fixed deposits	311,461	169,121
Capital Work in Progress	(382,153)	-
Finance cost capitalised on Broadband Wireless Access (BWA) Spectrum	(2,509,311)	-
Payables for Capital Goods	328,122	-
Advances to Bharti Airtel Limited	(4,792,681)	-
<b>Net Cash used in Investing Activities</b>	<b>B (7,044,562)</b>	<b>169,121</b>
<b>C Cash Flow from Financing Activities :</b>		
Issue of Share Capital	4,856,712	-
Issue of Debenture	26,500,000	-
Term Loans from banks and financial institution	(24,400,000)	4,103,641
Finance Cost	(970,571)	(2,340,715)
<b>Net Cash generated from Financing Activities</b>	<b>C 5,986,141</b>	<b>1,762,926</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(1,147,527)</b>	<b>(2,279,589)</b>
<b>Cash and Cash Equivalent as at the beginning of the year</b>	<b>1,134,289</b>	<b>3,413,878</b>
<b>Cash and Cash equivalents transferred pursuant to Scheme of Amalgamation</b>	<b>1,352,588</b>	<b>-</b>
<b>Cash and Cash Equivalent as at the end of the year</b>	<b>1,339,350</b>	<b>1,134,289</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (AS) - 3 on "Cash Flow Statement" as prescribed under the Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate Cash Outgo.
- The previous year's figures have been regrouped / restated wherever necessary to confirm to this year's classification. Also refer note 21 to the financial statements

In terms of our report of even date

For Price Waterhouse & Co. *Bangalore*  
Firm Registration Number : 007567S  
Chartered Accountants

*Neeraj Gupta*  
Partner  
Membership Number : 055158



For and on behalf of the Board of Directors

*Parag Kar*  
Director

*Sanjay Somani*  
Director

Place: Mumbai  
Date: August 30, 2013

Place: Gurgaon  
Date: August 30, 2013

## WIRELESS BUSINESS SERVICES PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

### 1. General Information

Wireless Business Services Private Limited (the "Company") was incorporated on October 25, 2007 with its main objective to provide comprehensive wireless platform services and other solutions to enterprises. During the year, three of its fellow subsidiaries in India viz Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited have been merged with the Company (Refer note 21).

### 2. Significant Accounting Policies

#### (i) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956.

#### (ii) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

#### (iii) Tangible and Intangible Assets and Amortisation

Tangible and Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Amortisation of Licenses is recognised in the Statement of Profit and Loss on a straight line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction.

Intangible assets under development and Capital work in progress are stated at cost.

#### (iv) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

#### (v) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

#### (vi) Foreign currency transactions

##### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



## WIRELESS BUSINESS SERVICES PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2013

#### Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

#### (vii) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### (viii) Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in India.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets arising on account of carried forward losses and unabsorbed depreciation as per the Income Tax Act, 1961, are recognized only when there is a virtual certainty supported by convincing evidence that such assets will be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

#### (ix) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

#### (x) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**
**Notes to the financial statements for the year ended March 31, 2013**
**(All amounts in Rs. Thousand, unless otherwise stated)**
**3 .Share Capital**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised:</b> 1,000,000,000 (Previous year: 1,000,000,000) equity shares of Rs.10 each	10,000,000	10,000,000
<b>Issued, subscribed and paid-up</b> 727,999,694 (Previous year: 501,522,768) equity shares of Rs.10 each fully paid up	7,279,997	5,015,228
<b>Total</b>	<b>7,279,997</b>	<b>5,015,228</b>

**(a) Reconciliation of the number of shares**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Rs. '000	Number of Shares	Rs. '000
Balance as at the beginning of the year	501,522,768	5,015,228	501,522,768	5,015,228
Add: Shares issued during the year (Refer note 20)	226,176,926	2,261,769	-	-
Add: Shares issued pursuant to the Scheme Amalgamation (Refer note 21)	300,000	3,000	-	-
<b>Shares outstanding at the end of the year</b>	<b>727,999,694</b>	<b>7,279,997</b>	<b>501,522,768</b>	<b>5,015,228</b>

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividends proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividends. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Equity Shares held by its holding company**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Equity Shares:</b> 371,279,844 Equity shares (Previous year: 371,126,844) of Rs.10 each are held by Qualcomm Asia Pacific Pte. Ltd., the holding company	3,712,798	3,711,268

**(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
<b>Equity Shares:</b>				
Qualcomm Asia Pacific Pte Ltd.	371,279,844	51%	371,126,844	74%
Bharti Airtel Limited	366,719,850	49%	-	-
Global Holding Corporation Private Limited	-	-	65,197,982	13%
Tulip Telecom Limited	-	-	65,197,982	13%
	<b>727,999,694</b>	<b>100%</b>	<b>501,522,768</b>	<b>100%</b>

**4. Reserves and Surplus**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>(a) Capital Reserve</b>		
Balance as at the beginning of the year	13,622	13,622
Add: Adjustment pursuant to the Scheme of Amalgamation (Refer note 21)	8,345,944	-
<b>Balance as at the end of the year</b>	<b>8,359,566</b>	<b>13,622</b>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(3,832,989)	(1,628,364)
Add: Balance transferred pursuant to the Scheme of Amalgamation (Refer note 21)	(4,340,445)	-
Add: Loss for the year	(810,528)	(2,208,625)
<b>Balance as at the end of the year</b>	<b>(8,983,962)</b>	<b>(3,832,989)</b>
<b>Total</b>	<b>(624,396)</b>	<b>(3,819,367)</b>





**WIRELESS BUSINESS SERVICES PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2013**

(All amounts in Rs. Thousand, unless otherwise stated)

**5. Long term Borrowings**

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loans from banks and financial Institution (Refer note 5.1)	4,103,641	-
<b>Total</b>	<b>4,103,641</b>	<b>-</b>

**5.1**

The term loan was originally repayable in a single instalment on December 18, 2012. However, the Company has entered into revised terms of repayment wherein the maturity date is rescheduled to December 1, 2014.

**6. Trade Payables**

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Payables (Refer note 26)	10,663	710
<b>Total</b>	<b>10,663</b>	<b>710</b>

**7. Other Current Liabilities**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>(Unsecured)</b>		
Current maturities of term loans from banks and financial Institution (Unsecured, Guaranteed by Qualcomm Asia Pacific Pte Ltd (Primary Guarantor) and Qualcomm Incorporated, U.S.A. (Secondary Guarantor)) (Refer note 7.1)	24,725,400	27,033,141
26,500 (Previous Year: Nil) 10.25% unrated, unlisted, unsecured, redeemable, non-convertible debentures (Refer note 7.2)	26,500,000	-
Interest accrued but not due	2,415,230	-
Statutory dues (Tax deducted at Source)	1,163	953
Payables for Capital Goods	328,122	-
<b>Total</b>	<b>53,969,915</b>	<b>27,034,094</b>

**7.1**

The term loan was originally repayable in a single instalment on December 18, 2012. However, the Company has entered into revised terms of repayment wherein the maturity date is rescheduled to May 31, 2014. The Company intends to pre-repay certain amount of loan within a period of 12 months from the balance sheet date and, accordingly, the said balance has been considered as 'current'. Interest is reset quarterly and is payable at the bank rate which is highest among the consortium of banks / financial institutions plus a margin of 0.25%.

**7.2**

On May 29, 2012, the Company issued redeemable, unlisted, unsecured, non-convertible debentures for Rs. ('000) 26,500,000, denominated in Indian rupees, and bear interest at an agreed upon annual rate, which is compounded annually and reset semi-annually beginning on June 25, 2013. All debentures are due and payable in full on June 25, 2017. The debentures can be early redeemed by the Company without penalty on certain dates. Additionally, at March 31, 2013, each holder has a right to demand redemption of its portion of the debentures.

Subsequent to year end on June 25, 2013, the Company has early redeemed the debentures, and accordingly, the said amount has been considered as 'current'.

**8. Short-term Provisions**

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Income Tax (Net of Advance tax and tax deducted at source Rs. ('000) 240,501 (Previous Year: Rs. ('000) 77,294)	281	3,504
<b>Total</b>	<b>281</b>	<b>3,504</b>





**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**
**Notes to the financial statements for the year ended March 31, 2013**
**(All amounts in Rs. Thousand, unless otherwise stated)**
**9. Intangible Assets under Development**

Particulars	As at March 31, 2013	As at March 31, 2012
Intangible Asset under development		
Broadband Wireless Access (BWA) Spectrum (Refer note 19)	49,125,400	-
Interest and Finance charges	4,924,541	-
<b>Total</b>	<b>54,049,941</b>	<b>-</b>

**10. Long-term Loans and Advances**
**(Unsecured, considered good unless otherwise stated)**

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Advance		
Advance to Bharti Airtel Limited (Refer note 10.1)	4,792,681	-
Advance paid for Broadband Wireless Access (BWA) Spectrum (Refer note 19)	-	22,929,500
Other Loans and advances		
Security Deposits (Refer note 22)	4,103,641	4,103,641
Service Tax Input Credit Receivable	66,030	-
<b>Total</b>	<b>8,962,352</b>	<b>27,033,141</b>

**10.1**

The Company has signed a Network Rollout Service Agreement dated May 24, 2012 with Bharti Airtel Limited, wherein Bharti Airtel Limited shall provide certain services to the Company, as per the time schedule and in the manner reasonably determined by Bharti Airtel Limited from time to time. The Company has paid 100% advance of Rs. (in '000) 4,846,712 to Bharti Airtel Limited as per the terms and conditions of Network Rollout Service Agreement against which certain assets have been received during the year.

**11. Other non current Assets**

Particulars	As at March 31, 2013	As at March 31, 2012
Long term deposits with Bank with maturity period for more than 12 months	-	20,000
<b>Total</b>	<b>-</b>	<b>20,000</b>

**12. Cash and Bank Balances**

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and Cash equivalents		
Cash on hand	-	-
Bank Balances		
In current accounts	23,450	16,289
Demand Deposits (Less than 3 months maturity)	1,315,900	1,115,000
	<b>1,339,350</b>	<b>1,131,289</b>
Other Bank balances		
Long term deposits with maturity for more than 3 months but less than 12 months	-	3,000
(Previous Year: Rs. ('000) 1,000 held by bank as lien against financial bank guarantee, refer note 18)		
<b>Total</b>	<b>1,339,350</b>	<b>1,134,289</b>

**13. Other Current Assets**
**(Unsecured, considered good)**

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on deposits	6,305	46,739
<b>Total</b>	<b>6,305</b>	<b>46,739</b>



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rs. Thousand, unless otherwise stated)

**14. Other Income**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest Income from Bank Deposits	202,869	211,866
Service Tax Input Credit written back	50,650	-
<b>Total</b>	<b>253,519</b>	<b>211,866</b>

**15. Finance Costs**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest on Term Loans	965,371	2,315,299
Other borrowing costs		
Commitment fees on Term Loans	5,200	11,318
Debt Issuance Cost	-	14,100
<b>Total</b>	<b>970,671</b>	<b>2,340,715</b>

**16. Other Expenses**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Payment to Auditors		
As Auditor:		
Audit Fees	1,980	495
Other Services	1,100	100
Reimbursement of expenses	33	16
License Fee	13,907	3,352
Professional Charges	4,080	2,120
Share Issue Expenses	4,857	-
Rates and Taxes	-	73
Miscellaneous Expenses	1,689	477
<b>Total</b>	<b>27,646</b>	<b>6,633</b>

**17. Loss per share**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Weighted average number of equity shares outstanding	695,157,565	501,522,768
Net Loss after Taxation Rs. ('000)	(810,528)	(2,206,625)
Basic and Diluted loss per share (Face value of Rs 10 per equity share)	(1.17)	(4.40)

**18. Bank Guarantees**

The Company has issued a Performance Bank Guarantee of Rs. ('000) 20,000 (Previous year: Rs. ('000) 20,000) and a Financial Bank Guarantee of Rs. ('000) 1,000 (Previous year: Rs. ('000) 1,000) both to Telegraph Authority, Department of Telecommunication (DoT) in pursuant to conditions set in paragraph 2 of Letter of Intent dated October 10, 2011 issued by DoT. The Company has also issued bank guarantees aggregating to Rs. ('000) 275 towards various state sales / value added tax and central sales tax.



## WIRELESS BUSINESS SERVICES PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rs. Thousand, unless otherwise stated)

### 19. Allocation of Broadband Wireless Access (BWA) Spectrum

The Company has been assigned the Broadband Wireless Access (BWA) Spectrum for BWA operations in Delhi, Mumbai, Kerala and Haryana service area vide letter No. L-14035/10/2010 dated May 8, 2012 from Government of India, Ministry of Communications and IT, Department of Telecommunications (DoT), WPC Wing read with Telecom Disputes Settlement and Appellate Tribunal (TDSAT) Order dated October 10, 2012 and Petition No. 341/2012/5605 for a period of 20 years i.e. upto May 7, 2032. The Company also has an obligation under this order to roll out BWA network by May 7, 2017.

### 20. Shareholders' Agreement

During the year, Bharti Airtel Limited purchased 65,197,962 equity shares of the Company held by Global Holding Corporation Private Limited and 65,197,962 equity shares of the Company held by Tulip Telecom Limited on May 24, 2012, aggregating to a holding of 130,395,924 shares in the Company.

The Company also entered into a Share Purchase and Subscription Agreement dated May 24, 2012 with Qualcomm Asia Pacific Pte. Ltd and Bharti Airtel Limited (Buyer) wherein Buyer agreed to subscribe to 226,176,926 equity shares of the Company on a preferential allotment basis at par for an aggregate subscription price of Rs. ('000) 2,281,769. Immediately upon completion of this transaction, Buyer's aggregate shareholding equalled 49% of the total paid up equity capital of the Company. Further, subsequent to the year end, pursuant to the above referred agreement, Buyer further subscribed to 29,702,028 equity shares at face value of Rs. 10 each of the Company for an aggregate amount of Rs. ('000) 297,020. Consequently, Buyer's aggregate shareholding in the Company is equalled to 51% of the total paid up equity capital of the Company.

### 21. Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation (hereinafter referred to as 'Scheme') approved by the Honourable High Court of Delhi at New Delhi and Honourable High Court of Judicature at Bombay, Wireless Broadband Business Services (Kerala) Private Limited, Wireless Broadband Business Services (Delhi) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (together referred to as "transferor companies") have been merged with the Company with an appointed date as July 6, 2010. The approved Scheme has been filed with the Registrar of Companies on August 5, 2013. The main objective of transferor companies at New Delhi and Mumbai is to carry on the business of internet and broadband services.

In accordance with the approved Scheme:

- a) The amalgamation has been accounted as 'amalgamation in the nature of merger' and, consequently, the pooling of interest method has been used, as prescribed under Accounting Standard 14 (AS 14) - 'Accounting for Amalgamations'.
- b) All the assets and liabilities of the transferor companies outstanding as at April 1, 2012 have been transferred to the Company at book values.
- c) On August 8, 2013, being the record date to be considered for the purpose of allotment of shares, additional equity shares of Rs. 10 each of the Company have been allotted to each of the equity shareholders of the transferor companies in the same proportion as that in which the equity shareholders of the transferor companies hold equity shares in the transferor companies. Pursuant to the said clause of the Scheme, 100,000 equity shares of Rs. 10 each for the three respective transferor companies aggregating to 300,000 equity shares have been issued to the shareholders of the transferor companies and accordingly disclosed in the financial statements. These shares have been allotted on the record date to the shareholders.
- d) The difference between the net assets taken over and the share capital issued has been considered as capital reserve and accordingly an aggregate amount of Rs. 8,345,944 has been accounted for as capital reserve. There is a different accounting treatment being prescribed by the Honourable High Court of Delhi at New Delhi and Honourable High Court of Judicature at Bombay with respect to difference arising on transfer of net assets from the transferor companies and share capital issued. However, the accounting treatment prescribed by Honourable High Court of Judicature at Bombay has been considered as the said order has been passed at a later date wherein the order issued by Honourable High Court of Delhi at New Delhi also has been referred and the said accounting treatment is in line with the accounting treatment prescribed under AS 14. This view is supported by a legal opinion obtained by the Company with respect to the same.
- e) Pursuant to clause 12.2 of the Scheme, the Company has been expressly permitted to revise financial statements and returns under the Income Tax Act, 1961 for the purpose of filing with the income tax authorities. As the appointed date of the Scheme is July 6, 2010, the Company would be filing the revised financial statements of the merged entity with the income tax authorities for the previous financial year ended March 31, 2011 and March 31, 2012.

The Scheme is effective on August 5, 2013 with an appointed date of July 6, 2010. As the financial statements for the previous year ended March 31, 2012 have been already approved by the shareholder of the Company, the previous year balances are not restated and all the relevant accounting entries with respect to the Scheme have been accounted for on April 1, 2012.



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2013

(All amounts in Rs. Thousand, unless otherwise stated)

**22. Deposit paid to DoT on amount allegedly owed by Tulip Telecom Limited pursuant to TDSAT Order dated February 24, 2012**

On February 24, 2012, the TDSAT ordered the Company to pay certain dues (including interest and penalties) allegedly owed by one of then existing Company's Indian non-controlling shareholders, Tulip Telecom Limited (Tulip), to the DoT without prejudice to the right of Tulip to contest the claim and provided that any sum ultimately found not to be due (or paid by Tulip) would be refunded by the DoT, without interest, within four weeks of the date of completion of the assessment of Tulip in respect of assessment years in question. Accordingly as per the terms and conditions of the TDSAT order dated February 24, 2012, the Company had deposited Rs. ('000) 4,103,641 disclosed as Security Deposit with DoT under Note # 10 "Long-term Loans and Advances" towards the licence fees allegedly owed by Tulip, without prejudice to the right of Tulip to contest the claim, by the DoT.

Further as per the agreement dated February 13, 2012 entered between the Company, Qualcomm Asia Pacific Pte. Limited and Tulip, upon the final determination date being reached, that Tulip is liable to pay the Company an amount equal to the relevant amount determined to be owed by Tulip that is not paid by Tulip and retained by the DoT from the Company's deposit as described in above paragraph (the "Indemnity Amount") in the bank account specified by the Company within 15 days from the final determination date or the date of the payment notice when final determination date has already occurred prior to the payment notice, without any demur or protest and notwithstanding any dispute regarding the same or any portion thereof. The balance amount will be recovered by the Company from DoT as per the above TDSAT order.

Based on the order issued by TDSAT and agreements with Tulip referred above, the said amount deposited is shown as a recoverable in the financial statements of the Company.

**23. Related Party Disclosures****Enterprise where control exists:**

Description of relationships  
Ultimate Holding Company  
Holding Company

Names of related parties  
Qualcomm Incorporated, USA (Qualcomm Inc) \*  
Qualcomm Asia Pacific Pte Ltd. \*

\* No transactions during the year

**Enterprise which exercises significant influence on the Company**

Bharti Airtel Limited

**Disclosure of transaction between the Company and related parties**

Name of Related Party	Year ended March 31, 2013	Year ended March 31, 2012
<b>Bharti Airtel Limited</b>		
Share Capital Contribution received	2,261,769	-
Advances paid for Network Rollout Services	4,846,712	-
Repayment of Advance	54,031	-

**Disclosure of Outstanding balances at year end:**

Name of Related Party	Year ended March 31, 2013	Year ended March 31, 2012
<b>Bharti Airtel Limited</b>		
Capital Advance for Network Rollout Services	4,792,681	-

**24. Segment Reporting**

In accordance with Accounting Standard 17 "Segment Reporting", as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as providing Broadband Wireless Access (BWA) Services. Since, there are no other business segments in which the Company intends to operate, there are no other primary reportable segments. Therefore the segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets are all as is reflected in the financial statements.

The Company intends to operate in one geographical segment and hence there are no reportable geographical segments.

25. The Financial statements have not been authenticated by a whole time company secretary as required under Section 215 (1) of the Act as the Company is in the process of appointing a whole time company secretary as required under Section 383A of the Act



**WIRELESS BUSINESS SERVICES PRIVATE LIMITED**

**Notes to the financial statements for the year ended March 31, 2013**

**(All amounts in Rs. Thousand, unless otherwise stated)**

26. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The Micro and Small Enterprises have been identified on the basis of the information available with the Company.

**27. Previous Year Figures**

Previous year figures have been reclassified to confirm to this year's classification. Also refer note 21

In terms of our report of even date


For Price Waterhouse & Co., Bangalore  
Firm Registration Number : 007567S  
Chartered Accountants

  
Neeraj Gupta  
Partner  
Membership Number : 055158

Place: Mumbai  
Date: August 30, 2013

For and on behalf of the Board of Directors

  
Parag K  
Director

  
Sanjay Somani  
Director

Place: Gurgaon  
Date: August 30, 2013

