

BHARTI AIRTEL (CANADA) LIMITED

Financial Statements for the year ended March 31, 2015

Audit report on Financial Statements of Bharti Airtel (Canada) Limited**To the Board of Directors of Bharti Airtel (Canada) Limited**

We have audited the accompanying financial statements of Bharti Airtel (Canada) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2015, 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 preparation and presentation of financial statements in accordance with the provisions of Companies Act, 2013 ("the Act") 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 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. 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 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, 2015, its loss, and its cash flows for the year ended on that date.

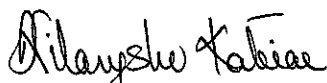
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Emphasis of Matter

We draw attention to note 2 of the financial statements wherein it is stated that the company has discontinued its only business of calling card services, consequent to which it will initiate the process of being wound up. Accordingly, the financial statements have been prepared under liquidation basis. Our opinion is not qualified in respect of this matter.

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



per Nilangshu Katriar
Partner

Membership No.: 58814

Place: Gurgaon

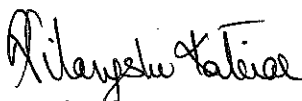
Date: JUNE 26, 2015

Bharti Airtel (Canada) Limited
Balance Sheet

	Notes	As of March 31, 2015 (In Rupees) (Unaudited)	As of March 31, 2015 (In CAD) (Audited)	As of March 31, 2014 (In CAD) (Audited)
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share capital	5	3,680,651	75,100	75,100
Reserves and surplus	6	(30,775,242)	(627,938)	(572,123)
Current Liabilities				
Trade payables		26,307,539	536,779	490,076
Other current liabilities	7	821,996	16,772	16,772
Total		34,944	713	9,825
ASSETS				
Current Assets				
Cash and bank balances	8	31,072	634	9,746
Short-term loans and advances	9	3,872	79	79
Total		34,944	713	9,825

The accompanying notes form an integral part of these financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W


per Nilangshu Katriar
Partner
Membership No: 58814

For and on behalf of the Board of Directors of Bharti Airtel (Canada) Limited




Devendra Khanna
Director

Place: New Delhi
Date: JUNE 26, 2015



Bharti Airtel (Canada) Limited
Statement of Profit and Loss

	Notes	For the year ended March 31, 2015 (In Rupees) (Unaudited)	For the year ended March 31, 2015 (in CAD) (Audited)	For the year ended March 31, 2014 (in CAD) (Audited)
Discontinuing Operations	2			
Revenue from operations		-	-	-
Total Revenue		-	-	-
Expenses				
Other expenses	10	2,699,275	55,076	36,649
Total Expenses		2,699,275	55,076	36,649
Loss before finance costs and taxation from discontinuing operations		(2,699,275)	(55,076)	(36,649)
Finance costs	11	36,218	739	710
Loss before Tax from discontinuing operations		(2,735,493)	(55,815)	(37,359)
Tax expense				
Current tax		-	-	-
Loss for the year from discontinuing operations		(2,735,493)	(55,815)	(37,359)
Earnings /(loss) per equity share (nominal value of share CAD 1 per share) (March 31, 2014 CAD 1)				
Basic & Diluted	14	(36.42)	(0.74)	(0.50)

The accompanying notes form an integral part of these financial statements.
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership No: 58814



For and on behalf of the Board of Directors of Bharti Airtel (Canada) Limited

Devendra Khanna
Devendra Khanna
Director

Place: New Delhi
Date: JUNE 26, 2015

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Bharti Airtel (Canada) Limited
Cash Flow Statement

	For the Year ended March 31, 2015 (in Rupees) (Unaudited)	For the Year ended March 31, 2015 (in CAD) (Audited)	For the Year ended March 31, 2014 (in CAD) (Audited)
A. Cash flows from operating activities from discontinuing operations:			
Loss before tax from discontinuing operations	(2,735,493)	(55,815)	(37,359)
Adjustments for:			
Unrealized Foreign Exchange loss	1,954,175	39,873	20,348
Operating cash flow before changes in assets and liabilities	(781,318)	(15,942)	(17,011)
Adjustments for changes in assets and liabilities :			
Increase in trade payables	334,738	6,830	1,392
Net Cash flow (used in) operating activities from discontinuing operations	(446,580)	(9,112)	(15,619)
B. Cash flows from investing activities from discontinuing operations:			
Net Cash flow from/(used in) investing activities from discontinuing operations	-	-	-
C. Cash flows from financing activities from discontinuing operations:			
Net Cash flow from/(used in) financing activities from discontinuing operations	-	-	-
Net (decrease) in cash and cash equivalents during the year	(446,580)	(9,112)	(15,619)
Add : Balance as at the beginning of the year	477,651	9,746	25,365
Balance as at the end of the year (refer note 8)	31,071	634	9,746

Notes :

- 1 The above cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.
- 2 Figures in brackets indicate cash outflow.
- 3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Firm Registration No: 101049W

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership No: 58814



For and on behalf of the Board of Directors of Bharti Airtel (Canada) Limited

Devendra Khanna
Devendra Khanna
Director

Place: New Delhi

Date: JUNE 26, 2015

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1. Corporate Information

Bharti Airtel (Canada) Limited ('the Company'), incorporated on October 26, 2006 is registered in British Columbia having its registered office at 2800, Park Place, 666, Burrard Street, Vancouver, BC V6C 2Z7, Canada.

The Company is a wholly owned subsidiary of Bharti Airtel Limited, a Company incorporated under the laws of India.

The Company has been providing International calling card services in Canada. However, the board of directors has decided to discontinue providing this service effective June 30, 2011. Consequently, the Company as at March 31, 2014 & March 31, 2015 does not have any operating business and the assets and liabilities as at March 31, 2014 & March 31, 2015 and profit and loss account for the year ended March 31, 2014 & March 31, 2015 pertain to discontinued business.

2. Going Concern

During the financial year 2011-12, the Company had discontinued its only business of calling card services and is in the process of settling its payables and liabilities, consequent to which it will initiate the process of being wound up. The liabilities will be settled as per the regulatory process, and in case of dues to the related companies, the same may be waived off based on the Group decision. These financial statements have been prepared under liquidation basis. The carrying value of the assets and liabilities approximates their realizable/settlement value and accordingly, no further adjustments have been made to the carrying value.

3. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. These financial statements have been prepared under liquidation basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

However, as these financial statements are not statutory financial statements, full compliance with the above Act, is not required and so they do not reflect all the disclosures requirement of the Act.

These financial statements are presented in Canadian Dollars ('CAD'), which is also the Company's functional currency. The translation of CAD to Rupee amounts is unaudited and is included solely for readers in India and has been calculated using the exchange rate of CAD 1 = Rs. 49.01 as on March 31, 2015. Such translations should not be construed as representations that the Rupee amounts represent, or have been or could be converted into, Canadian Dollars at that or any other rate.

4. Summary of Significant Accounting policies

4.1 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon 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 and liabilities in future periods.



4.2 Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand and cheques on hand, Call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4.3 Foreign currency translation, accounting for forward contracts and derivatives

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the closing rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates at the date when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

4.4 Earnings / (Loss) Per Share

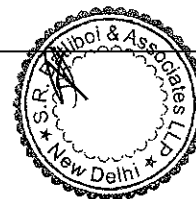
The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

4.5 Provisions and contingencies

Provisions are recognised 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 its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

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Bharti Airtel (Canada) Limited
Notes to the Financial Statements

5. Share Capital

	As of March 31, 2015 (In CAD)	As of March 31, 2014 (In CAD)
Authorised shares		
Unlimited numbers of common voting shares without any par value		
Issued, Subscribed and Paid up shares		
75,100 (March 31, 2014-- 75,100) equity shares of CAD 1 each fully paid up	75,100	75,100
	75,100	75,100

Notes:

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

Equity Shares	As of March 31, 2015		As of March 31, 2014	
	Number of Shares	Amount (In CAD)	Number of Shares	Amount (In CAD)
At the beginning of the year	75,100	75,100	75,100	75,100
Outstanding at the end of the year	75,100	75,100	75,100	75,100

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of CAD 1 per share.

(c) Shares held by holding Company

	As of March 31, 2015		As of March 31, 2014	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of Rs 10 each fully paid up Bharti Airtel Limited, the holding company	75,100	100	75,100	100

6. Reserve and Surplus

	As of March 31, 2015 (In CAD)	As of March 31, 2014 (In CAD)
(Deficit) in the statement of profit and loss		
Opening balance	(572,123)	(534,764)
Add : Loss after Tax transferred from Statement of Profit and Loss	(55,815)	(37,359)
Net (deficit) in the statement of profit and loss	(627,938)	(572,123)



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Bharti Airtel (Canada) Limited
Notes to the Financial Statements

7. Other Current Liabilities

	As of March 31, 2015 (In CAD)	As of March 31, 2014 (In CAD)
Interest accrued and due on borrowings (refer note 12)	12,578	12,578
Unearned Revenue	4,194	4,194
	<u>16,772</u>	<u>16,772</u>

8. Cash and Bank Balances

	As of March 31, 2015 (In CAD)	As of March 31, 2014 (In CAD)
Cash and Cash Equivalents		
Cash on hand	100	100
Balances with banks:		
-On current accounts	534	9,646
	<u>634</u>	<u>9,746</u>

9. Short Term Loans and Advances

	As of March 31, 2015 (In CAD)	As of March 31, 2014 (In CAD)
Unsecured, considered good unless stated otherwise		
Security deposit	79	79
Advance recoverable in cash or kind		
Considered doubtful	1,824	-
Less: Provision for doubtful advances	<u>(1,824)</u>	<u>-</u>
	<u>79</u>	<u>79</u>

10. Other expenses

	For the Year ended March 31, 2015 (In CAD)	For the Year ended March 31, 2014 (In CAD)
Collection Charges	998	1,004
Legal and Professional	12,264	15,297
Provision for doubtful debts and advances	1,824	-
Net foreign currency loss	39,990	20,348
Total	<u>55,076</u>	<u>36,649</u>

11. Finance Costs

	For the Year ended March 31, 2015 (In CAD)	For the Year ended March 31, 2014 (In CAD)
Bank charges	739	710
	<u>739</u>	<u>710</u>



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Bharti Airtel (Canada) Limited
Notes to the Financial Statements

12. Related Party Disclosures

In accordance with the requirements of Accounting Standards (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 relationships are:

Name of the Related Party	Relationship
Bharti Airtel Limited	Holding Company

Related Party transactions for 2014-15 (Amt in CAD)

Nature of Transactions	Bharti Airtel Limited
Closing balance	
Interest accrued and due on borrowings	(12,578)
Trade payable	(507,035)
Total	(519,613)

Related Party transactions for 2013-14 (Amt in CAD)

Nature of Transactions	Bharti Airtel Limited
Closing balance	
Interest accrued and due on borrowings	(12,578)
Trade payable	(466,942)
Total	(479,520)

13. Auditor's Remuneration

	For the Year ended March 31, 2015 (In CAD)	For the Year ended March 31, 2014 (In CAD)
Audit Fees *	4,288	4,288
Reimbursement of Expenses *	605	613
	<u>4,893</u>	<u>4,901</u>

* Excluding Service Tax



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Bharti Airtel (Canada) Limited
Notes to the Financial Statements

14. Computation of Earnings/ (Loss) per Share (Basic and Diluted)

Particulars	For the Year ended March 31, 2015 (In CAD)	For the Year ended March 31, 2014 (In CAD)
(a) Loss attributable to equity shareholders (i)	(55,815)	(37,359)
(b) Weighted Average number of equity shares outstanding during the year (ii)	75,100	75,100
(c) Total number of shares outstanding at the end of the year	75,100	75,100
(d) Nominal value of equity shares	1	1
(e) Loss per share (Basic and Diluted (i)/(ii))	(0.74)	(0.50)

15. As the Company has initiated the process of winding up, the ultimate holding company has agreed to waive off its dues in case the Company is not able to discharge its obligations.
16. Previous year figures have been regrouped / reclassified where necessary to conform to current year's presentation/classification.



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