

**BHARTI INFRATEL SERVICES LIMITED**

**Prepared under IGAAP**

**Standalone Financial Statements**

For the year ended March 31, 2015

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Bharti Infratel Services Limited

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Bharti Infratel Services Limited ("the Company"), which comprises 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 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 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 standalone financial statements.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

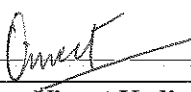
## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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.

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

1. As required by the Companies (Auditor's report) Order, 2015 ("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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) ~~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

  
**Per Vineet Kedia**  
Partner  
Membership Number: 212230  
Place of Signature: Gurgaon  
Date: April 27, 2015



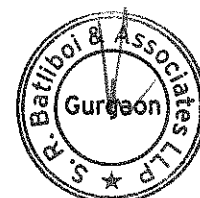
# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Annexure 1 referred to in our report of even date**

Re: Bharti Infratel Services Limited ('the Company')

- (i) The Company did not have any fixed assets during the year. Accordingly, clauses (i) (a) and (b) of the Order pertaining to records maintained for fixed assets and physical verification of fixed assets respectively are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) The Company did not commence business during the year. Accordingly, clause (iv) of the Order pertaining to internal control system for the purchase of inventory and fixed assets and for the sale of goods and services is not applicable to the Company.
- (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 specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other material statutory dues applicable to it. The provisions relating to provident fund, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, employees' state insurance and cess are not applicable to the Company.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (c) According to the information and explanations given to us, there are no dues of income tax, which have not been deposited on account of any dispute.
- (vii) (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) The Company did not have any dues to any financial institutions, banks or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.



# **S.R. BATLIBOI & ASSOCIATES LLP**

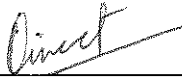
Chartered Accountants

- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W



**Per Vineet Kedia**

Partner

Membership Number: 212230

Place of Signature: Gurgaon

Date: April 27, 2015



**Bharti Infratel Services Limited**

**Balance sheet as at March 31, 2015**

		(₹ Thousand)	
	Notes	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	500	500
Reserves and surplus	4	(437)	(302)
		<b>63</b>	<b>198</b>
<b>Current liabilities</b>			
Other current liabilities	5	160	53
		<b>160</b>	<b>53</b>
<b>Total equity and liabilities</b>		<b>223</b>	<b>251</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	223	251
		<b>223</b>	<b>251</b>
<b>Total assets</b>		<b>223</b>	<b>251</b>

Summary of significant accounting policies 2.1

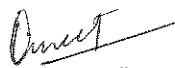
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Firm registration number: 101049W

Chartered Accountants



per Vineet Kedia

Partner

Membership No: 212230





D S Rawat

Director

For and on behalf of the board



Pankaj Miglani

Director

Place: Gurgaon  
Date: April 27, 2015

**Bharti Infratel Services Limited**

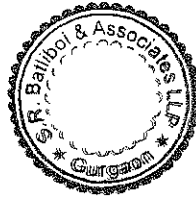
**Statement of Profit and loss for the year ended March 31, 2015**

(₹ Thousand, except per share data)			
	Notes	Year Ended March 31, 2015	For the period June 4, 2013 to March 31, 2014 (refer note 14)
<b>INCOME</b>			
Other income	7	-	3
<b>EXPENSES</b>			
Employee benefits expenses	8	50	50
Other expenses	9	85	255
<b>(Loss) before tax</b>		<b>(135)</b>	<b>(302)</b>
Tax expense		-	-
<b>(Loss) for the period</b>		<b>(135)</b>	<b>(302)</b>
<b>Earnings per equity share (nominal value of share ₹ 10 each)</b>			
Basic (in ₹)	10	(2.70)	(6.04)
Diluted (in ₹)		(2.70)	(6.04)

As per our report of even date

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

  
per Vineet Kedia  
Partner  
Membership No: 212230



  
D S Rawat  
Director

For and on behalf of the board

  
Pankaj Miglani  
Director

Place: Gurgaon  
Date: April 27, 2015

**Bharti Infratel Services Limited**

**Cash Flow Statement for the year ended March 31, 2015**

	(₹ Thousand)	
	Year Ended March 31, 2015	For the period June 4, 2013 to March 31, 2014 (refer note 14)
<b>Cash flows from operating activities</b>		
(Loss) before taxation	(135)	(302)
<b>Adjustments for -</b>		
Interest income	-	(3)
<b>Operating (loss) before changes in assets and liabilities</b>	<b>(135)</b>	<b>(305)</b>
Increase / (Decrease) in other current liabilities	107	53
<b>Cash generated from/ (used in) operations</b>	<b>(28)</b>	<b>(252)</b>
Income tax paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(28)</b>	<b>(252)</b>
<b>Cash flows from investing activities</b>		
Interest received	-	3
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>-</b>	<b>3</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	500
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>-</b>	<b>500</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period (A+B+C)</b>	<b>(28)</b>	<b>251</b>
Cash and cash equivalents at the beginning of the period	251	-
<b>Cash and cash equivalents at the end of the period (refer note 6)</b>	<b>223</b>	<b>251</b>

Components of cash and bank balances

Cash and cash equivalents

Balance with scheduled banks:

Current account

**Total cash and bank balances**

223

251

**223**

**251**

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

**Notes :**

- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 'Cash Flow Statements' notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Figures in brackets indicate cash outflow.

**As per our report of even date**

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

**Firm registration number: 101049W**

Chartered Accountants

*Vincent Kedia*  
per **Vincent Kedia**  
Partner

Membership No: 212230



*D S Rawat*  
**D S Rawat**  
Director

**For and on behalf of the board**

*Pankaj Midhani*  
**Pankaj Midhani**  
Director

Place: *Gurgaon*

Date: *April, 27, 2015*



## **Bharti Infratel Services Limited**

### **Notes to the financial statements**

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#### **1. Corporate Information**

Bharti Infratel Services Limited ('the Company' or 'BISL') was incorporated on June 4, 2013 as wholly owned subsidiary of Bharti Infratel Limited with the object of (a) providing operation and management services of all kinds in the field of Telecom Infrastructure (both active and passive), telecom equipments, wireless communication towers (b) business of providing energy solutions and its management in relation to wireless communication towers either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is expected to commence its business over the next few years.

#### **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, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which fair valuation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### **2.1 Summary of significant accounting policies**

###### **a. Use of estimates**

The preparation of the financial statements is in conformity with generally accepted accounting principles (Indian GAAP) and requires management to make 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 period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

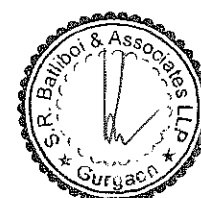
###### **b. Earnings Per Share**

Basic earnings per share are 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.

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.

###### **c. 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.



## Bharti Infratel Services Limited

### Notes to the financial statements

#### d. Contingent liabilities

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.

#### e. Cash and cash equivalents

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

#### f. Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### 3. Share capital

	As at March 31, 2015	(₹ Thousand) As at March 31, 2014
<b>Authorized shares</b> 1,000,000 (March 31, 2014 - 1,000,000) equity shares of ₹ 10 each	10,000	10,000
<b>Issued, subscribed and fully paid-up shares</b> 50,000 equity shares of ₹ 10 each fully paid up (March 31, 2014 - 50,000 equity shares of ₹ 10 each)	500	500
	<b>500</b>	<b>500</b>

#### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2015		As at March 31, 2014	
	No.	₹ Thousand	No.	₹ Thousand
At the beginning of the period	50,000	500	-	-
Issued during the period	-	-	50,000	500
<b>Outstanding at the end of the period</b>	<b>50,000</b>	<b>500</b>	<b>50,000</b>	<b>500</b>

#### b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.



**Bharti Infratel Services Limited**

**Notes to the financial statements**

**c. Shares held by holding company:**

	As at March 31, 2015		As at March 31, 2014	
	No.	₹ Thousand	No.	₹ Thousand
Bharti Infratel Limited	50,000	500	50,000	500
	<b>50,000</b>	<b>500</b>	<b>50,000</b>	<b>500</b>

**d. Details of shareholders holding more than 5% shares in the Company:**

	As at March 31, 2015		As at March 31, 2014	
	No.	%holding	No.	%holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Bharti Infratel Limited	50,000	100	50,000	100
	<b>50,000</b>	<b>100</b>	<b>50,000</b>	<b>100</b>

**4. Reserves and surplus**

	(₹ Thousand)	
	As at March 31, 2015	As at March 31, 2014
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Opening balance	(302)	-
(Loss) for the period	(135)	(302)
<b>Net surplus/ (deficit) in the statement of profit and Loss</b>	<b>(437)</b>	<b>(302)</b>
<b>Total reserves and surplus</b>	<b>(437)</b>	<b>(302)</b>

**5. Other current liabilities**

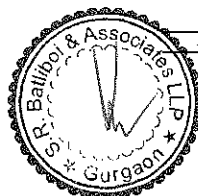
	(₹ Thousand)	
	As at March 31, 2015	As at March 31, 2014
Accrued expenses	160	53
	<b>160</b>	<b>53</b>

**6. Cash and bank balances**

	(₹ Thousand)	
	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents</b>		
Balances with banks on current accounts	223	251
<b>Other bank balances</b>	-	-
	<b>223</b>	<b>251</b>

**7. Other income**

	(₹ Thousand)	
	Year Ended March 31, 2015	For the period June 4, 2013 to March 31, 2014
Interest income on:		
- Bank deposits	-	3
	-	<b>3</b>



**Bharti Infratel Services Limited**

**Notes to the financial statements**

**8. Employee benefits expenses**

	Year Ended March 31, 2015	(₹ Thousand) For the period June 4, 2013 to March 31, 2014
Salaries, wages and bonus	50	50
	<b>50</b>	<b>50</b>

**9. Other expenses**

	Year Ended March 31, 2015	(₹ Thousand) For the period June 4, 2013 to March 31, 2014
Legal and professional	59	240
Miscellaneous expenses		
- Others	26	15
	<b>85</b>	<b>255</b>

**Payment to auditor:**

	As at March 31, 2015	As at March 31, 2014
As auditor*	50	50
	<b>50</b>	<b>50</b>

\*excluding service tax

**10. Earnings per share (EPS)**

Particulars		Year Ended March 31, 2015	For the period June 4, 2013 to March 31, 2014
Nominal value of equity shares (₹)	₹	10	10
(Loss) attributable to equity shareholders for computing Basic and Dilutive EPS (In thousand) (A)	₹	(135)	(302)
Weighted average number of equity shares outstanding during the period for Basic and Diluted EPS (B)	Nos	50,000	50,000
Basic and Diluted earnings per share (A/B)	₹	(2.70)	(6.04)

**11. Related Party Disclosures**

In accordance with the requirements 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 period and description of relationships, as identified and certified by the management are:

Name of the Related Party	Relationship
Bharti Infratel Limited	Holding Company
Bharti Airtel Limited	Ultimate Holding Company



**Bharti Infratel Services Limited****Notes to the financial statements**

Name of the Related Party	Nature of Transaction	For the Period Ended March 31, 2015 (₹ Thousand)
<b>Transactions during the period:-</b>		
Bharti Infratel Limited	Short-term borrowings taken	-
Bharti Infratel Limited	Short-term borrowings repaid	-
Bharti Infratel Limited	Procurement of services	50
<b>Outstanding at the end of the period:-</b>		Nil

Name of the Related Party	Nature of Transaction	For the period June 4,2013 to March 31, 2014 (₹ Thousand)
<b>Transactions during the period:-</b>		
Bharti Infratel Limited	Short-term borrowings taken	(200)
Bharti Infratel Limited	Short-term borrowings repaid	200
Bharti Infratel Limited	Procurement of services	50
<b>Outstanding at the end of the period:-</b>		Nil

**12. Dues to micro and small enterprises as defined under the MSMED Act, 2006**

Dues to micro and small enterprises as at March 31, 2015 are Nil.

**13. Contingent liabilities and commitments**

Contingent liabilities and commitments as at March 31, 2015 are Nil.

**14. The Company was incorporated in the previous year.**