

bharti

**25TH
ANNUAL REPORT
2009 - 2010**

BHARTI TELECOM LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sunil Bharti Mittal

DIRECTORS

Mr. Manik Jhangiani - Managing Director

Mr. Akhil Gupta

Ms. Chua Sock Koong

Mr. Lim Chuan Poh

Mr. Rajan Bharti Mittal

Mr. Rakesh Bharti Mittal

Ms. Tan Yong Choo

COMPANY SECRETARY

Mr. Rajendra Chopra

STATUTORY AUDITORS

S.R. Batliboi & Associates

Chartered Accountants

INTERNAL AUDITORS

J.C. Bhalla & Company

Chartered Accountants

REGISTERED OFFICE

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

CORPORATE OFFICE

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

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NOTICE

NOTICE is hereby given that the twenty-fifth annual general meeting of the members of Bharti Telecom Limited will be held on Wednesday, September 22, 2010 at 11.30 A.M. at "F Block", Community Centre, DLF Phase – I, Gurgaon, Haryana – 122 002, India to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet of the Company as at March 31, 2010, the profit & loss account and the cash flow statement for the year ended on that date and the reports of the Board of directors and auditors thereon.
2. To appoint a director in place of Mr. Akhil Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Rakesh Bharti Mittal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, (Firm Registration No.-101049W) as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of next annual general meeting and to authorise the Board of directors to fix their remuneration.

By order of the Board
for **Bharti Telecom Limited**

Regd. Office:

Airtel Centre, Plot No. 16,
Udyog Vihar, Phase – IV,
Gurgaon, Haryana – 122 001,
India.

Date: April 27, 2010

Rajendra Chopra
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE CORPORATE OFFICE OF THE COMPANY AT BHARTI CRESCENT, 1, NELSON MANDELA ROAD, VASANT KUNJ, PHASE-II, NEW DELHI - 110 070, INDIA NOT LATER THAN FORTY – EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. The notice of the annual general meeting will be sent to those members/beneficial owners whose name will appear in the register of members/list of beneficiaries received from depositories as on Friday, August 13, 2010. The shareholding of the members as on that date will be considered for the purpose of voting at the annual general meeting.
3. Members who hold shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares, issuance of duplicate share certificates or any other share related matters and/or change in address, furnishing of details of their bank accounts or updation thereof to Company's Registrars and Share Transfer Agents, **Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh.**
4. Corporate members are requested to send a duly certified copy of the board resolution/power of attorney authorising their representative to attend and vote at the annual general meeting.

5. Members/proxies are requested to bring duly filled admission/attendance slips sent herewith along with the copies of annual report at the meeting.
6. Statutory registers and documents referred to in the accompanying notice, (if any) are open for inspection at the Corporate Office of the Company at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India, on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of annual general meeting and will also be available at the meeting.
7. Members, having any question on accounts, are requested to send their queries at least 10 days prior to the annual general meeting to the Company Secretary at its Corporate Office address to enable the Company to collect the relevant information.
8. For security and safety of the shareholders, no article/baggage including water bottles and tiffins will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article / baggage etc at the venue of the meeting.

DIRECTORS' REPORT

To the Members,

The directors have pleasure in presenting the twenty-fifth annual report on the business and operations of the Company together with audited financial statements and accounts for the year ended March 31, 2010.

FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

(Rs.'000)

Particulars	For the year ended March 31	
	2010	2009
Gross income	1,733,257	245
Profit/(loss) before finance expenses, depreciation and tax	1,732,442	(566)
Profit/(loss) before tax	1,732,423	(601)
Less: tax expenses	35	-
Profit /(loss) after tax	1,732,388	(601)
Add : Profit brought forward from earlier years	3,949	4,550
Profit / (Loss) carried forward to balance sheet	1,736,337	3,949

The Company does not carry any direct operational activity and only holds investment in Bharti Airtel Limited. During the year, the Company has received a sum of Rs 173.32 crore as dividend from such investments, which was utilized towards purchase of 5,541,000 equity shares of Bharti Airtel Limited. With this investment, the aggregate holding of the Company in Bharti Airtel Limited has increased from 1,719,972,056 (45.30%) to 1,725,513,056 equity shares of Rs 5/- each (45.44%).

DIVIDEND

The Board of directors do not recommend any dividend for the financial year 2009-10.

SHARE CAPITAL

There is no change in the share capital of the Company since the last Directors' Report and the issued and paid-up share capital of the Company stands at 21,770,036 equity shares of Rs 10/- each aggregating Rs 217,700,360.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date and is therefore not required to furnish information in respect of outstanding deposits under Non Banking Non Financial Companies (Reserve Bank) Directions, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, (Registration no. 101049W) retire at the conclusion of the ensuing annual general meeting of the Company and have confirmed their willingness and eligibility for re-appointment and have also confirmed that their re-appointment, if made, will be within the limits under Section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

The Board has duly examined the Statutory Auditors' report to accounts and clarifications, wherever necessary, have been included in the notes to accounts section forming part of the annual accounts.

DIRECTORS

Mr. Akhil Gupta and Mr. Rakesh Bharti Mittal are due to retire by rotation at the twenty-fifth annual general meeting and being eligible, have offered themselves for re-appointment. Both Mr. Akhil Gupta and Mr. Rakesh Bharti Mittal have also given a confirmation to the Company that they are, otherwise, not disqualified to be appointed as director, in terms of section 274(1)(g) of the Companies Act, 1956. The Board recommends their re-appointment.

Since, last Directors' Report, Mr. Quah Kung Yang and Mr. Paul O'Sullivan have resigned from the Board w.e.f January 21, 2010 and Ms. Tan Yong Choo and Mr. Lim Chuan Poh have been appointed as directors to fill casual vacancy caused due to resignation of Mr. Quah Kung Yang and Mr. Paul O'Sullivan respectively w.e.f January 21, 2010. The Board places on record its sincere appreciation for the valuable contribution and guidance by Mr. Quah Kung Yang and Mr. Paul O'Sullivan during their tenure on the Board.

AUDIT COMMITTEE

In terms of provisions of Section 292A of the Companies Act, 1956 the Company has a committee of the Board known as 'Audit Committee' consisting of following directors of the Company:

- Mr. Rajan Bharti Mittal (Chairman)
- Mr. Akhil Gupta
- Mr. Tan Yong Choo

The Committee has complied with all the mandatory requirements as prescribed under section 292A of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not carry any manufacturing activity and accordingly the provisions to furnish information as per section 217(I)(e) of the Companies Act, 1956 relating to Conservation of Energy, Research and Development and Technology Absorption are not applicable.

During the year under review, there were nil foreign exchange earnings and outgo.

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956 the directors to the best of their knowledge and belief confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. That the directors 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, 2010 and of the profit and loss account of the Company for that period;
3. That the directors had 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;
4. That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

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

On behalf of the Board

Place: New Delhi
Date: April 27, 2010

Sunil Bharti Mittal
Chairman

AUDITORS' REPORT**To****The Members of Bharti Telecom Limited**

1. We have audited the attached Balance Sheet of Bharti Telecom Limited ('the Company') as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account 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 Companies Act, 1956.
 - v. On the basis of the written representations received from the Directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

Place : New Delhi
Date : April 27, 2010

per Prashant Singhal
Partner
Membership No.:93283