



**27TH ANNUAL REPORT
2011 - 2012**

BHARTI TELECOM LIMITED

BOARD OF DIRECTORS**CHAIRMAN**

Mr. Sunil Bharti Mittal

DIRECTORS

Mr. Akhil Gupta

Ms. Chua Sock Koong

Mr. Hui Weng Cheong

Mr. Rajan Bharti Mittal

Mr. Rakesh Bharti Mittal

Ms. Tan Yong Choo

Mr. Sarvjit Singh Dhillon – Managing Director

COMPANY SECRETARY

Mr. Rajendra Chopra

STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates

Chartered Accountants

REGISTERED OFFICE

Airtel Centre, Plot No. 16,

Udyog Vihar, Phase – IV,

Gurgaon, Haryana – 122 001,

India.

CORPORATE OFFICE

Bharti Crescent, 1, Nelson Mandela Road,

Vasant Kunj, Phase – II,

New Delhi – 110 070,

India.

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NOTICE is hereby given that the twenty-seventh annual general meeting of the members of Bharti Telecom Limited will be held on Friday, September 21, 2012 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, 2012, the statement of profit & loss 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. Rakesh Bharti Mittal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Akhil Gupta, 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.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **ORDINARY RESOLUTIONS:**

5. **Appointment of Mr. Sarvjit Singh Dhillon as a Director not liable to retire by rotation**

"Resolved that pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Sarvjit Singh Dhillon be and is hereby appointed as a director of the Company, not liable to retire by rotation."

6. **Appointment of Mr. Sarvjit Singh Dhillon as Managing Director**

"Resolved that pursuant to the provisions of section 269, schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of directors (hereinafter referred to as 'the Board', which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded for the appointment of Mr. Sarvjit Singh Dhillon as Managing Director of the Company, without remuneration for a period of five (5) years with effect from February 7, 2012.

Resolved further that subject to section 269, schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendments thereto, the Board be and is hereby authorized to vary the terms and conditions of appointment of Mr. Sarvjit Singh Dhillon without being required to seek any fresh approval of the members of the Company in this regard.

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution."

Regd. Office:

Airtel Centre, Plot No. 16,
Udyog Vihar, Phase – IV,
Gurgaon, Haryana – 122 001, India.
Date: May 01, 2012

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

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 LESS THAN FORTY – EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. Notice of the annual general meeting will be sent to those members / beneficial owners, whose name will appear in the register of members / lists of beneficiaries received from the depositories as on Friday, August 17, 2012. The shareholding of the members as on Friday, September 14, 2012 will be considered for the purpose of voting at the annual general meeting.
3. Explanatory statement pursuant to the provisions of section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed hereto.
4. 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 certificate or any other share related matters and / or change in address, furnishing of details of their bank accounts or updation thereof to the Company's Registrars and Share Transfer Agents, **Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh.**
5. 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.
6. Members / proxies are requested to bring duly filled admission / attendance slips sent herewith along with the copies of annual report at the meeting.
7. Statutory registers and documents referred to in the notice and explanatory statement 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.
8. 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.
9. 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 to not to bring any article / baggage etc. at the venue of the meeting.

EXPLANATORY STATEMENT

(Under section 173(2) of the Companies Act, 1956)

Item No. 5 & 6

Mr. Sarvjit Singh Dhillon was appointed as a Director w.e.f February 7, 2012 to fill casual vacancy caused due to resignation of Mr. Manik Jhangiani. He was also appointed as the Managing Director of the Company w.e.f February 7, 2012. The appointment of Mr. Sarvjit Singh Dhillon as Director as well as Managing Director need to be approved by the shareholders at the general meeting as per the provisions of the Companies Act, 1956. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Sarvjit Singh Dhillon as Director of the Company, not liable to retire by rotation.

Abstract of terms of appointment of Mr. Sarvjit Singh Dhillon as Managing Director of the Company as per section 302 of the Companies Act, 1956 has already been sent as communiqué to the members of the Company on February 24, 2012.

Keeping in view the rich experience of Mr. Sarvjit Singh Dhillon, the Board considers that his appointment as a Director and Managing Director would be in the best interest of the Company and therefore recommends the resolutions as set out in item no. 5 and 6 of the notice for your approval.

Except Mr. Sarvjit Singh Dhillon, no other director is, in any way, concerned or interested in the resolution.

Regd. Office:

Airtel Centre, Plot No. 16,
Udyog Vihar, Phase – IV,
Gurgaon, Haryana – 122 001, India.
Date: May 01, 2012

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

Rajendra Chopra
Company Secretary

DIRECTORS' REPORT

To the Members,

The directors have pleasure in presenting the twenty-seventh annual report on the business and operations of the Company together with audited financial statements for the year ended March 31, 2012.

FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

(₹ '000)

Particulars	For the year ended March 31	
	2012	2011
Gross income	1,811,773	1,776,202
Profit/(loss) before finance expenses, depreciation and tax	1,811,026	1,775,277
Profit/(loss) before tax	1,811,025	1,775,277
Less: Tax expenses	20,119	4,803
Profit/(loss) after tax	1,790,906	1,770,474
Add : Profit brought forward from earlier years	3,506,811	1,736,337
Profit/(loss) carried forward to balance sheet	5,297,717	3,506,811

The Company does not carry any direct operational activity and only holds investment in Bharti Airtel Limited and mutual funds. During the year, the Company has received a sum of ₹ 175.14 crores as dividend from such investments, which was utilized towards purchase of equity shares of Bharti Airtel Limited. With this investment, the aggregate holding of the Company in Bharti Airtel Limited has increased from 1,727,739,056 (45.50%) to 1,735,453,890 (45.70%) equity shares of ₹ 5/- each as on March 31, 2012.

DIVIDEND

The Board of directors do not recommend any dividend for the financial year 2011-12.

SHARE CAPITAL

There has been 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 continues to stand at ₹ 217,700,360 divided into 21,770,036 equity shares of ₹ 10/- each.

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.

AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, (Registration Firm 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, has 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-seventh annual general meeting and being eligible, have offered themselves for re-appointment. In addition, Mr. Sarvjit Singh Dhillon, who was appointed to fill the casual vacancy caused due to resignation of Mr. Manik Jhangiani is also required to be appointed as director not liable to retire by rotation and as managing director. The Company has received requisite notice under section 257 of the Companies Act, 1956, from a shareholder proposing the appointment of Mr. Sarvjit Singh Dhillon as director not liable to retire by rotation.

The above directors 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. Keeping in view their rich experience, the Board recommends above mentioned re-appointments / appointments.

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 the following directors of the Company:

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

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

STATUTORY STATEMENTS

The Company does not carry on any manufacturing activity and accordingly the provisions to furnish information as per section 217(1)(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